HOUSE OF COMMONS DEBATES

OFFICIAL REPORT

SECOND SESSION—THIRTY-THIRD PARLIAMENT

36 Elizabeth II

VOLUME IV, 1987

COMPRISING THE PERIOD FROM THE ELEVENTH DAY OF MARCH, 1987
TO THE TWENTY-SEVENTH DAY OF APRIL, 1987

INDEX ISSUED IN A SEPARATE VOLUME

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

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

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BIBLIOTHÈQUE DU PARLEMENT

HOUSE OF COMMONS

Wednesday, March 11, 1987

The House met at 2 p.m.

Prayers

STATEMENTS PURSUANT TO S. O. 21

[*Translation*]

FEDERAL-PROVINCIAL RELATIONS

QUEBEC—GOVERNMENT POSITION

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, we have heard about the answer given the Quebec Minister of Finance by the Minister of Finance (Mr. Wilson), an answer which all Quebec residents can only describe as being quite insulting and arrogant. Referring to the attitude of Canada's Minister of Finance, this is the third negative answer of the Conservative Government to Quebecers. As we recall, the Minister of Cultural Communities sought financial assistance to cope with the ever increasing number of refugees coming into Quebec, but the answer of the Minister of Employment and Immigration (Mr. Bouchard) was a flat no. Then Environment Minister Cliff Lincoln asked the Minister of Environment (Mr. McMillan) for financial support to clean up the St. Lawrence River, and again the answer was no. Once more this Government's answer to all Quebecers was no.

Mr. Speaker, I am convinced that henceforth Quebecers will say no to all Conservative Members just to get rid of them.

* * *

[*English*]

TOURISM

RECORD NUMBER OF INTERNATIONAL VISITORS

Mr. Allan Pietz (Welland): Mr. Speaker, the Niagara Peninsula has experienced its best tourism year in 15 years. Year end travel figures released by Statistics Canada reveal that the number of international visitors to Canada was up by 18 per cent over 1985, the highest level since 1972.

Long-term visits to Canada by Americans rose to 14.1 million, representing an increase of 17 per cent, and overseas visitors to 2.1 million, representing an increase of 25 per cent. Expo 86 was a big draw, but it was not the only attraction. Visitors to Ontario increased by over 5 per cent from 1985 and that includes increases in the number of winter tourists as well.

• (1405)

A major factor in this increase was Tourism Canada's awarding winning advertising campaign "Canada: The World Next Door". The same theme will be used this year. All of us in Niagara look forward to another record-setting tourism year in 1987.

* * *

IMMIGRATION

DECREASE IN NUMBER OF IMMIGRANTS

Mr. Dan Heap (Spadina): Mr. Speaker, we need a new deal on family re-unification in immigration. Although in 1986 immigration increased to nearly 99,000 it still fell more than 6,000 below the minimum level of 105,000 set for that year by the Minister which, in turn, is far below the level needed to keep our population from shrinking. We need 150,000 to 200,000.

The Government has failed to achieve the level of immigration it recognizes as necessary to maintain Canada's population and economic potential. This failure is mainly due to neglect of family reunification. In family class, immigration fell 3,390 short of the Government's proposed level. In assisted relative class, it fell almost 21,000 short, even 2,364 below 1984.

The Government failed to clear up red tape delays in overseas visa offices and the Government also brought in a new restrictive point system that discourages the majority of prospective applicants.

I call on the Government to open its promised conversations with Canadian immigrant groups about a new deal on family reunification.

S. O. 21

[*Translation*]

CANADIAN BROADCASTING CORPORATION

PRESIDENT'S REPORTED DECISION NOT TO PROVIDE TELEVISED NEWSCASTS TO SAGUENAY-LAC-SAINT-JEAN AREA POPULATION

Mr. Jean-Pierre Blackburn (Jonquière): Mr. Speaker, today an entire region was disappointed by the news that the President of the CBC, Mr. Pierre Juneau, has decided that the people of Saguenay—Lac-Saint-Jean will not get a televised news bulletin. Once more, the President of the CBC is hiding behind the facile excuse of budgetary cutbacks. I get the impression that the President of the CBC is taking these people hostage. Giving the region a televised news bulletin does not sound like a frill, when we have yet to receive full services.

Mr. Speaker, through you, I want to say this to Mr. Juneau: As the President of the CBC, you will get no glory if all you do is manage to maintain existing services according to what your budget allows. You will be remembered for the extra service provided where justified. What has to be done is already clear from the Caplan-Sauvageau report on our region.

* * *

[*English*]

AGRICULTURE

GRAIN FARMERS—CALL FOR GUARANTEED FINANCIAL RETURN

Mr. Maurice Foster (Algoma): Mr. Speaker, last month in the Budget we found out that the Government was going to make no commitment of funds for the new crop year for grain farmers. Last week we learned that grain prices this year will be 20 per cent below last year, well below the lowest price in real terms in the 1930s. Tens of thousands of farmers will not be able to get credit to plant their crops this year. Others will lose their farms.

I call on the Government to make a commitment now that farmers will get at least as much financial returns this year from their crops as they did last year.

In the same Budget there was no commitment for farmers facing a farm debt crisis, many of whom will lose their farms this year when the moratorium on farm credit loans is lifted. I call on the Government before the Government lifts that moratorium on farm credit loans to bring in a new program of assistance to farmers facing a desperate loss of land.

ABORTION

TRIBUTE TO SASKATCHEWAN PRO-LIFE ASSOCIATION

Mr. Bill Gottselig (Moose Jaw): Mr. Speaker, I was very pleased last week to meet with representatives of the Saskatchewan Pro-Life Association who travelled to Ottawa to present a brief to Saskatchewan Members. These people are very concerned about the millions of dollars in federal government grants being given to support organizations that require their members to hold a pro-abortion point of view in order to gain membership.

As we have heard in this House many times over the last few months, federal grant money does not seem to be available to organizations that hold a pro-life point of view. The Saskatchewan Pro-Life Association is a provincial organization representing the pro-life groups of Saskatchewan. I am pleased to report on the success of their education programs dealing with fetal development, the truth about abortion and the prevention-based sex education program, "Teen Aid". The abortion rate in Saskatchewan has dropped steadily over the last several years due in large measure to the excellent work being done by Saskatchewan pro-life groups. I commend them, Mr. Speaker, and urge them to keep up the good work.

* * *

• (1410)

VISIBLE MINORITIES

INTERNMENT OF JAPANESE CANADIANS DURING WORLD WAR II

Mr. Ernie Epp (Thunder Bay—Nipigon): Mr. Speaker, the matter of a proper redress for the dispossession and relocation Japanese Canadians suffered during the 1940s continues to await action by the Government. The present Minister responsible for multiculturalism has consulted with the National Association of Japanese Canadians as well as with others regarding redress. He has indicated that he intends to seek cabinet approval for a redress proposal, but he has not declared that the process he seeks is based on negotiation with the National Association of Japanese Canadians.

An honourable redress, one that will be acceptable to the Canadian people, is one that is negotiated with the national representatives of Japanese Canadian communities. It is one that encompasses the principle of individual compensation for losses of property and income. I call on the Minister responsible for multiculturalism to ensure that the redress process incorporates these principles. Canadians of many communities are watching anxiously to see how the Government removes this long-standing blot on our human rights record.

[*Translation*]

PUBLIC WORKS

MIRABEL EXPROPRIATIONS—GOVERNMENT POSITION

Mrs. Lise Bourgault (Argenteuil—Papineau): Mr. Speaker, this morning I received a telegram from the people who were expropriated at Mirabel, and the Canadian Press reports that Ottawa will be reviewing their case.

Mr. Speaker, since the visit by Government officials to Sainte-Scholastique may have caused some confusion owing of the kind of questions they asked and their attitude to the memorandum signed by the former Minister of Public Works and representatives of those who were expropriated, today, I would like to give my constituents the assurance that I will never agree to any changes in the memorandum of agreement unless they are made to upgrade conditions for farm support.

The expropriated people at Mirabel and those who are tenants on their own land have suffered and are still suffering as a result of the absurd expropriation program implemented by the Liberals at the time. I was quite shocked today when I noticed some criticism of the settlement negotiated by our Government, which has contributed to the prosperity of Mirabel.

Finally, my constituents can rest assured that I will keep a close watch on this matter. In fact, I already have the unconditional support of all Members of the Conservative caucus from Quebec.

* * *

[*English*]

ABORIGINAL RIGHTS

INCLUSION OF SELF-GOVERNMENT IN CONSTITUTION

Mr. Keith Penner (Cochrane—Superior): Mr. Speaker, Canada today is positioned to lead the world in the affirmation and accommodation of the rights of aboriginal people. Canada can take this lead later this month by recognizing and defining within our Constitution the inherent right of this country's aboriginal peoples to self-government. Around the world the rights and claims of indigenous people are receiving increased attention and support. The questions are profound, the problems complex, but here in Canada the means of resolving these issues are ready at hand.

The rights of Canada's aboriginal people are rooted in history, a history that predates the arrival of European explorers and settlers by many thousands of years. Fundamental among those rights is that of self-government, a right which was never relinquished or extinguished. By recognizing this right and by providing for its effective implementation, we will not be locking aboriginal people into the past, we will be ending a system which excludes them from the present and the future.

[*Translation*]

LIBERAL PARTY

CRUISE MISSILE TESTS—PARTY POSITION

Mr. Gabriel Fontaine (Lévis): Last Monday, Mr. Speaker, we witnessed dissension among the Liberals concerning the cruise missile tests.

The Members for Notre-Dame-de-Grâce—Lachine East (Mr. Allmand), Davenport (Mr. Caccia), Winnipeg—Fort Garry (Mr. Axworthy), and York South (Mr. Nunziata) rose to vote against their leader and endorsed the motion of the socialists.

Picture the Hon. Member for Notre-Dame-de-Grâce—Lachine East now associating with the socialists: a hazardous approach to collaboration with the Soviet Union.

As to the complete about-face of the Hon. Member for Saint-Henri—Westmount (Mr. Johnston) in this House last Friday, it attests to the kind of stuff he is made of. As well, the silence of the Hon. Member for Sudbury (Mr. Frith)—former Liberal caucus chairman—in this House Friday reflects the weakness of their Party. Will the Leader of the Liberal Party clarify the position of the rebellious members of his caucus? Will the time ever come when the leader will say something, when he will have something to say?

Lastly, Mr. Speaker, was the Liberal Party's internal conflict so deep and so emotional that the leader was absent for the vote?

* * *

[*English*]

YOUTH

PUBLICATION LISTING PROGRAMS

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, for those who have been waiting for the Government's long-promised policy on youth, we now have their answer: the *Hot 100*. It is a seductively coloured booklet described as a quick guide to what the feds are doing for youth. Its function is to make the Minister of State for Youth (Mr. Charest) look good and, my God, he does, in a full-page glossy photograph right on the first page. Go beyond that distraction and there are indeed some good programs listed and tips given which will be useful. Unfortunately, there is a lot that is not.

• (1415)

Curiously, the book includes programs which are not run by government at all, such as the Canadian Federation of Students Work and Travel program. The Missing Children Program, OHIP, Canadian Assistance Program, and Community Futures, surprisingly and creatively, turn out to be things the Government is doing for youth. Not too surprisingly, as

CBC's Ian Parker found out when he called some of the telephone numbers listed, because of under-funding some of the programs appear not to exist at all.

At a cost of $370,000 this most ambitious effort by the Minister is doubtless eligible for the MOGA prize which is also listed in the book. That is the prize for the Most Outrageous Group Activity.

* * *

THE DISABLED AND THE HANDICAPPED

RICK HANSEN'S MAN IN MOTION TOUR—ALBERTA RESEARCH CONTRIBUTIONS

Mr. William G. Lesick (Edmonton East): Mr. Speaker, last week in Edmonton I was proud to have had the opportunity to meet again with Rick Hansen during his Man in Motion tour. This courageous young man has travelled through 33 countries and raised more than $7 million towards his goal of $10 million. It is a tribute to Edmonton and the Province of Alberta which have played a vital role in achieving his goal.

The people of Edmonton have raised more than $500,000 and the amount is growing. In total Albertans have raised almost $2 million and the final figure will be matched by the Alberta Government for a grand total of $4 million. The money raised by Rick Hansen will go towards spinal cord research and the assistance of disabled people. The matching funds from the Government of Alberta will be used for spinal cord research within the province. I commend the strength and tenacity of this young Canadian, and wish him the best as he moves towards the successful completion of his journey.

* * *

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LOW LEVEL OF ROYALTIES PAID TO COMPOSERS

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, every Member of this House received a gift copy of a gold record of Canada's centennial song—

Some Hon. Members: Order!

Mr. Speaker: The Hon. Member for Mount Royal.

Mrs. Finestone: —sent to them by the Canadian Music Publishers Association.

Some Hon. Members: Order!

Mr. Speaker: The Hon. Member knows that things cannot be displayed in support of a statement. I ask the Hon. Member to make the statement and not make any display.

Mrs. Finestone: The Minister of Transport did it with his flyer the other day.

Some Hon. Members: Oh, oh!

Mr. Marchi: I know what he should do with it.

Mrs. Finestone: Besides showing it to everyone in this House.

As I was saying before I was so rudely interrupted by the partisan Members across the floor, everyone received a copy of this Canadian record which gives us a sense of pride. Little did they know that if they had been the author of that record they would not have received more than one cent for each one sold. That is because we have very poorly conceived copyright legislation in place. I would like to recognize in the gallery today representatives of various industries—

Some Hon. Members: Order!

Mrs. Finestone: —who are internationally known. I recognize Randy Bachman, Burton Cummings—a household name to most Canadians—Jim Valance—

Some Hon. Members: Order!

Mr. Speaker: The Hon. Member has brought some excellent Canadians and their work to the House's attention but I regret to advise her that her time has expired.

ORAL QUESTION PERIOD

[*Translation*]

FEDERAL-PROVINCIAL RELATIONS

FREE TRADE NEGOTIATIONS—PRIME MINISTER'S PROPOSALS TO PREMIERS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, in the absence of the Prime Minister, I direct this question to the Deputy Prime Minister.

Canadians want to know what is on the negotiation table in the free trade discussions with the United States. They also want to know what will be on the table this evening when the Prime Minister meets with his provincial colleagues—and I am not referring to roast beef. I want to know from the Deputy Prime Minister what proposals the Prime Minister will be making to the provincial Premiers this evening. Can he give us some details?

• (1420)

[*English*]

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, this is a regular meeting of the Prime Minister and the Premiers. They will be reviewing the new areas of investment, intellectual property, and services. They will probably be discussing trade irritants and they will be working toward the

completion of the negotiations for a comprehensive free trade agreement between us and the United States.

* * *

TRADE

CANADA-UNITED STATES NEGOTIATIONS—APPROVAL OF AGREEMENT PROCESS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I will pose another question to the Deputy Prime Minister. The Government uses its own trade negotiators to leak information on a selective basis. It is also mounting a massive glitzy publicity campaign costing taxpayers $12 million to sell whatever it is the Prime Minister is trying to sell to the country.

Instead of wasting millions and millions of dollars, will the Prime Minister not tell us what the Canadian Government has already given away in its negotiations with the United States, and what type of approval process it has in mind with respect to the provinces?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I am surprised at the Right Hon. Member's question. I think he is aware and would agree that this is a very important issue upon which we place a great deal of importance, as do the Premiers of the provinces. The level of consultation and the co-operation which existed with the provinces during the course of discussions on the comprehensive trade arrangement with the United States are really unprecedented in Canadian history. He should recognize that. Nothing has been given away.

If the Member is interested in more of the details, he will certainly have an opportunity to hear them in full scale when we debate this issue next Monday. We will certainly be interested in the position of his Party and in how many positions it has.

Mr. Turner (Vancouver Quadra): Mr. Speaker, all this Parliament has gotten from the Prime Minister in a year and a half of these negotiations is a 15-minute speech on generalities.

Some Hon. Members: That's right!

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): Parliament is always the last to know what is happening in the free trade negotiations.

Some Hon. Members: Hear, hear!

Mr. Foster: Shame.

PRIME MINISTER'S DISCUSSIONS WITH PREMIERS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, if the Prime Minister is going to be frank with the provincial Premiers this evening, will the Deputy Prime Minister give an undertaking that he will tell us what propositions he is making to the provincial Premiers? Will the Prime Minister be stating clearly in the House of Commons what is on the table, what is not on the table, and what the approval process is? Will the Deputy Prime Minister give us the undertaking that the Prime Minister will be here to face the House?

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, the Deputy Prime Minister has already pointed out that these matters will be fully debated on Monday. We are all waiting to find out which of the many positions of the Liberal Party will actually be presented, and whether the Leader of the Official Opposition will even take part.

* * *

[*Translation*]

THE CONSTITUTION

REQUEST FOR EXPLANATION OF GOVERNMENT'S POSITION ON CONSTITUTIONAL QUESTION

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, I would like to stay on the subject of federal-provincial relations, and in the absence of the Prime Minister, perhaps the Deputy Prime Minister could answer my question.

During the past fifteen months, the Government of Quebec initiated a number of meetings with the provinces to discuss the constitutional question and approval by Quebec of the Constitution Act, 1982.

At the last meeting held here in Ottawa, attended by senior officials, representatives of the federal government were also present. I therefore would like to ask the Deputy Prime Minister to inform the House and Canadians what the federal Government's position was, as expressed by its officials, at this meeting.

• (1425)

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, of course those discussions are continuing. With respect to the Government, the Hon. Leader of the Senate is leading these discussions, and those negotiations will continue. I am not sure whether the Hon. Member is trying to drag the constitutional position of the Quebec Government into the trade debate, but it is quite clear that the Prime Minister spoke very succinctly when he said on February 17 that on matters of international treaties and negotiations of this nature, the Government of Canada and the Parliament of Canada will speak on matters of such a nature which fall within federal jurisdiction.

[*Translation*]

GOVERNMENT POSITION

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, my question was not loaded. It was quite straightforward, and isn't the Government always forcing the Opposition to take a stand on various issues? It is now two and a half years since this Government came to power, and we have yet to receive any information on the Conservative Government's position on the issue of Quebec and the Constitution. When is it going to make its position clear?

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, as I indicated, unlike the previous Government which acted unilaterally on these kinds of issues, these discussions are continuing. When a decision is taken on this, hopefully it will find favour with the Government of the Province of Quebec. And it will be announced in the appropriate manner.

* * *

ABORIGINAL RIGHTS

DISCUSSIONS AT FIRST MINISTERS' CONFERENCE

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, given the paramount importance to the aboriginal people of Canada of the recognition of their inherent right to self-government, and the difficulties that the Minister of Justice knows have been encountered in the preliminary talks, will the Minister of Justice advise the House if the Prime Minister will take the opportunity of his meeting with the Premiers tonight to impress upon them the importance to aboriginal people and all Canadians of reaching agreement at the First Ministers' conference?

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker, I appreciate the Hon. Member's question because I share with him his position on the importance of having an agreement between the aboriginal peoples, the provinces, and the federal Government at the First Ministers' meeting to be held at the end of this month. I believe it is fair to say that the federal Government has taken leadership in trying to arrive at an agreement to recognize the right to self-government of the native peoples of our country and articulate that on the basis of negotiated agreements. Recent public opinion polls have indicated that the vast majority of Canadians want a system by which these self-government arrangements are negotiated. That is a position shared by the aboriginal people of Canada.

GOVERNMENT POSITION

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, my supplementary question is directed to the Minister of Justice. Does the federal Government accept, and will it indeed promote and endorse the concept that the right to self-government of aboriginal peoples is not something that is just dependent on the consent and agreement of the federal and provincial Governments, but derives from their status under the treaties that their forefathers made?

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker, the purpose of the First Ministers' meetings and the preliminary meetings that have taken place until now is to define aboriginal rights in the Constitution. We are dealing in a constitutional context. The Hon. Member will understand that it is absolutely essential in this process that we have the federal Government and seven provinces representing 50 per cent of the population to attain constitutional change.

Mr. Riis: What is your position?

Mr. Hnatyshyn: We have articulated our position over and over again. We have given leadership. As a matter of fact, a very distinguished journalist, Mr. Peter Trueman, stated recently: "Few Canadian Prime Ministers have so strongly supported aboriginal rights or worked so hard for them". Our Government's record is clear.

GOVERNMENT ACTIONS

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, the Minister of Justice is very long on generalities, and I agree with them, but is very short on specifics. What exactly is the Government doing besides letting Ministers say that it will be too expensive?

• (1430)

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker, I think that is a very unfair statement on the part of the Hon. Member. There is no question that we have put in countless hours. We have had bilateral meetings. The Prime Minister has met bilaterally. We have had an opportunity to meet with our provincial counterparts. We have had officials' meetings going on and on. We have been tireless in our desire to give the leadership which will result in an amendment to our Constitution. That is something for which I hope I will have the support of the Hon. Member and his Party and, indeed, of all Members of the House of Commons.

ROLE OF FEDERAL GOVERNMENT

Mr. Keith Penner (Cochrane—Superior): Mr. Speaker, my question is directed to the Minister of Justice on the same subject. Mr. George Erasmus, National Chief of the Assembly of First Nations, has charged, regarding plans for the forthcoming First Ministers' conference, that the federal Government is not playing a leadership role. He said: "In former years, the federal Government was a major ally of the native people. Now we have some of the provinces taking a lead". Can the Minister of Justice explain to the House, and to the country, why he and his Government are being so wishy-washy

on their obligations under the Constitution towards aboriginal people? Why has he created a leadership vacuum on this issue of aboriginal rights so that the Province of Nova Scotia has had to come in and vainly try to fill the void?

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker, I do not think I have to apologize for the position taken by this Government and by the Prime Minister. I repeat, the observations made by Mr. Trueman I think are shared by any independent or impartial observer of the political scene in Canada. The fact is that if the Hon. Member and his Party had all the answers, I do not understand why we have not already had this great constitutional amendment. They had lots of time to make a constitutional amendment and they did nothing. It was only through the efforts of this Government and this Prime Minister that strides forward have been made, and we are going to work as hard as possible in order to make sure that agreement comes about.

SUPREMACY OF CONSTITUTIONAL RIGHTS

Mr. Keith Penner (Cochrane—Superior): Mr. Speaker, I would like to ask the Minister of Justice if he does not honestly think that constitutional rights can never be contingent upon agreements which are signed with Governments? Does he not believe that constitutional rights, including aboriginal rights, must stand on their own and can never be compromised? Does he not accept that?

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker, the reality is that constitutional rights which stand on their own have to be defined in some way. The Hon. Member will understand that. Is it the position of the Liberal Party that the courts should determine the extent and nature of self-government? Or does he share the view put forward by all the aboriginal representatives, indeed, by all provinces, that the method of determining aboriginal self-government rights should be by political negotiation? I think the Hon. Member, if he considers and reflects on this, will decide that this advice is the best advice to take, and that is what I am taking.

BRITISH COLUMBIA LAWSUITS

Mr. Jim Fulton (Skeena): Mr. Speaker, my question is also directed to the Minister of Justice. The Supreme Court of Canada split three-three on the landmark Nisga'a-Calder case 15 years ago. Now the British Columbia courts are addressing the Gitksan-Wet'suwet'en case. The Federal Court is addressing the Kaska-Dene case, the Sparrow case, Haida sovereignty on Lyell Island, Meares Island, and the list goes on.

Negotiation has been replaced by lawsuits. Is that the route that the Minister and his Government wish to pursue in affirming aboriginal title in British Columbia? If it is not, why are there no active negotiations between the federal Government and the aboriginal people in British Columbia at this time?

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker, I know the Hon. Member has been following this particular matter very closely. He will know that this litigation originally took place between the Indian peoples to whom he referred and the Province of British Columbia. We were only brought into the litigation by an application on the part of the Province of British Columbia. Accordingly, we were not any part of initiating or being a party to that litigation. We are now in that litigation. The matter is before the courts, Mr. Speaker, and you will have to determine whether or not it is appropriate for us to comment on it. However, I think the Hon. Member has indicated already, as far as I know, that he thinks the position being taken in that litigation by the federal Government is a reasonable position to take.

MINISTER'S POSITION

Mr. Jim Fulton (Skeena): Mr. Speaker, my supplementary question is directed to the Minister of Indian Affairs and Northern Development. Would the Minister, on behalf of the Government, state unequivocally whether it recognizes and affirms, and intends to affirm, aboriginal title in British Columbia, the Yukon and the Northwest Territories?

Hon. Bill McKnight (Minister of Indian Affairs and Northern Development): Mr. Speaker, the Hon. Member asks an important question. However, when he refers to those jurisdictions, the ability of the federal Government to act unilaterally is now placed in jeopardy when we cannot enter into negotiations. We can only affirm where we can negotiate. If we cannot negotiate, as my colleague, the Minister of Justice has put forward, then we are in court. That is not where this Government would like to be, but that is where we are. We hope to be able to negotiate and come to conclusions where we are not forced into having courts make decisions which should be made by negotiation.

* * *

[*Translation*]

IMMIGRATION

REQUEST THAT THREE CHILEANS BE ADMITTED TO CANADA

Mrs. Lise Bougault (Argenteuil—Papineau): Mr. Speaker, I have a question for the Minister of Employment and Immigration. Although the hunger strike started by the Chileans in Montreal is rather drastic and the Government should not act as a result of such action, the case of three Chilean women, one of whom is seven and a half months pregnant, who are being held in Buenos Aires is something I find particularly distressing. Could the Minister give some special consideration to the case of these three women and take steps to have them join their husbands in Canada before the pregnancy precludes flying for one of these women?

Hon. Benoît Bouchard (Minister of Employment and Immigration): I have said many times that a Government cannot afford to give in to demonstrations and occurrences of the kind that are being used in Montreal to challenge Government decisions, otherwise it may be faced with this type of situation on a regular basis. However, we have given a great deal of thought to the issue raised by the Hon. Member for Argenteuil—Papineau, and I think that Canada has a tradition of considering that in cases like these, the family as well as the individual aspect should be examined. The Hon. Member's point is well taken, and I intend to ask my officials at the Department of Employment and Immigration to issue immediately permits allowing these three women who are—

Some Hon. Members: Hear, hear!

Mr. Bouchard: Mr. Speaker, this is very important, the entry of the three women whose husbands are in Montreal. This does not in any way prejudge a decision on whether or not they have refugee status. This is merely to reunite the family, the father and mother and there are a few children involved as well. Once again, the decision on whether or not they have refugee status will be made in accordance with other criteria. We are, however, allowing them to come to Canada right away.

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CANADA POST CORPORATION

ALLEGED PLAN TO CLOSE RURAL POST OFFICES—MINISTER'S POSITION

Mr. Alfonso Gagliano (Saint-Léonard—Anjou): Mr. Speaker, my question is directed to the Minister in charge of Canada Post. The Minister, appearing before the Committee on Government Operations, stated that Canada Post had no plan for nor any list of rural post office shutdowns. But, yesterday afternoon, Mr. Jack Van Dusen, spokesman for Canada Post admitted that the Foothills, Alberta, plan to shut down 200 post offices across Canada this year is exactly that. Who speaks the truth, the Minister or Mr. Jack Van Dusen?

[*English*]

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, what I said in committee yesterday stands, that in fact there is no list of 200 or 20 or 2,000 post offices which are scheduled for closing. What I said in a letter to all Members of Parliament, which the Hon. Member should read, is that when a postmaster quits, retires or wants to leave, or we lose the lease on the post office, and so on, it will be examined to see whether, in view of changing demographics and circumstances, that type of service continues to be appropriate. Over the next five years we will be increasing the number of outlets by 6,000, not decreasing them.

QUERY CONCERNING ALLEGED LIST

Mr. Alfonso Gagliano (Saint-Léonard—Anjou): Mr. Speaker, if there is no list, as the Minister says, how can he give 90 days' notice to consult Canadians? Why does the Minister not tell Canada Post to make the list public so that Canadians can have the necessary time to consult and to decide whether or not they want the post office the way it is now or a new post office which would be just a stand at which stamps are sold, something which is now being offered to them? Will the Minister come clean with Canadians?

• (1440)

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, I am rapidly reaching the conclusion that the only way I can stop the repetition of these questions is to fabricate an imaginary list and give it to the Hon. Member so that he can run around the country scaring people. There is no list. I am sorry, there is no list.

* * *

TRADE

CANADA-UNITED STATES NEGOTIATIONS—INVESTMENT ISSUE

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, under the circumstances my question is for the Deputy Prime Minister. The Minister for International Trade has said today that the Prime Minister wished to discuss investment as an issue in the free trade talks with the Premiers, even though Simon Reisman has no mandate to negotiate this matter. Will the Minister confirm that this is because the United States has asked for greater freedom for its investors as yet one more concession in the free trade talks?

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, I can confirm that we have made no such concession to the United States. The Hon. Member is correct when he says that the Cabinet has not given the negotiators any mandate in this area beyond, of course, trade-related investment, which is what was specified in the original proposals between the Prime Minister and the President. The purpose of tonight's discussion is simply to hear the views of the Premiers on this matter because no mandate has been struck by Cabinet for the negotiators. The whole process of consultation with the Premiers, the private sector, and the provinces is an exercise in collecting and listening to all of the groups, all of the players and all of the people of Canada who have an interest in the free trade discussions.

Mr. Langdon: Frankly, one wonders. Why collect views if the subject is not on the bargaining table?

ROLE OF PROVINCES

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, I would like to ask the Minister a supplementary question on a

second and somewhat related area. Will the Minister herself guarantee on this question of provincial participation in the trade talks that there will be no agreement signed with the United States without clear provincial approval in the key areas which might affect them?

Mr. Andre: Robert Fulford is right.

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, I am having trouble following the Hon. Member's point.

An Hon. Member: Who wouldn't?

Miss Carney: I again refer to the fact that this has been the most extensive consultation ever undertaken by any Government on a national issue. There have been 12 meetings of provincial officials alone, in addition to the First Ministers' meeting. There have been meetings of Trade Ministers. There has been discussion and identification of issues for more than a year now. I am surprised that the Hon. Member does not seem to be aware of this. We have 15 sectoral groups which are meeting constantly with us and with officials in the TNO. Ministers and I will be meeting with SAGITs this week—and I meet with them regularly.

So at the end of the day we will have to find out what is going to be in an over-all agreement before we can identify whether it is federal or provincial jurisdiction which applies. I point out to the Hon. Member that the negotiation of international treaties is a federal responsibility.

* * *

CANADA POST CORPORATION

FUTURE OF RURAL POST OFFICE

Mr. George Baker (Gander—Twillingate): Mr. Speaker, the Minister responsible for Canada Post said yesterday before a standing committee:

> This year 20,000 Canadians will have heart attacks. It would save the rest of us a lot of anxiety if we had a list of those people.

Does the Minister not realize that Canadians do not expect him to list 20,000 Canadians who will be suffering from heart attacks? What millions of rural Canadians want to know, in order to relieve their anxiety, is will the Minister now stand in his place and say that no rural post office in any community will close without the permission of the people in that community?

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, if one tempers some of the extreme language, in essence that is what I said. I can no more predict when there will be a circumstance in which the postmaster will quit, retire, resign, or a building will burn down than I can predict who those 20,000 Canadians are who will have heart attacks this year. In those circumstances we will look at the situation and, if appropriate, there may be a change in the postal service. But it will be with the consultation of the Member of Parliament and the people affected. It will have to be a change that is reasonable to reasonable people.

RETAIL SERVICES

Mr. George Baker (Gander—Twillingate): Mr. Speaker, in his letter to MPs, the Minister said that Canada Post plans to place the majority of its retail services in rural areas in the hands of the private sector. Yesterday, before the committee he said:

> McDonald's Restaurants are able to predict how many hamburgers Canadians will eat and where its customers are likely to live over the next five years, the period covered by the latest Canada Post plan.

I ask the Minister what in heaven's name has McDonald's Restaurants to do with Canada Post? Are we to expect that under the present Government rural post offices will operate out of McDonald's Restaurants soon? Rural Canadians do not want their post offices changed; they want them to stay where they are. Is the Minister suffering from a serious "Mac attack"?

Some Hon. Members: Hear, hear!

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, I am always delighted to receive a question from the Ronald McDonald of the Liberal Party.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Andre: Mr. Speaker, indeed, the plan is to look at privatization because we feel the public would get better service, for example, if there were post office outlets in retail outlets that operate for 12 hours a day as opposed to a post office that operates from 9 a.m. to 5 p.m. We think there is an opportunity for giving better service to the public by privatizing which, incidentally, will save some money. Perhaps we may be able to save enough to buy one of those Muppet Babies from McDonald's for the Hon. Member. Gonzo might be appropriate.

* * *

[*Translation*]

THE JUDICIARY

REQUEST THAT QUEBEC BE CONSULTED BEFORE QUEBEC JUDGE APPOINTED TO SUPREME COURT OF CANADA

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, my question is directed to the Minister of Justice, in the absence of the Prime Minister.

Recently, the Quebec Minister responsible for Intergovernment Affairs, Gil Rémillard, asked that the Prime Minister

consult with the Province of Quebec before appointing a justice from Quebec to the Supreme Court of Canada.

Can the Minister ensure Quebecers that the Quebec Government will be consulted before that important appointment is made?

[*English*]

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker, I appreciate the Hon. Member's question. There are two elements involved here. One is the discussion that is going on with my colleague, the Minister of State for Federal-Provincial Relations, and Mr. Remillard, on the constitutional question and the whole range of options being put forward in that discussion which will involve consultation with all provincial Governments as well.

The other question now is with respect to the appointment of a new Justice for the Supreme Court of Canada under the present regime. The Hon. Member might be interested in knowing that I have already had one chat with my provincial counterpart, Mr. Marx, in this regard. However, we will not be making a constitutional change on the basis of precedent with respect to this particular appointment, if that is what the Hon. Member is asking.

• (1450)

Mr. Robinson: Mr. Speaker, we hope that it is not the same kind of chat which the Minister had with the Attorney General of Manitoba before appointing Sterling Lyon.

Some Hon. Members: Oh, oh!

Mr. Andre: Why don't you slander out there so that somebody—

An Hon. Member: Harvie, be nice.

Mr. Speaker: The Hon. Member for Burnaby.

[*Translation*]

REQUEST THAT SECOND WOMAN BE APPOINTED TO SUPREME COURT OF CANADA

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, my question is directed to the Minister of Justice. Since the Supreme Court of Canada has only one woman member, the very distinguished Justice Bertha Wilson, and since there are many woman lawyers and justices in Quebec who are well qualified to sit on the Supreme Court, will the Minister appoint a second woman to the Supreme Court of Canada?

[*English*]

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker, I do not understand why the New Democratic Party breaches every rule of fairness and principle to attack a member of the judiciary. It is an ongoing thing, and I think it is malicious and absolutely unacceptable. The fact of the matter is that we are considering a wide range of candidates for the Supreme Court of Canada. We are looking at everyone who has the qualification to serve on the highest court in our land. I think it is a matter of some personal pride that, while I have been Minister of Justice, I have been involved in the appointment of a higher percentage of women to the bench, the elevation of women to the bench, of which the Hon. Member is fully aware. I think the role of women in the judiciary—

Mr. Turner (Vancouver Quadra): I would challenge that.

Mr. Hnatyshyn: The Right Hon. Leader of the Opposition should not get involved in this debate. The fact of the matter is that the Government's record in respect of the appointment of women to important judicial and other positions is precedent setting. We intend to improve on our present record.

* * *

COPYRIGHT

ROYALTIES PAID TO SONG WRITERS AND PUBLISHERS

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, very few of us are aware that each time a song is composed and recorded in Canada, our Copyright Act requires the song writer to split a royalty of only two cents per song with the publisher. This is the lowest royalty rate in the world. My question is for the Minister of Communications. Will the Minister introduce a simple Bill abolishing this antiquated and outdated two cent ceiling, so that Canadian song writers and publishers will receive a fair return for their creative talents? It has been two cents for too long.

Hon. Flora MacDonald (Minister of Communications): Mr. Speaker, as the Hon. Member knows, and as I have told her in committee on a number of occasions, the revision of the copyright law will be introduced in the House very shortly. I will look forward to having the support of the Hon. Member and her Party for that revision when it is introduced.

Mrs. Finestone: Mr. Speaker, the Minister knows full well that we have had two reports on this particular article in the Bill and that both of them have recommended the abolishment of Clause 19. In the meantime, while we go through the whole process, we do not have a copyright for song writers in Canada; we have a "copywrong".

[*Translation*]

REQUEST THAT MINISTER INTRODUCE BILL TO ABOLISH COPYRIGHT ACT SECTION ADVERSELY AFFECTING COMPOSERS

Mrs. Sheila Finestone (Mount Royal): My question is also directed to the Minister. Does she have the political will to introduce a Bill that would abolish that section of the Copyright Act that is harmful to music composers? Two cents is a shame!

[*English*]

Hon. Flora MacDonald (Minister of Communications): Mr. Speaker, as most Canadians are aware, the copyright law was written in 1924 and it has not been revised since that time. Since 1984, when this Government was elected to office, we have introduced a discussion paper on copyright. We have listened to presentations from groups and organizations, including song writers, from all across the country. We have listened to the subcommittee's report on copyright. However, what I want to emphasize is that we are taking action, whereas the Liberal Party, for 50 of the years since 1924, did absolutely nothing about revision of the copyright law.

* * *

THE CONSTITUTION

REQUEST FOR INCLUSION OF PROPERTY RIGHTS

Mr. Jim Jepson (London East): Mr. Speaker, my question is directed to the Minister of Justice. As the Minister knows, the former Liberal Government failed to enshrine property rights in the Charter. I raised the same question back in September, 1985. Again I ask the Minister when will he be discussing this very important oversight with his provincial counterparts in an effort to correct this grave injustice?

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker, I think the Hon. Member, having a great and abiding interest in this important topic, will know that the Conservative Party has long supported property rights. Indeed, the late Right Hon. John Diefenbaker's Bill of Rights specifically provides for the right to enjoyment of property. There is in fact a group of Attorneys General working on this particular situation now. It is on the second tranche of constitutional matters which will be discussed after we conclude our discussions in respect of the Quebec matter. We will be pursuing the matter, and I thank the Hon. Member for his continuing interest.

* * *

COPYRIGHT

CONTENT OF PROPOSED AMENDING LEGISLATION

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, my question is for the Minister of Communications. It also deals with the very long-standing injustice to composers over royalties. Will the Minister tell song writers and all other Canadians that in the copyright legislation she will be bringing into the House this long-standing injustice will be remedied? Will she tell them that it will be in that first lot of legislation, given that there is a great deal of anxiety that she will bring in only some technicalities, not important bread and butter issues such as compulsory licensing?

Hon. Flora MacDonald (Minister of Communications): Mr. Speaker, as the Hon. Member knows, in response to the subcommittee report the Government agreed with that recommendation. All I can say to her now and to those who are interested in this point is that the Government will be dealing with that issue when it revises the copyright law.

Ms. McDonald: That is rather sad news, indeed. It is nice to know about the principles, but the Government's response to the copyright report was equivocal.

COMPULSORY LICENSING QUERY

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, I am asking for a very clear answer from the Minister. Will the abolition of compulsory licensing be in the first lot of legislation which she brings in? Will important bread and butter issues, such as exhibition rights, performers' performances, stiffer penalties for pirates, dealing with blank tapes and cassettes, and the need to get more money from those directions, be in that first important lot of copyright legislation?

Hon. Flora MacDonald (Minister of Communications): Mr. Speaker, what I am very impressed by is the interest of the Hon. Member in so many of these issues. We have been trying to further this revision of legislation. I want to ensure that she is as adamant in committee and in the House when the legislation is introduced as she is now. I look forward to the support of her Party.

* * *

HEALTH

AIDS DISEASE ADVERTISEMENTS

Ms. Sheila Copps (Hamilton East): Mr. Speaker, my question is for the Minister of National Health and Welfare. It concerns his lack of leadership on the AIDS advertising issue. Why did the Minister not tell the House yesterday that his Department received a Telex on February 28 which made quite clear that advertisers and private broadcasters had no intention of running those ads? Why did he not seize the opportunity at that time to meet personally with private broadcasters to let them know the importance of getting out a public message on the killer disease, AIDS?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I believe I have shown leadership on this question. I do not accept the charge which the Hon. Member makes. I think it is pretty ridiculous that in January of this year the CPHA put forward ad examples when, for example, we were told that a female actor in an ad could not use exercise clothes but that they must be sweat-suits. If that is the level to which we must come down in terms of this killer disease, if that is lack of leadership, and if the kind of allegation she is throwing around is that I have not looked at it

pretty carefully, I think it is ridiculous, and I hope that the advertisers reconsider.

• (1500)

REQUEST THAT MINISTER MEET BROADCASTERS

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I am not making an allegation, I am making a statement of fact. On February 28 the Department of National Health and Welfare was telexed. If the Minister had chosen at that time, he could have shown leadership and personally set up a meeting with the broadcasters to let them know that they should join the 20th century. Is the Minister prepared today to set up a meeting with the broadcasters to let them know that they should run these ads to let the public know that this deadly disease AIDS has to be fought across the airwaves? We have to get the message out, and we need the Minister's leadership. We do not need his platitudes.

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, the country does not need the Member's allegations or sensationalism. When the CPHA had submitted the ads in January, changes were made in February with respect to some of the problems that the broadcasters, had such as the one I already mentioned, and the visual use of packets of condoms. That was all changed. I believe with respect to those changes we were trying to meet the broadcasters request as much as we could.

I have said to the broadcasters publicly that I hope they will reconsider. Just today at one o'clock, for example, at the International Conference on AIDS in this city the various ads being used in various jurisdictions were being shown. I think as people look at what is happening in other jurisdictions and as they are looking at what our ads are like, a second opinion might prevail and they might show those ads.

* * *

AGRICULTURE

ASSISTANCE FOR GRAIN GROWERS

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, my question is for the Minister of Agriculture. I think all grain farmers appreciate the very difficult task which the Government has in responding to the special needs of the grain industry today. However, I think the Minister has a responsibility to be as clear as is humanly possible—

Mr. Speaker: Order, please. I would ask when the time for Question Period is coming to a close that Hon. Members would pay attention to the clock and make sure that their preambles are short, concise, and their questions are to the point. The Hon. Member.

Some Hon. Members: Hear, hear!

Mr. Hovdebo: In view of the cloudy answer the Minister gave me yesterday, Mr. Speaker, will he indicate clearly that there will, indeed, be special assistance for the grain industry in the next crop year? Even if he does not give the specific details, will there be assistance available?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I must indicate that it was not a cloudy message that I gave the Hon. Member yesterday. It was a very clear message. It was a message that initially 55 farm leaders joined with me last Thursday. The Hon. Member should understand that it would be quite inappropriate for us at this point to give any indication that would influence the farmers' decision to plant the 1987 crop.

I would refer the Hon. Member to words in the Speech from the Throne where it states that the Government will spare no effort. I refer him as well to the language in the Budget which mandated the Canadian Wheat Board Minister and myself to continue meeting farm leaders to work out some type of useful, common sense and effective program to assist Canadian farmers in their time of difficulty.

GOVERNMENT POLICY

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, will the Minister then indicate that there will be money available next crop year which will be at least as much as there was last year since we know the price of grain will go down at least 20 per cent?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I think it is obvious at this point in time that I cannot give that indication. I can indicate that the Government has always placed a high priority on agriculture. I ask the Member to examine the record. Our Government recognizes the difficulty in the grains and oil seed sector and we have signalled every intention to work with the farm leadership of this country to map out some type of a program that will be of assistance in their time of difficulty.

Mr. Speaker: I must advise the House that the time for Question Period has expired.

I think it is appropriate for the Chair to hear the Hon. Member for La Prairie (Mr. Jourdenais) in the continuation of the question of privilege originally brought here a few days ago by the Hon. Member for Nickel Belt (Mr. Rodriguez) and the intervention yesterday of the Hon. President of the Treasury Board (Mr. de Cotret).

I also want to give notice to Members that I have notice of a point of order on behalf of the Hon. Member for Burnaby (Mr. Robinson) and I will hear the Hon. Member when the first matter is completed.

[*Translation*]

PRIVILEGE

INTERVIEW GIVEN TO PRESS BY MR. DE COTRET

Mr. Fernand Jourdenais (La Prairie): Mr. Speaker, I would like to thank you for suspending the debate on the question of privilege raised in this House by my hon. colleague for Nickel Belt (Mr. Rodriguez) on March 9, 1987. I have told you about my own concerns regarding the rights and privileges of Members of this House.

Mr. Speaker, in his capacity as employer of the Public Service of Canada, the President of the Treasury Board objected to the motion passed by the Standing Committee on Labour, Employment and Immigration to swear in the four Unemployment Insurance Commissioners.

It was clear in my own mind and that of my colleagues of the Committee that this resolution was passed because one of the commissioners—not the one who was mentioned by the President of the Treasury Board—accepted with reluctance our invitation to appear before us and requested that the meeting be held *in camera*, which we judged unacceptable under the circumstances.

The Members of this House and of its committees are masters of their own destiny and nothing must hinder their work as Members of Parliament or of a committee, especially when they are only following the rules and procedures of the House and its committees.

Mr. Speaker, I agree completely with what the chairman of the Standing Committee on Labour, Employment and Immigration, the Hon. Member for Calgary West (Mr. Hawkes), said in the House yesterday, as well as with the intervention of the Hon. Member for Nickel Belt the day before.

Mr. Speaker, the servants of the state, technocrats, bureaucrats and senior public servants, who work tirelessly for their country and fellow citizens, deserve our respect and admiration. Most of them do a superhuman job and give priority to the interests of the state and the Government over their own. I can only congratulate them and encourage them to persevere so that my Government can always be reelected. As for those who would be tempted to bring about maliciously the defeat of my Government, I would like them to take note of my vigilance and my determination to stop any such attempt.

The Deputy Minister of Employment and Immigration, Mr. Gaétan Lussier, must not feel that he was the personal target of a general motion to swear in all the Unemployment Insurance Commissioners. Just as the Hon. Members for Calgary West and Nickel Belt, I believe that he has accomplished miracles with the small resources at his disposal. As an Officer of Canada, our youngest senior public servant has served his country extremely well and with ability as well as professionalism.

Point of Order—Mr. Robinson

Mr. Speaker, I am convinced that Mr. Lussier will never dash out of the room of a committee of the House of Commons and that he will remain at the disposal of the democratically elected members of this House to give an account of the most important spending sector in this country, namely unemployment insurance.

Mr. Speaker, the gesture of the President of the Treasury Board to defend his employees is quite laudable. However, the members of the Committee must protect their rights and privileges as parliamentarians and account to the Canadian people for the activities they are asked to monitor.

Mr. Speaker, let us reassert our rights and privileges immediately.

Mr. Speaker: I thank the Hon. Member for Laprairie (Mr. Jourdenais) for his intervention. However, the Chair will have to reserve its decision for now, perhaps until next week.

* * *

[*English*]

POINT OF ORDER

INQUIRY REGARDING WRITTEN ANSWER TO QUESTION ON THE ORDER PAPER

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, I want to raise a brief but important point of order arising from the a written answer to a question on the Order Paper of February 20 last.

Recently it has become apparent that the Prime Minister (Mr. Mulroney) has adopted many of the trappings of the Head of State of Canada. It was with considerable concern that I read the written response of the Prime Minister's own Parliamentary Secretary to a question asked recently in which in his response he referred to the Prime Minister as the Head of State of Canada. I refer to page 3655 of *Hansard*. At that page, in response to a question by the Hon. Member for Montreal—Saint Marie (Mr. Malépart) the Parliamentary Secretary to the Prime Minister (Mr. Gustafson) answers as follows:

> 1. & 2. As Head of State, it is a longstanding practice for a Prime Minister and/or his wife to give hospitality—

● (1510)

While we know the Prime Minister has great delusions of grandeur and has enjoyed the trappings of the Head of State, surely it is appropriate that the Prime Minister's Parliamentary Secretary set the record straight by saying that the Government does not view the Prime Minister as the Head of State of Canada.

Mr. Speaker: I think I should indicate to Hon. Members that although I will hear Hon. Members, it seems to me it would strain the Chair a great deal to establish the entire matter raised by the Hon. Member for Burnaby as a point of

order. Unless someone can persuade me of that pretty quickly, I think that is the end of it.

Mr. Len Gustafson (Parliamentary Secretary to Prime Minister): Mr. Speaker, the Hon. Member for Burnaby (Mr. Robinson) knows that the wording of the answer to Question No. 54 was correct in one official language and wrong in the other official language. We took steps to have it corrected in *Hansard*. Our House Leader dealt with the House Leader on the other side to have it corrected and the Hon. Member for Burnaby is just up to mischief.

Mr. Speaker: The Chair has indicated that this does not seem to be a point of order at all, but I will hear the Hon. Parliamentary Secretary.

Mr. Doug Lewis (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, this matter was brought to our attention. I entered into discussions with the House Leader of the New Democratic Party and the House Leader of the Liberal Party. I pointed out that it was in error in English but correct in French. I then wrote the following letter to *Hansard*:

> The English translation of the answer to question No. 54 as provided by Mr. Len Gustafson, Parliamentary Secretary to the Prime Minister, contains an error. It now reads "As the Head of State" whereas it should read "As Head of Government".
>
> I have discussed this correction with Mr. Herb Gray, House Leader of the Official Opposition and Mr. Nelson Riis, House Leader of the New Democratic Party, and they are agreeable to the change being made in the final version of *Hansard*.
>
> Thank you for your co-operation in this matter.

I do not know what more we can do when an honest error has been made but correct it after discussions with our colleagues. To have this kind of nonsense come along a lot later is an abuse of the House.

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, a long explanation is being made here. I must say that on February 20 when we received *Hansard*, a number of Members brought to our attention that there had obviously been an interesting slip made. A number of Members asked if it was proper to refer to the Prime Minister (Mr. Mulroney) as Head of State. Indeed, it did cause us some concern.

A number of days later, probably two weeks later, the Parliamentary Secretary came to me and asked if, for the official version of *Hansard* which takes effect a number of days after the fact, it would be acceptable to have this clarified. I said that it had caused some concern to a number of my colleagues that the Hon. Member used the term "Head of State", but for the official record that correction might be appropriate. As the Parliamentary Secretary has clearly indicated, we had agreed to the change in the official record. Perhaps the Government should change its mind and clarify it.

Mr. Gustafson: Mr. Speaker, the House might be interested to know that the Hon. Member for Burnaby (Mr. Robinson) met me in the hallway and asked me the specific trap question: "Who is the Head of State", and I answered him by saying: "The Governor General of Canada". The Hon. Member knows he is up to mischief. If I have caused any embarrassment to anyone by signing something that I did not read very carefully, I apologize.

Mr. Speaker: As the Chair indicated, the Chair had some doubt as to whether or not it was a point of order, but the Chair has no doubt when recognizing an apology. I think perhaps it is time to go on to something else.

ROUTINE PROCEEDINGS

[*Translation*]

COMMISSION OF INQUIRY—JUDGES' REMUNERATION

TABLING OF REPORT

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker, I have the honour to table, in both official languages, the report and recommendations of the 1986 Commission of Inquiry on Judges' Remuneration.

* * *

[*English*]

SUPPLEMENTARY ESTIMATES (C), 1987-88

A message from Her Excellency the Governor General transmitting Supplementary Estimates (C) for the financial year ending March 31, 1987, was presented by the Hon. Robert de Cotret (President of the Treasury Board) and read by Mr. Speaker to the House.

* * *

FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS

RENEWAL OF EQUALIZATION PROGRAM

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I wish to inform the House today that I am introducing legislation which will renew the Equalization Program. There are few government programs which are as important as equalization and I think all Hon. Members would agree with that.

At $5.3 billion this year, equalization provides major federal financial support for the less wealthy regions of Canada. Without this assistance, the lower-income provinces would be unable to provide to Canadians residing in these regions the basic services enjoyed in other parts of Canada. In particular the provinces of Atlantic Canada, Newfoundland, Prince Edward Island, Nova Scotia and New Brunswick, rely on this support. Equalization is also important for Quebec and

Manitoba and for Saskatchewan which recently became eligible for these payments.

[*Translation*]

In keeping with our constitutional obligation, this Government has respected a firm financial commitment with respect to equalization, and we did so despite the financial restraints dictated by our own situation.

[*English*]

Accordingly, the legislation I am tabling calls for the renewal of the present Equalization Program. This is expected to result in substantial growth in payments in the years ahead. This growth will be further enhanced as a result of improvement to the program's revenue measures to be phased in over the next two years. Total equalization entitlements under a renewed program are expected to increase to about $5.6 billion in 1987-88, and to about $5.9 billion in 1988-89. This means anticipated annual increases of about $300 million each year, or over 5 per cent annually.

• (1520)

This legislation, which will also extend and update other parts of the Fiscal Arrangements Act, was preceded by an extensive process of consultation with provinces which began in the spring of 1985. As Members may be aware, the preliminary 1986 consensus released in January indicates that some provinces, the Atlantic provinces, Quebec and Saskatchewan, have been overpaid by about $270 million in equalization payments for the past two fiscal years. By law, the federal Government would expect to collect this amount next year as part of the normal process of adjustments to payments, both up and down, which takes place on an ongoing basis as a result of changes to data. The long-established rules are clear. If changes in data mean the federal Government owes provinces money, we pay the full amount. If they mean provinces owe the federal Government money, we recover. It is important that transfer payments continue to be based on the latest population data if the system is to remain fair and accurate. We cannot ignore the new census. However, we are conscious of the difficult financial situation of the lower-income provinces. We would like to do what we can to help, bearing in mind the federal Government's own financial problems.

Therefore the legislation also provides for forgiveness, on a net basis, of amounts owed to the federal Government under equalization in respect of the last two fiscal years as a result of the census. That is to say, the amounts due the federal Government as a result of the census will be forgiven to the extent that they exceed future increases in equalization entitlements, for those same two fiscal years, which may arise as a result of changes in other financial and economic data relevant to the equalization formula.

Our action respecting these recoveries is not something we have to do. There is no obligation on us, legal or otherwise, to forgive amounts owed to us. We are taking this step because we want to be helpful and because we understand the difficult circumstances faced by the provinces receiving equalization. We know how important federal support is to them. We are determined to provide that support within the limits our own difficult fiscal circumstances allow.

The actions I have announced today are part of a pattern of strong support which this Government has been providing to the lower-income provinces through equalization over the past two and a half years. Our concern and support began with the provision of supplementary assistance in 1985 amounting to $285 million. It is continuing with renewal and enhancement of the present equalization program. It is reflected in the forgiveness proposal I have just outlined for equalization overpayments owed to the federal Government as a result of new census data.

[*Translation*]

I would suggest that the considerably increased funding stemming from our proposals bear witness to the federal Government's respect for the equalization principle.

[*English*]

I know Parliament will want to consider the fiscal arrangements legislation carefully. I know it will also bear in mind that authority to provide equalization payments expires March 31, 1987, and that our collective interest is in ensuring that these vital payments to the less wealthy provinces continue uninterrupted.

[*Translation*]

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, eight days ago, more specifically on March 3rd, in this House I directed a question to the Minister of Finance (Mr. Wilson) in which I said in part:

> As a result of the 1986 mid-decade census, the Federal Government will recuperate a windfall gain of nearly $600 million from its equalization payments to the provinces, and for post-secondary education and health care.

Therefore, I raised this important issue which comes up as a result of the mid-term census and creates for the administration of provincial public affairs a problem which is sometimes positive and sometimes negative.

In the announcement he made today the Minister of Finance is doing is what had been done in 1981-82 by the Liberal Government of the time. The present Minister is following exactly the same route making it possible for the provinces to benefit from variations in their equalization budget as a result of the census. The problems resulting from the mid-term census are always difficult because that particular census carried out every five years lacks the precision of the others. Following the decade census, quite often we realize that a population readjustment is closer to the estimates, thereby creating serious problems.

The Minister of Finance, therefore, has met the expectations of the provinces and, following a suggestion of the Liberal Opposition, he has implemented the same program which had been followed in 1981-82 by the previous Liberal Government

and applied it to the provinces which would have been penalized by a correction that was unacceptable.

Mr. Speaker, the Minister of Finance has announced that he will refund $270 million. Clearly, if I understood him right, this will not affect equalization payments. Established program financing is also affected by population changes, but the Minister did not mention it in his statement, so that the provinces may loose between $170 million and $175 million because of this population change which may prove to be wrong when the next decade census comes around.

I therefore urge the Minister of Finance to consider this other aspect very closely, namely the losses likely to be incurred by the provinces because of this mid-term census which will affect the financing of Government activities, especially in the context of Bill C-96 which had cut nearly $8 billion in the payments which the Federal Government should have normally made to the provinces within the next five or six years for the financing of post-secondary education, health care and Medicare.

In addition, Mr. Speaker, the Minister talks about $270 million, but the Government of Canada is saving much more than that with this complex demographic assessment, for the Minister only takes into account losses incurred during the two previous years. If current provincial losses were added in fiscal year 1987-88 as well as other provincial losses due to that demographic variation incurred in health and hospitalization programs as well as in post-secondary education programs, the federal gain and provincial loss would exceed $600 million.

The Minister of Finance has decided to hand back $270 million. Following that operation, he still has a rather interesting net profit.

Coming back to the problem which I have raised in the House, I would suggest to him that he could perhaps correct the discrimination suffered by Quebec in previous years.

Finally, Mr. Speaker . . . you are indicating that I have only a few seconds left but I would like to remind the Minister of Finance (Mr. Wilson) that transferring part of the federal deficit to the provinces, as he has done with Bill C-96 and with an operation which has enabled him to realize a net profit of some $370 to $400, due to a demographic variation, will not help him to solve the problem of public indebtedness in Canada. He is merely tranferring it to the neighbours, and I mean the Finance Ministers of all our Canadian provinces.

• (1530)

[*English*]

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, when the Government came to power it talked about national reconciliation as being one of the major objectives of the new Government. The announcement now that, despite the opposition of the provinces and the failure of consultation with regard to equalization with the provinces, the Government is going forward with this particular project represents a major failure in its efforts, if it still believes in it, to seek national reconciliation and, in particular, to ensure justice for the poorer provinces and regions of the country.

In 1982 equalization equalled 1.3 per cent of the GNP of Canada. It will be equal to about 1 per cent now and that proportion will tend to decline over time with these proposals.

[*Translation*]

We welcome the Government's decision not to recover equalization overpayments for the last two years. However, provinces like the province of Quebec will suffer in the future, as the Hon. Member for Laval-des-Rapides (Mr. Garneau) commented, because of the reduction, and the tax problem, the problem in terms of lack of economic potential compared with the rest of the country will continue to exist. We are therefore not happy at all with this proposal.

Mr. Speaker, I could also mention that the Government said it does not intend to recover equalization overpayments for the last two years, but in return, it is asking the province of Quebec and the other provinces to abandon their attempts to claim supplementary payments. The federal Government's decisions in the past have given them no reason to be optimistic. For Quebec, we are talking about $97 million for fiscal 1985-86. Their request for this amount was turned down, and today, to be "excused" from recovery of overpayments, they have to give up their claims.

[*English*]

I remind the House that last fall the Minister of Finance (Mr. Wilson) quite specifically indicated that the additional amounts coming from the technical changes in equalization, which amount to $175 million, would be added on in a year. He said that publicly and to the press. We now note with regret that he has spread that over a period of two years. We are particularly concerned that the Government has failed to address the fundamental weaknesses and inequities with regard to equalization and the equalization formula. The provinces have been cut in respect of the Established Programs Financing Act. We have learned from interviews as recently as today that the Government intends to abandon completely its program of regional economic development. It will speak of industrial development which will go to the regions which have, and less and less will be done for the have-not regions. They will be left to hang in the wind.

On equalization the Government pushed through what it wanted to do in the absence of an accord with the provinces and has held to the five-province standard which, by any stretch of the imagination, is now inadequate. I have reminded the House on several occasions that in seven provinces of Canada, despite five years of economic recovery, the unemployment rate is higher today than it was in 1981-82. The Premier of Newfoundland says that his province may face bankruptcy in two years if effective action is not taken to help the province establish a more sound economic and fiscal base. Newfoundland has a sales tax of 11 or 12 per cent. The sales taxes in Prince Edward Island and New Brunswick are

comparable. In other words, the fiscal efforts being made in those provinces are much greater than those being made in other provinces. In Alberta, which has substantial problems, there is no sales tax at all.

I remind Members of the House of the Constitution which was passed in 1981 and came into force a year later. Section 34(2) reads:

Parliament and the Government of Canada are committed to the principle of making equalization payments to ensure that provincial governments have sufficient revenues to provide reasonably comparable levels of public services at reasonably comparable levels of taxation.

[*Translation*]

Mr. Speaker, as the Quebec Minister of Finance just wrote to the Minister of Finance of Canada, here in the House, that is no longer the case for Quebec or any of the other provinces that are disadvantaged. And in fact, as Mr. Lévesque said in his letter, Quebec cannot afford a level of public services reasonably comparable to that of the other provinces unless it places a tax burden on its taxpayers that is far heavier than the average level of taxation in Canada, or else goes deeper into debt.

Mr. Speaker, the Quebec Minister of Finance believes that Quebec will owe $1.4 billion more in 1985-86 under the existing equalization formula. It is a fact that the existing formula which the Minister of Finance of Canada wants to maintain does not live up to the solemn commitment contained in the Canadian Constitution. These are the facts. We are creating two classes of provinces in Canada, the wealthy provinces and the others, those which receive equalization payments and cannot provide substantially the same level of Government services because of the weaknesses of the existing equalization system.

Mr. Speaker, we are going to make specific comments on the bill, but generally speaking, the Government has forgotten the commitment made by the Conservatives during the 1984 electoral campaign to work for national reconciliation. They are no longer working to reach this goal and this is a serious mistake. It shows a marked lack of concern.

* * *

[*English*]

PETITIONS

OPPOSITION TO EXODUS LINK CONTRACT

Mr. Andrew Witer (Parkdale—High Park): Mr. Speaker, it is my privilege to present to the House today 19 petitions bearing the signatures of over 1,000 Toronto residents stating their opposition to the Exodus Link parole privatization contract which would locate dangerous ex-convicts in Parkdale—High Park. The petition calls for the Solicitor General (Mr. Kelleher) to terminate immediately funding to Exodus Link until an alternative location outside the boundaries of Parkdale—High Park has been found. I want to add my full and complete support to their petition.

OPPOSITION TO PROPOSED CHANGES TO PATENT ACT

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I have the honour to present several petitions signed by residents of Winnipeg and some towns in Manitoba. The petitioners suggest that the Government's proposal to change the Patent Act relating to prescription drugs will increase drug prices for Canadian consumers and will severely restrict the ability of average Canadians to buy necessary prescription drugs. They feel that the proposed measure will unfairly hurt those Canadians whose health needs require the purchase of prescription drugs on an ongoing basis. They, therefore, humbly pray and call upon Parliament to reject these proposals which will increase prescription drug prices for Canadians.

• (1540)

OPPOSITION TO ESTABLISHMENT OF MILITARY BASE

Mr. Gordon Taylor (Bow River): Mr. Speaker, I have great pleasure in presenting this petition on behalf of 155 Canadians, most of whom live in Alberta. Wherefore the undersigned, your petitioners, humbly pray and call upon Parliament to restrict the Department of National Defence from using, utilizing, purchasing, leasing, or in any way establishing a military base on the eastern slopes of the Rocky Mountains of Alberta, and in particular the Highwood River Valley area abutting the Kananaskis Provincial Park. This is the three hundred and forty-first petition that has been presented and there are scores more on the way. A certificate is attached.

* * *

FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS AND FEDERAL POST-SECONDARY EDUCATION AND HEALTH CONTRIBUTIONS ACT, 1977

MEASURE TO AMEND

Hon. Michael Wilson (Minister of Finance) moved for leave to introduce Bill C-44, an Act to amend the Federal-Provincial Fiscal Arrangements and Federal-Post-Secondary Education and Health Contributions Act.

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

Some Hon. Members: Agreed.

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

Motions

SUPPLEMENTARY ESTIMATES (C), 1986-87

REFERENCE TO STANDING COMMITTEES

Mr. Doug Lewis (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, pursuant to the provisions of Standing Order 83, I move, seconded by the Hon. President of the Treasury Board (Mr. de Cotret):

That the Supplementary Estimates (C) for the fiscal year ending March 31, 1987, laid upon the Table earlier this day, be referred to the several Standing Committees of the House as follows:

Because the list is rather long, and there is a detailed allocation of the Supplementary Estimates to the Committees, if it is agreeable with the House, I ask that the list be printed in *Hansard* as if it had been read. I also point out that copies of the list have been provided to both Opposition Parties.

Mr. Deputy Speaker: Is that agreed?

Some Hon. Members: Agreed.

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

To the Standing Committee on Aboriginal Affairs and Northern Development

Indian Affairs and Northern Development, Votes 6c, 15c, 21c, 30c, 40c, 45c and 50c.

To the Standing Committee on Agriculture

Agriculture, Votes 15c and 55c.

To the Standing Committee on Communications and Culture

Communications, Votes 1c and 70c.

To the Standing Committee on Consumer and Corporate Affairs

Consumer and Corporate Affairs, Votes 14c and 15c.

To the Standing Committee on Environment and Forestry

Environment, Votes 15c and 20c.

To the Standing Committee on External Affairs and

International Trade External Affairs, Votes 1c, 10c, L17c, L18c, 20c and L45c.

To the Standing Committee on Finance and Economic Affairs

Finance, Vote 15c.

National Revenue, Vote 15c.

To the Standing Committee on Fisheries and Oceans

Fisheries and Oceans, Vote lc.

To the Standing Committee on Government Operations

Consumer and Corporate Affairs, Votes 10c, 11c and 12c.

Governor General, Vote 1c

Privy Council, Votes 1c and 5c.

Public Works, Votes 25c and 51c

Supply and Services, Votes 1c and 5c.

To the Standing Committee on Justice and Solicitor General

Justice, Votes 5c, 15c and 40c.

Solicitor General, Votes 5c and 10c.

Privy Council, Vote 30c.

To the Standing Committee on Labour, Employment and Immigration

Employment and Immigration, Votes 15c, 20c, 21c and 25c.

Labour, Votes 1c, 5c and 10c.

To the Standing Committee on National Defence

National Defence, Vote 10c.

To the Standing Committee on National Health and Welfare

National Health and Welfare, Votes 1c, 10c, 20c, 25c, 35c, 50c, 55c, 60c and 75c.

To the Standing Committee on Regional Industrial Expansion

Regional Industrial Expansion, Votes 1c, 10c and 40c.

To the Standing Committee on Research, Science and Technology

Science and Technology, Votes 5c, 15c, 20c and 30c.

To the Standing Committee on Secretary of State

Secretary of State, Votes 5c, 10c and 25c.

To the Standing Committee on Transport

Transport, Votes 1c, 2c, 10c, 20c, 25c, 26c, 31c, 36c, 38c, 40c, 42c, 45c, 60c and 65c.

To the Standing Committee on Veterans Affairs

Veterans Affairs, Votes 1c and 30c.

That Parliament Vote 10c be referred to the Standing Joint Committee on Parliament; and

That a message be sent to the Senate to acquaint Their Honours thereof.

Motion agreed to.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

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

Mr. Deputy Speaker: Shall all questions stand?

Some Hon. Members: Agreed.

* * *

MOTIONS FOR PAPERS

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

Mr. Deputy Speaker: Shall all notices of motion stand?

Some Hon. Members: Agreed.

Mr. Deputy Speaker: I wish to inform the House that because of the ministerial statement, this day's sitting will be extended by 20 minutes.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY—S. O. 82—ABORIGINAL RIGHTS—SELF-GOVERNMENT

Mr. John Parry (Kenora—Rainy River) moved:

That this House condemns the government for its timid and unimaginative approach to the advancement of the Aboriginal peoples of Canada, for its continuing failure to offer long term, fair, and just responses to the social, cultural, economic and political aspirations of Canada's First Nations, for its unwillingness to recognize and affirm the inherent rights to Aboriginal self-determination, and for thereby impeding the improvement of the health, heritage and economic well-being of present and future generations of Aboriginal peoples in Canada.

He said: Mr. Speaker, in rising today to address this Opposition Day motion, I can say that I am proud of the record of the New Democratic Party in bringing to the House the concerns of the aboriginal people of Canada. That is a commitment of which today's Opposition Day motion is only part, and I want to start by talking in terms of what this motion is and what it is not.

I do not see this motion as one that is narrowly partisan. I will not make a speech that is interlarded with references to the Government's stubbornness, incompetence, or other faults that are real or imagined. However, I believe that in consideration of this motion it is essential that we recognize we are not talking of a particular government at a particular time but of a cumulative failure for which all of us in some measure bear a very real share of the responsibility.

This motion could have been presented in this Parliament at another time. It is my sincere hope that such a motion will not be necessary in the next Parliament. It could have been a motion moved in a provincial legislature now or at another time. After all, we are talking about the cumulative impact of the deficiencies of governments in Canada to which this Government, while it bears a measure of responsibility, is simply an heir and perpetuator.

While we question the record of governments, we also acknowledge the responsibility of Canadian society as a whole. I stress to my colleagues in the House that I do not consider this as a doom and gloom motion. It is not brought forward to say that progress has not been made, nor is it presented on the hypothesis that there is no willingness to make progress. The purpose of the motion is to point out the paramount importance of this last hurdle on what could legitimately be called the trail of tears, as the aboriginal people of Canada struggle to recover those rights to self-determination and self-government which they never renounced but which have in numerous ways, settings and circumstances, been gradually taken from them.

Ours is not a society that should bear a burden of guilt upon our collective back. However, it is a society that should be fully cognizant and understanding of the need for us to act individually and collectively to reverse the history and turn away progress in Canada from the objectives which it has unconsciously but so effectively been pursuing.

When I talk about ourselves as a society, I do not say that aboriginal people are not integrally a part of our society, because they are. However, as much as they are integrally a part of Canadian society, so they are also integrally a society unto themselves, as, indeed, are each of the hundreds of aboriginal nations in Canada a society integral and entire unto themselves. Canadian society must recognize the extent to which all the parameters, the framework and structures of society are determined by the settlers and their descendants, by immigrants like myself, and are determined in a framework which until recently has discarded, devalued and derogated the contribution of aboriginal people to Canadian society.

This motion and the debate is not about the Department of Indian Affairs. That might disappoint some of the 59 bands of the Nishnawbe-Aski nation and the Grand Council Treaty Three in my riding who, by virtue of the isolation of their communities— including approximately 20 that do not have road connections— have suffered neglect and do not have access to any of the sort of services which most Canadians are fortunately able to take for granted.

This debate is not about the large sums that have been expended by the Department of Indian Affairs and the modest temporary results from those expenditures. The debate is not about the department as an instrument. It is not about the welfare syndrome in which Canada's aboriginal people have been enslaved by virtue of the unthinking, but not uncaring operations of Canadian society through that department.

• (1550)

It is not even about the terrible record of trusteeship with respect to the lands of aboriginal people, and it is not about the performance of the present Minister. This debate is not about the practice articulated in the secret Liberal Cabinet document in the last Government as a strategy of throwing dollars at problems in the hope that aboriginal people will be quiet. These are failed approaches, and what we are talking about in this motion is the future. It is future oriented and it is about change, about the changes which our society and, indeed, our Governments will have to undergo to validate and bring about the fulfillment of the needs of the aboriginal societies.

This debate is about extensive change. It is about change in fundamental attitudes and about recognizing that the so-called Indian people of Canada are not a single people but are many people, diverse and with great differences between them. It is also even about our own legends and the myth of the two founding peoples of Canada at which we have to look very seriously in the light of the aboriginal people's presence in Canada before the settler societies came. It is about changes, of course, to our Constitution, of which more later.

The stark facts about being an aboriginal person in Canada today are not attractive. The proportion of Indian children in CARE is five times the national average. Twenty per cent of

native children graduate from high school as compared to 75 per cent nationally. The aboriginal people have an income of approximately half the Canadian average and unemployment, insofar as the very deficient measures of Statistics Canada are concerned, is at least four times that which is prevalent amongst the general population, and up to 90 per cent in some areas. Nearly 19 per cent of on reserve homes shelter two families. I think we should bear in mind the mortality rates amongst native people in Canada. They have a violent death rate of three times the national average. Infant mortality up to four weeks of age is 60 per cent higher than the national average and life expectancy is some 10 years less than that of non-Indian people.

Why do these stark facts relate to the lives of aboriginal people in Canada today? Is it isolation? Is it simply a matter of lack of proper services in many communities? Is it, as some would have us believe, the result of over-indulgence in alcohol and tobacco? Is it something to do with the physiological or psychological make-up of aboriginal people? It is not. These are only symptoms. They are only the outward manifestations of the animé and sense of lack of purpose which has been inflicted upon the aboriginal people of Canada by their exclusion from the mainstreams of society, whether deliberately, accidentally or with complete ignorance of such exclusion, and by the unfortunate relegation of aboriginal people in past years to the level of irrelevancy to our society. These are only symptoms of the results of treaties dishonoured, provinces which exercised jurisdiction over areas to which the aboriginal people had never ceded that control or admitted that jurisdiction. These are also symptoms of the approach of pushing, pushing, pushing aboriginal people back, not only physically and geographically but culturally and economically.

In saying this, I do not deny or attempt to subtract—indeed, I wish I had time to proclaim—the achievements of aboriginal people in spite of the regime under which they have been forced to labour. There have been achievements in the areas of health care, education, industry and the professions. There has been the very significant achievement of the unity which they have been able to forge as a response to the constitutional positions of some governments in Canada. These are very real achievements registered by aboriginal people in every area of human endeavour.

The New Democratic Party and myself continue to support the First Nations of Canada in their continuing struggle for constitutional recognition of their rights. Our Party first called for that recognition in 1973, a full nine years before the signing of the Constitution Act. In fact, we refused to give our final support for patriation until aboriginal rights were restored to the Government's proposal. Now it is time to move forward. We believe the legal right to self-government is inextricably linked to the moral right of aboriginal peoples to survive and to flourish as distinct and unique societies. We cannot rely upon the lowest common denominator approach by the provinces in providing what passes for leadership in this situation.

The Government's record-breaking mandate for change has raised the expectations of aboriginal peoples as it has of all Canadians. It is the First Nations of this country who should ultimately decide on the form of this constitutional amendment. We understand that Canada's aboriginal people have been patient, that they proposed a fair set of workable solutions and that native people cannot and should not be blamed for failures which may occur in these talks.

The situation of aboriginal peoples in Canada today has everything to do with identity. I was privileged to be at our New Democratic Party caucus meeting this morning when the National Chief of the Assembly of First Nations, George Erasmus, came to us and for 20 minutes riveted more than 20 practicing-professional politicians to their seats by a concise, clear and profound exposition of the identity of Canada's aboriginal people and the central importance that that identity has not only to their future but to the future of this country.

I recall as a young man, some 19 years of age, that I learned a lesson in regard to identity. I was a substitute teacher and I had a headmaster who was a Welshman. He had been making his living in England for some 30 years. I recall at one point in the staff room making a disparaging remark about the Welsh, although I myself bear a Welsh name. He turned on me and told me that when one denies a people's identity, one effectively denies that they are people and that they exist.

Why do aboriginal people continue to identify as aboriginal Canadians despite their history? It is, of course, not only because of their tradition but fundamentally because this is the only identity they have as a result of their upbringing, which was not in a society of fast motion, technological dominance, the imperatives of schedules, but rather in a society that functioned differently, was organized differently and had values which we, if we looked at them sincerely and frankly, would have to believe are superior to some of the values which underpin the city-oriented urban, technologically dominated society.

The importance of treaty identity to aboriginal people is, of course, their connection to the Crown which made those treaties. The strength that aboriginal people have used in expressing this identity has never better been portrayed than in the response to the 1969 White Paper when they stood four square and firm against the concept of assimilation which had been held by Canadian society so long, but never better articulated than in that document. I myself, as an immigrant to this country, can appreciate, perhaps with the views of one who started in Canada as an outsider, the importance of that identity to the Indian people, the aboriginal people of Canada, and the strength with which they and their Inuit cousins assert that identity. We know the very limited and minimal effects of the enfranchisement policy which was exercised for several decades by the Department of Indian Affairs. It was essentially a system of bribery to people to give up their native identity. We know how few native people took that particular bate. We know that identity is what makes martyrs and we hope that the present process will have no martyrs.

• (1600)

I have to refute the "one Canada" view that I have heard expressed, the idea that in a democratic society we are all absolutely the same and equal. All of us have special rights or status of sorts as men, as women, as heirs. Obviously, one who does not inherit wealth is at a disadvantage compared to someone who does. Democracy does not suppress dissent. It does not suppress dissent at the level of opinion, and it should not suppress dissent at the level of tradition.

In the context of asserting their identity, the aboriginal people of Canada through the Assembly of First Nations have passed several resolutions this week. They are the following. They will not accept any amendment that would prejudice existing treaty rights. They will maintain their legitimate demand for inherent rights. They will pursue an amendment calling for adequate financing. The candles be lit in every aboriginal household across Canada on the eve of the First Ministers' Conference. They endorse the fundamental principles on treaties as an integral part of their constitutional amendment proposal. When none of the 484 treaties ever renounced the right of aboriginal societies to structure and govern themselves, why should the aboriginal people ever consider giving up their effort to reclaim that fundamental right?

There are several principles that are worth putting on the record in the House that have been enunciated by the AFN. They are that the First Nations made treaties with the Crown as sovereign nations; that the treaties provide acknowledgement by the Crown of the sovereignty of the First Nations; that they were made on a nation-to-nation basis and thus have the status of international treaties; and that the rights contained in those treaties are not subject to federal or provincial legislative override, or any other form of unilateral change. In order to fulfil the spirit and intent of those treaties a constitutionally entrenched process for the re-examination of them has to be established.

What support do the aboriginal people have? The evidence is that, contrary perhaps to public and government belief, there is overwhelming support for the rights of the aboriginal people of Canada. According to the results of a recent poll some 84 per cent of Canadians believe it is important for Canada's political leaders to come to an agreement on aboriginal self-government. Some 77 per cent support entrenchment of aboriginal self-government in the Constitution; and 61 per cent believe that both federal and provincial governments are equally responsible for negotiating and implementing self-government agreements over the next 10 to 20 years.

The Government's actions to date do not augur well. There has been minimal attempt to enlighten Canadians as to the significance of these discussions. There has been little public knowledge of any attempt to exercise the Government's leadership and influence, that should be there, on the western provinces of B.C., Alberta and Saskatchewan which have apparently stood against the entrenchment of the rights, and also on the Province of Ontario which appears to be back-pedalling. Instead, we have had—and I agree with them as mere statements—pious platitudes from the Government in the House. Justice demands that these rights be in the Constitution. Paternalism has failed. The aboriginal people are willing and able to accept the responsibility.

[*Translation*]

I wish to translate the aspirations of our native people in terms that Quebecers can understand and associate with the fact that our native people want a government in their own image.

[*English*]

So much flows from this because those who cannot learn from the errors of the past are forever condemned to repeat them. I must warn the Government, and all Canadians, that the repetition of these errors would be many times more numerous, many times more expensive in every term, and many times more shameful to Canada than they have been in the past.

The aboriginal renaissance awaits us. Where there is no vision the people perish. The aboriginal people of Canada seek not to be wards but partners in the future of this confederation which has, if we take the right steps, the potential to confer on Canada glories that can far outshine both the achievements and the failures of the past.

Some Hon. Members: Hear, hear!

Mr. Deputy Speaker: If there are no questions or comments, the Hon. Member for Cochrane—Superior (Mr. Penner) on debate.

Mr. Keith Penner (Cochrane—Superior): Mr. Speaker, in speaking to this debate I want to begin by commending the Hon. Member for Kenora—Rainy River (Mr. Parry) for proposing a motion which all Hon. Members can readily support. I certainly find its wording and its concepts to be very helpful coming as it does in this month leading up to the First Ministers' Conference on Aboriginal Rights. So it is a motion that I can happily support, and one which my Leader can certainly support. The aboriginal people who heard my Leader speak at noon today to their rally on Parliament Hill will be able to confirm that. It is certainly a position which my Party can support. That is well demonstrated by the important resolutions on aboriginal rights that were approved at the recent policy conference held by the Party of which I am a member.

Most important, this is a motion that would find support with the Canadian people. My hon. friend has already referred to the important Canadian attitude study which was commissioned by the Inuit Committee on National Issues and carried out by Decima Research which indicates that an overwhelming 84 per cent of Canadian people believe that it is very important, or important, for Canada's political leaders to come to an agreement on the issue of aboriginal self-government. The results of the study show that an equally large majority of

Canadians—some 77 per cent—said they support the entrenchment of aboriginal self-government in the Constitution.

Having said some nice words about the useful and helpful motion, I am also pleased that my hon. friend decided to be as non-partisan as he was. He indicated that none who are outside the aboriginal community of the country can take any pleasure or delight in the past record. Even the New Democratic Party is not clean and clear in this regard. No one would want to examine all that closely the Barrett administration in British Columbia with respect to aboriginal rights and title. No one would want to look too closely at the Schreyer Government of Manitoba, especially in terms of the flooding of Indian lands. No one would want to look too closely at Mr. Blakeney's position regarding aboriginal rights in the Constitution. So we will keep it non-partisan as much as we can.

But the motion is not as clean as all that. I mean that the motion puts the Government on the spot. It says that the Government is timid and unimaginative, which is another way of saying that it is not demonstrating the type of leadership that we would expect from a government, any federal government which, in fact, knows that it has a constitutional obligation for aboriginal rights.

The National Chief of the Assembly of First Nations has said that in his view, at least to date—and I continue to believe that at the First Ministers' Conference there may be a creative relationship and significant progress made—leading up to that conference, Chief Erasmus has said that the federal Government is not playing a leadership role. Returning to the Decima Research poll, Canadians tend to feel that way as well. At least 55 per cent of Canadians think that the federal Government has done a poor job handling aboriginal efforts to gain greater control over their own lives.

It has certainly given me some pause to consider what has gone on in these many meetings leading up to the First Minister's Conference toward the end of the month. It seems to me to be unusual that the Province of Nova Scotia is at the present time desperately endeavouring to find an accommodation for the recognition of the right to aboriginal self-government.

• (1610)

I certainly welcome the efforts of Nova Scotia. The people of that province should be proud of those efforts. All of us in the House should take some pleasure in the fact that one of our provincial administrations is trying to give that kind of leadership. However, the peculiar aspect of it is that the constitutional obligation rests largely, mainly, and principally with the Government of Canada.

My hon. friend mentioned the number of treaties which have been signed in North America since the days of early settlement. He mentioned that there were in excess of 400. Those treaty obligations were accepted by the British Crown under the policy elaborated in the Royal Proclamation of 1763. Those obligations have not dissipated into air. They have not disappeared somewhere. They are still obligations but they are now transferred to the federal Government of Canada, which has accepted in our Constitution the Crown obligations stipulated in the treaties. Therefore, the federal Government cannot duck, weave, squirm, or wiggle its way out of its responsibility. All too often we have the impression that that is what motivates the Government of Canada. How can it restrict, limit, and confine its obligations under the Constitution?

Section 91(24) clearly indicates that Indians and lands reserved for Indians are our responsibility. All the best legal testimony which I have been able to read puts the broadest possible interpretation on it and indicates that Indian people include the aboriginal people of Canada. We cannot refine and restrict it. It must be interpreted in the broadest possible way.

I join with the Hon. Member for Kenora—Rainy River in urging the Prime Minister (Mr. Mulroney) and the Minister of Justice (Mr. Hnatyshyn) to demonstrate strong leadership at the First Ministers' Conference on March 26 and March 27. I do not believe that it is a last ditch stand or that if the conference fails all is lost. There are many other avenues and approaches which can be taken by aboriginal leaders to achieve their rights.

Let it be clearly understood that the recognition of aboriginal rights and their clear definition are inevitable. At some point in our history they will be written into our Constitution. The real question is, will the Government at this time take the leadership and work with the provinces to make that a possibility.

I ask Hon. Members what we really have to fear. What is there to fear in this process? I am reminded sometimes of Franklin Delano Roosevelt who said, when he was fighting the great economic depression, that we did not have anything to fear in trying to beat that economic beast except fear itself. Yet, I am suspicious that there is an attempt from time to time within the ranks of the Government to create a certain measure of fear.

For example, why would the President of the Treasury Board (Mr. de Cotret), who is present this afternoon, say that the recognition of aboriginal self-government and the putting into effect of aboriginal self-government would cost billions upon billions of dollars? That is a fear tactic.

Mr. de Cotret: I never said that.

Mr. Penner: It is a fear tactic. It has been denied by the Assistant Deputy Minister for self-government and by aboriginal leaders.

Mr. McKnight: And by the President of the Treasury Board.

Mr. Penner: We know that billions are being spent now but that they are not being spent in a very cost-effective way. There is a sufficient number of case studies. The Hon.

Minister of Indian Affairs and Northern Development (Mr. McKnight), who is also present, knows that those case studies demonstrate beyond any doubt that moneys used in a self-government situation are in almost every case much more cost effective than what we have at the present time.

We also know that too much money is being spent now, filtered through the bureaucracy the Department of Indian Affairs and Northern Development which is paying for monitors, overseers, processors, and auditors who do not even know how to audit. Yet, we know that our Indian communities continue to suffer from a very low level of services.

Parliament approves money, for example, for the Native Economic Development Program, yet moneys under that program are allowed to lapse. Why is that? Why is it that the Department of Indian Affairs much prefers to spend billions on social assistance over years and so little in terms of economic development? Is it, as some people think, that the policy is to keep the aboriginal people of Canada as wards of the state? Is that really what we want?

Many people in Canada—and it is in the same study to which I have been referring—believe that we are not spending our money well. The majority believe that giving aboriginal peoples more control over economic programs will result in more effective use of federal funds in the medium term, reducing reliance over the long term. Is that not what all Hon. Members want to achieve? I know that it is what the Minister of Indian Affairs wants to achieve, because he has so testified before the Standing Committee on Aboriginal Affairs and Northern Development.

What is desperately needed at the moment is something apparent to get the process of self-government moving. Under the Department of Indian Affairs it is moving, but at an intolerably slow rate. What we really need is a constitutional imperative to get it moving at a much more rapid rate.

Some of the Attorneys General who attend these conferences, or so I am led to believe, have expressed fear and concern that if there is recognition within our Constitution of the right to aboriginal self-government that right will become enforceable in the courts. I would say to that that of course any right can be enforceable in the courts. If a right is not realized, there must be a remedy. However, Hon. Members on all sides of the House must realize that the aboriginal people of Canada are not seeking some measure by which they can rush off to the courts. They have said time and time again that the way in which they want to proceed is by way of negotiation. It is the preferred route. It is the way they want to go.

I suggest to the House that a false fear has been raised in the country that recognizing the right to self-government will cause our aboriginal people to go to the courts in order to obtain for themselves a definition or even an order for establishing self-government. It is clearly not so. Aboriginal people want to negotiate and they want the Constitution—this is really the answer I would have liked to have given back to the Minister of Justice during Question Period—to contain an obligation to negotiate self-government. They want the Constitution to describe broadly the general terms which are to be negotiated leading to agreements. If aboriginal people wanted to use the courts exclusively, if that were the intention behind their desire to get a recognition of aboriginal self-government, they could have already done so.

Section 35 of the Constitution which recognizes aboriginal rights is a very powerful section. However, there have been very few cases based upon Section 35. Instead, aboriginal people have patiently tried to seek accommodation through the political process by making use of First Ministers' Conferences on aboriginal rights. These conferences have been ongoing for a five-year period. Does that not demonstrate a great deal of patience?

If the constitutional approach runs on to the rocks, I suggest there may be no other way except the route of litigation. I would also suggest to Canadians that the results of litigation based upon Section 35 may be much less pleasing to them and much less satisfactory for national unity and the health of the country than proceeding through negotiation leading to agreements. All Hon. Members would agree that that is the preferable route to go. After all, this country of ours was created more by political forces than any other kind of forces. It was Mr. Justice Macfarlane of the British Columbia Court of Appeal who put forward a view that questions of aboriginal title are best dealt with in the political rather than in the legal forum. He was presiding over a particular case. In giving his judgment, he made this comment:

> This—is but a small part of the whole process which will ultimately find its solution in a reasonable exchange between Governments and the Indian Nations.

• (1620)

That, Sir, is what the First Ministers' Conference is really all about. It is a reasonable exchange. I want to suggest to the Government of Canada that if it is to be a reasonable exchange then it cannot go to the conference table with a very hardened position or an inflexible position. What is true for the Government of Canada is true for provincial administrations as well. There has to be some give and take and some creativity. There has to be a reasonable exchange. I want to repeat that if the Constitution imposes upon Canada an obligation to negotiate these agreements, we really have nothing to fear at all. There is no threat to any of us.

Let me quote, if I may, former Prime Minister Trudeau who travelled, by the way, a very long, long distance with respect to aboriginal rights. There was a time when he denied categorically, in a speech in Vancouver, that they even existed. He travelled that route to giving some of the most forceful directions to the First Ministers at those conferences that have been given to date. At one of those First Ministers' meetings he said:

> There is nothing revolutionary or threatening about the prospect of aboriginal self-government. Aboriginal communities have rightful aspirations to have more say in the management of their affairs to exercise more responsibility for decisions affecting them. These functions are normal and essential to the sense of self-worth that distinguishes individuals in a free society.

Listen to George Erasmus, one of the leading aboriginal chiefs in this country. He said:

> What we are after is power where it is possible and in as many cases as is logical and reasonable for the First Nations to control their own lives without influence.

Listen to Dorothy Wasbisca, Vice-President of the Native Council of Canada. She said:

> Self-government includes the right to have a meaningful say in our day-to-day lives.

Even more recently, John Amagoalik, Co-Chairman of the Inuit Committee on National Issues speaking before the Standing Committee said:

> The vision of aboriginal self-government is one that sees aboriginal peoples maintaining their own distinctiveness by running as many of their own affairs as is practicable in a modern, culturally diverse and inter-dependent federal state. In my view, this is a vision that can be shared by most of the political leaders taking part in the upcoming conference.

I have only just begun my remarks but you are already signally me that my time has expired, Mr. Speaker. I cannot believe time has gone that quickly. Let me conclude by introducing just a very brief international note in the hope that it will be of some guidance and inspiration to our leaders at the First Ministers Conference at the end of this month.

Since 1982 there has a been a United Nations working group on indigenous populations meeting once a year in Geneva to formulate standards for the treatment of indigenous populations. In 1985 Madam Erica Daes, Chairperson of this working group, speaking in Quebec City said that in her opinion:

> —the principle of the self-determination of peoples applied also to indigenous populations, although it did not include the right of secession.

I have attended many international gatherings where indigenous populations were being discussed and the latter part of that remark has never ever been an issue. It is not a question of secession. More accurately, and I conclude on this point, what we are talking about was well expressed I think by Thomas R. Berger in his report of the Alaska Native Review Commission, *Village Journey*, that I recommend to Hon. Members. He writes:

> If governments continue in their efforts to force native societies into moulds that we have cast, I believe they will continue to fail. No tidy bureaucratic plan of action for native people can have any chance of success unless it takes into account the determination of natives peoples to remain themselves. Their determination to retain their own cultures and their own lands does not mean they wish to return to the past, it means they refuse to let their future be dictated by others.

Mr. Gormley: Mr. Speaker, I listened with great interest to the Hon. Member for Cochrane—Superior (Mr. Penner). I have a question on the area of self-government. It has been a fundamental premise of those who have dealt with native communities, particularly the case of this Government and our present Minister when dealing with Indian communities and native groups, that one respect their aims and aspirations, that we do not dictate or force or pressure anything upon them. I know in discussions on self-government, for example, that we have been dealing at the pace which the individual native communities have established for themselves in these discussions. I know the Hon. Member knows about the signing, for example, of the historic self-government agreement already in place in two provinces and working on a negotiated basis in other areas.

I find it interesting that the Hon. Member would perhaps criticize the Government about pace and direction. Is the Hon. Member suggesting that the Government set the pace and direction, as was done in the past by many Liberal Governments? Or is he suggesting that we continue as we are, which is respecting the integrity and the pace of the native communities which they themselves have set?

Mr. Penner: Mr. Speaker, the Hon. Member makes a valid point with respect to pace. Yes, the pace must be determined by aboriginal communities and the various aboriginal groupings that want to enter into negotiations leading to self-government agreements. Certainly the pace must be theirs. The problem is not who will determine the pace, the difficulty is putting in place the process, of getting the process going. There are two ways in which you can do it, broadly speaking. One is the process that the Department of Indian Affairs, of community-based self-government, is presently launching. It is not totally unsatisfactory. It is not totally unacceptable by any means. There has been some progress in that direction.

I am suggesting to the House, and the aboriginal leaders in the country more importantly are suggesting to the country, that what is required in order to move this forward more rapidly, to get negotiations going, is a constitutional imperative, but this will be the driving force to get the negotiations going. I suggest that if we are to follow the pace that the Department has in mind, it will be a very slow one indeed. It may be as much as a century before the aboriginal communities of Canada enjoy self-government. We need something more to motivate governments and aboriginal communities to sit down at the negotiating table. I suggest what is needed is that constitutional recognition of the right, which would then act as the imperative desperately needed at the present time.

• (1630)

Mr. Redway: Mr. Speaker, I listened with interest to my hon. friend, having joined him the other day at the meeting of the Standing Committee on Aboriginal Rights. At that time, we heard a witness from the Department who gave evidence on the question of the comprehensive land claims settlement policy.

Today the Hon. Member has been speaking of moving the self-government process forward and of motivating people to get going. Certainly his comments with respect to some form of entrenchment in the Constitution are comments with which the Government agrees. That process is under way at the present time.

As I recall, throughout the spring and early summer of 1986, native people across Canada were hailing a report that

had been made by Mr. Coolican on the subject of a comprehensive land claims settlement. They were hailing it particularly because the report contained a reference to the fact that there would be no extinguishment of native rights in arriving at these settlements. Native people across Canada were pressing the Government to adopt this and, as I recall, the Hon. Member was pressing the Government to adopt it as well. In fact, that is just what the Minister did. As a result of that action taken by the Minister, the Hon. Member was delighted and thrilled. He felt that this would be a motivating force that would help move the process along. I wonder if the Hon. Member could confirm for us that he was pressing the Government to adopt the Coolican report and that he is enthusiastic about it and very grateful to the Government and the Minister for adopting that particular report which does motivate the process of native self-government.

Mr. Penner: Mr. Speaker, the Hon. Member may have been present in the House the day I responded to the Minister of Indian Affairs and Northern Development (Mr. McKnight) on the new comprehensive claims policy. This new policy includes the possibility for negotiating self-government. Like all policies, however, it must get off paper and become a motivating force. That is what we are now waiting to see.

I would ask the Minister of Indian Affairs and Northern Development, who is present and will probably speak, how soon it will be before the Council for Yukon Indians receives its mandate to negotiate its claim. It is still anxiously waiting and its members have been visiting Parliament Hill, making representations to Ministers and calling on officials. If the new policy results in the settlement of comprehensive claims before the mandate of the Government expires, I would be the first to rejoice.

A policy is one thing. I have seen many fine reports produced by Members of Parliament on a wide range of subjects. I have heard many Ministers of different administrations express that which they had hoped to achieve. In the final analysis, however, judgment is based on what actually takes place. We are still waiting for something to happen. The Minister is due to appear before the standing committee shortly and we will be anxious to know what definite concrete steps have been taken based on the new policy he announced. I would not use all the adjectives used by the Hon. Member, but I certainly recognized that it was an advance over what we previously had.

Hon. Bill McKnight (Minister of Indian Affairs and Northern Development): Mr. Speaker, at the outset I would like to say a few words about the motion put forward by my colleague, the Hon. Member for Kenora—Rainy River (Mr. Parry). When I first read the motion, I wondered what tone the debate would take. I very much appreciate the tone on which the debate started and I think it will continue on the same tone.

There is one thing that those on all three sides of the House—if I could call it a three-sided House—must recognize, and that is that everyone involved in this issue wants to make a contribution and is involved for reasons that do not usually translate into large electoral victories or change the face of a constituency overnight. Everyone involved in native, aboriginal, and Indian issues is involved for several different reasons. While the reasons I just mentioned are not dishonourable, I would suggest that the others are more honourable.

We do recognize the shortcomings in the ways previous Governments of Canada have dealt with aboriginal people. We also recognize that while Governments were perhaps not the motivators for change and were not putting forward policies that provided for change at a rapid pace, and while we have been talking about, worrying about, and discussing self-government, the aboriginal people have been moving forward and making changes. They have been the initiators of the improvements we see today.

The Sechelt and Cree-Naskapi agreements for aboriginal Governments which control the daily lives, the economic development and the very existence of aboriginal people would not have been envisaged 35 years ago when the Indian Act was reviewed for the last time. Parliamentarians of the day would not have been able to envisage this ever happening to aboriginal people in Canada, yet it did happen and the reason it did happen was the leadership shown by aboriginal people.

When we look at national and community-level leadership of Indian communities today, we see a vital and evolving leadership, one that is shaping the way this Government will deal with Indian and Inuit peoples across Canada. Indeed, it is shaping the way we will go together into the 21st century. Over the years, dramatic changes have been made. Again, I do not attribute all of those changes to actions of the Government of Canada either now or in the past.

As we look around and see that there is the acquiring of skills and of technical abilities and the acquiring of educational and professional skills that will be needed to build the aboriginal communities of the future, we should have some hope and feel confident as Canadians that there is a future. Aboriginal leaders have an enormous task in keeping the values of the past which have been passed down by elders while at the same time creating a vision of the future that can fit into the 21st century. Native Canadians are already acquiring greater control over their lives and over an opportunity for a strong future.

This Government is giving or returning control over their own affairs to aboriginal people. It is not doing so, as my friend, the Hon. Member for Cochrane—Superior (Mr. Penner), suggested, at a pace which would startle anyone or cause one to see dramatic change, but we are returning something which should have been in existence on an ongoing basis. If the keys to the future of the aboriginal people in Canada are self-government and economic development, then the changes are being made by the aboriginal peoples themselves. Self-government has become a priority. Why? Because the Indian people have made it a priority.

• (1640)

As a Minister I am involved with my cabinet colleagues in a yet to be written chapter of Canadian history, an amendment to the Constitution dealing with Indian self-government. Over the past weeks and months the Minister of Justice (Mr. Hnatyshyn), the Leader of the Government in the Senate, and I have attended a series of meetings with provincial and territorial officials and leaders of aboriginal groups where we were able to prepare for the upcoming First Ministers' Conference. I want to draw to your attention, Sir, that the Government of Canada has provided financial and technical support as well as a motion and a rolling draft all through the 1985 meeting on aboriginal self-government. If we all looked back to the role played by the Prime Minister (Mr. Mulroney) in trying to bring the provinces and the aboriginal groups together on an amendment, I do not think anyone could question the sincerity and dedication of the Prime Minister and the Government in showing leadership towards acquiring constitutional protection for aboriginal self-government.

We started with a federal framework which was arrived at with the idea that it could gain support from the aboriginal groups and the provincial Governments. Regardless of what my friends on the other side of the House say about what should be put forward by the federal Government, we cannot legislate or ratify self-government for aboriginal people single-handedly. We need the approval of 50 per cent of the population of Canada as represented by seven provinces.

It is not offensive to this Government that after we put forward amendments and rolling drafts, and the aboriginal people put forward an amendment proposal, a province such as Nova Scotia would come forward and draw from both in order to gain consensus. If that does not work, I am sure Members on all sides will say that we hope another province or aboriginal group will be able to take a draft, roll it together, consult, have it accepted and ratified as the Constitution requires. Everyone in this House, including the Prime Minister, the Right Hon. Leader of the Official Opposition (Mr. Turner), and the Leader of the NDP (Mr. Broadbent), support the entrenchment of self-government in the Constitution. It is not how it is done and who supports it that counts, it is when it is done. As my friend from Cochrane—Superior said, we hope it is done this time but we do not necessarily have the time to wait, and we have been waiting.

The concept of community-based self-government, which has been mentioned in this debate, is something we are looking at on a case-by-case basis. We are looking to individual communities with tribal councils to develop a proposal through which they can present their ideas. I firmly believe, regardless of the outcome of the meetings on March 26 and March 27, that we will continue to work on some of those proposals. It may happen that if we are not successful, there will be more energy needed to speed up the process, to drive it harder. However, regardless of the outcome, there will continue to be discussions on community-based self-government. I feel confident that within the next 12 months there will be several aboriginal self-government proposals outside of the Indian Act. However, as my colleague from The Battlefords—Meadow Lake mentioned, you can and should proceed only at a pace acceptable to the Indian band, tribal council or Government with which you are dealing. I know that in areas of the Hon. Member's riding there are bands who want programs they have received from the Government under treaty delivered by the Department of Indian Affairs. That will not change until those people wish to have it changed.

When we look at economic development I am not so naive as to think that we can share all the obstacles to economic development among the native people of Canada. However, as Canadians we can make a start. We are doing that now together with the aboriginal people. We are making a start at removing some of those obstacles. It cannot happen overnight and it will not benefit only the aboriginal people. It will benefit all Canadians to have this segment of Canadian society benefit economically.

Just last week in Edmonton we had discussions with over 100 bands who have some form of oil and gas potential on their reserves. That meeting was the culmination of over a year's work by Indian leaders and departmental officials in putting together a more efficient and responsive management regime for the owners of the resource. I am pleased to say there was substantial progress and substantial consensus on the changes which will be needed so that the development of the resource will benefit its owners, the Indian people. As Hon. Members know, this will require legislation. We will need to have changes to the Indian Act. I think we can accommodate those changes.

Looking at the already impressive degree of local administration by Indian bands, and if we can go forward with the management of programs and services being transferred to the Indian leadership, we believe Indians will continue the process of taking over jobs which have been filled by government employees. I do not think that is a bad situation at all.

• (1650)

One of the problems which people address with regard to Indian and federal government relations is that the federal Government provides Indian educational services, child and social welfare, housing, policing and sewage services. In fact, most of the programs and services which are provided to other Canadians by provincial and municipal Governments are provided to Indian people on reserves by the Government of Canada. We hear criticism almost on a daily basis. We hear that the federal Government is not providing sufficient funds to meet the needs and that the Government is trying to evade its obligations to Indian people by transferring its responsibilities to other institutions or Governments. On the other hand, we hear from some critics that the Government of Canada is providing too much money to Indian people.

The criticisms in those three areas are the same criticisms put forward in other areas for which the Government of Canada is responsible. They can be put forward with regard to

seniors, and they are. They can be put forward with regard to farmers, and they are. They can be put forward with regard to transportation, and they are. The criticisms which I have mentioned, underfunding, overfunding, and evading responsibility, are things that I do not shy away from. I do not believe them to be an attack on myself, on the Government, on programs, or on Indian people because I can see that the same criticisms are made in other segments of society.

Over the past decade there has been substantial growth in the amount of dollars distributed. My colleagues know the numbers. There has been substantial growth for two reasons. Successive Governments of Canada have recognized more of their responsibilities. Over a number of years the number of Indian people for whom the federal Government has responsibility has grown. Departmental expenditures over the last while have outstripped inflation and the growth rate of the Indian population. Since the election in 1984, the expenditures of the Department of Indian Affairs and Northern Development have increased by nearly 30 per cent.

Speaking of dollars, 80 per cent of the dollars of the Department are spent on transfer payments to territorial Governments for education, social development, capital expenditures on reserves, and for health, safety, and economic development, which are also priority areas. From time to time additional funding is required for emergencies. One emergency which comes to mind is Winisk, a community which was wiped out by recent floods.

It is not only a question of how we spend, but how effective it is and whether it meets the needs of the individual communities. Who would be in a better position to say whether we are spending it properly and actually to spend it properly than the native communities themselves? The increases must be made with Indian control over the expenditures. This is not new. We started 30 years ago to transfer responsibility to Indian people for the handling of the dollars which they can best handle. It has changed. In 1972 only 20 per cent of the Department's program expenditures were handled by Indian people. In 1979-80 it increased to 39 per cent. Today the figure is 59 per cent, and I hope that by 1990 it will reach 70 per cent.

Before I close I would like to say that the devolution plan, which was authorized by the Treasury Board, should decrease the number of employees in the Department of Indian Affairs and Northern Development from 6,200 in 1985-86 to 4,200 by 1990-91. This means that we will have to transfer the dollars for those person-years to Indian Governments. That is where those dollars will be expended in the most proper and efficient fashion to benefit Indian people.

In conclusion, as significant gains are made by Indian Governments in gaining control over their daily lives, the Indian Governments will have more responsibility. The more responsibility they have, the more they will have to be responsible to their electorate. We presently have two keys, one key that the Department turns and one key that the Indian Governments turn. As the Department hands a key to the Indian Governments, it also hands the responsibility to those Governments. That is something that the Government of Canada and the Members of this House do not shirk from. We look forward to doing more in the future.

Mr. Deputy Speaker: I have been given notice of a point of order by the Hon. Parliamentary Secretary to the Deputy Prime Minister (Mr. Lewis).

ROUTINE PROCEEDINGS

[*English*]

AGRICULTURE

AUTHORIZATION TO TRAVEL FOR SUBCOMMITTEE

Mr. Doug Lewis (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, there has been discussion among the Parties with regard to this motion and the timing of it. I appreciate the indulgence of the House to allow me to move it. I move:

That the Sub-committee of the Standing Committee on Agriculture studying the tobacco growing industry be authorized to travel to Tillsonburg, Ontario, from March 25 to 27, 1987, inclusive, and to Charlottetown, Prince Edward Island, and Montreal, Quebec, from March 29 to April 1, 1987, inclusive, to hold public hearings relating to the Sub-committee's ongoing study, and that necessary staff accompany the Sub-committee.

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

Some Hon. Members: Agreed.

Motion agreed to.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY—S. O. 82—ABORIGINAL RIGHTS—SELF-GOVERNMENT

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

That this House condemns the Government for its timid and unimaginative approach to the advancement of the Aboriginal peoples of Canada, for its continuing failure to offer long term, fair, and just responses to the social, cultural, economic and political aspirations of Canada's First Nations, for its unwillingness to recognize and affirm the inherent rights to Aboriginal self-determination, and for thereby impeding the improvement of the health, heritage and economic well-being of present and future generations of Aboriginal peoples in Canada.

Mr. Penner: Mr. Speaker, I am pleased that the Minister of Indian Affairs and Northern development (Mr. McKnight) chose to participate in this debate. The task of being Minister of Indian Affairs and Northern Development is an onerous and demanding one. That is one of the reasons that, over the years, there has been a good working relationship between members of the Standing Committee on Aboriginal Affairs and

Northern Development and the Minister. A sort of confidence has built up.

The peculiar nature of the Minister's rule is sometimes described as being that of a trustee obligation which is constitutionally based. How that will change with constitutional development, no one knows. However, at the moment, whatever that means, it does include the advocacy role with other aspects of Government itself. When the Minister last appeared before the committee he indicated that he took that role seriously, ensuring that when programs are developed attention is given by other Ministries to the aboriginal aspect of the program.

I would like to ask the Minister two questions in that regard. He indicated that he was concerned about the change in the Jobs Strategy Program which now tends largely to exclude Indian communities and, therefore, labour dollars for housing are no longer available as they had been under the predecessor program, Canada Works.

My supplementary question, which I will ask now so that I will not have to rise again, is with regard to another program under the Minister of State responsible for small businesses. Many of us have wondered why moneys approved by Parliament for native economic development programs have been permitted to lapse in large amounts. Is the Minister concerned about this? Has he made inquiries and, if so, what has been the result of those inquiries?

• (1700)

Mr. McKnight: Mr. Speaker, we still have concerns about the job strategy. I have had discussions with my cabinet colleague and, hopefully, will have more in the near future.

One thing that we have agreed upon and promoted is the application for community futures funding which may be used for tribal councils if the bands are not large enough to qualify individually, so that there can be some economic development, job training and strategy. However, the additional component of the labour dollar change in the construction of homes on reserves, on top of the subsidy dollar that is provided per unit, is still a difficult problem. I hope to have it resolved for the new fiscal year into which we are entering because presently it is causing a hardship on reserves, even causing homes not to be completed. We all share that concern.

The Hon. Member asked about the native economic development program. Changes will be made and the Department of Indian Affairs and Northern Development has assisted in the past and has provided some 20 person-years to assist in going through the clearing house process so that it can be done more readily. My colleague, the Minister of State for Small Businesses and Tourism (Mr. Valcourt), is responsible for that program. We will be announcing some changes in that program in the near future. That is a responsibility of another Ministry. I believe my hon. friend will be pleased with the changes that will be announced.

Hopefully, the streamlining of the application process, the ability to make approvals by conference call, and limiting the money required for board meetings, will help speed up the program that we all want to work.

Mr. Parry: Mr. Speaker, I know the Hon. Minister will not take me wrong when I say that I am actually a little disappointed that I must ask him this question. I do not want to derogate from the Minister's standing or responsibility in saying that I believe the Minister of Justice (Mr. Hnatyshyn) or the Prime Minister (Mr. Mulroney) should have been speaking for the Government because of the importance of this question to the people of Canada.

However, on four occasions in the House during Question Period the Government has declined to clarify whether it accepts the concept that there is an inherent right to self-government. I refer to responses by the Hon. Minister of Justice on February 18, the Minister of National Health and Welfare (Mr. Epp) and the Prime Minister last week, and by the Minister of Justice earlier this afternoon. Since they have failed to clarify it and have declined the opportunity to do so, is the Minister willing to clarify for the House the Government's position as to whether the right to self-government is inherent or contingent?

Second, let me refer to this limited circulation background paper on the stationery of First Ministers' Conference entitled: "The Record of Aboriginal Constitutional Reform", which states on page 2, in reference to Section 35 of the Constitution: "The section did not revive or restore aboriginal and treaty rights that had already been lost by the date of proclamation of the Constitution Act, 1982". Will the Minister tell us how aboriginal or treaty rights have been "lost" in the view of the Government?

Mr. McKnight: Mr. Speaker, let me attempt to answer the last question first. The Hon. Member is aware that there is a contention put forward by aboriginal people that the traditional pursuits—hunting, gathering and fishing pursuits—have been superseded by other law, such as the Natural Resources Transfer Act in my part of Canada. One example often given by aboriginal people is the Migratory Birds Convention where some treaty rights may have been changed, transferred and superseded by another law.

I do not know how we change that. We do not go back. I am not familiar with the booklet from which the Hon. Member quoted but I suggest it is probably accurate that there are some matters that have been superseded by law and cannot be brought back.

The Hon. Member asked about the Government's stance. We put forward a draft that provided for a debate that we believed would have achieved the required support to entrench aboriginal self-government. It was a contingent right that was put forward in that proposal.

I suggest that it does not matter what right we put forward. We are now debating the Nova Scotia rolling draft proposal.

While I did not attend the officials' meeting, I understand it has changed somewhat. It attempted to provide both a contingent and an inherent right to appear in the stand alone provision. I do not know whether that will achieve the required support of the provinces.

There has not been a proposal put forward in the meetings that has not been supported by the federal Government when it came to trying to bring consensus from all sides of the table. We discussed the proposal by the Assembly of First Nations and allowed the provinces to respond to that. There was the first proposal put forward by the federal Government on which we attempted to get a consensus. Now there is the Nova Scotia proposal on which we are trying to achieve consensus.

It is important to recognize that the Government has worked very hard on this since 1985. The Prime Minister has made a commitment to bring the necessary consensus to give constitutional protection to aboriginal self-government and make it a reality. The Ministers, who have been given that responsibility by the Prime Minister, have been working very hard over the months to fulfil that commitment.

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, I appreciate the opportunity to take part in this very important debate this afternoon on the whole question of aboriginal self-government. I want to commend my friend and colleague, the Hon. Member for Kenora—Rainy River (Mr. Parry), for bringing this motion forward.

During the debate, the Liberal critic, my friend, the Hon. Member for Cochrane—Superior (Mr. Penner), stated that no Party has a perfect record when it comes to the question of aboriginal rights. That is quite true, but I want to state for the record that in all three cases where we have had provincial Governments led by the New Democratic Party we can be proud of the record achieved by those Governments.

For example, when Dave Barrett was the Premier of British Columbia between 1972 and 1975, he instituted a commission that was to look into the whole question of the cut-off lands. Since then, Dave Barrett and the New Democratic Party of British Columbia have recognized the right of aboriginal peoples to aboriginal title. It is the first time that any political Party in British Columbia has recognized that right. We recognize that and it is part of our policy, and when we become the Government it will form the cornerstone of our policy in working with the Indian people of British Columbia.

• (1710)

When Allan Blakeney was the Premier of Saskatchewan, he instituted a treaty entitlement process by which the Indian people of Saskatchewan covered by treaty were able to have access to more land as a result of their increased population. That was a process which the Indian people of Alberta very much wished they could have in their Conservative Province. In the Province of Manitoba, under Premier Pawley, thousands of native people are being trained in the limestone training program. In Manitoba we have the only treaty Indian Minister in Canada, namely, Elijah Harper, the first and only. He has been an historical leader in the whole process of constitutional talks regarding aboriginal rights. We have nothing whatever to be ashamed of there. On the other hand, we can look at the Province of Ontario, which under a Conservative Government previously had a good record in support of the movement of the aboriginal peoples towards self-government and the entrenchment of their rights. Unfortunately, under the Liberal Government of Premier David Peterson, it seems to be taking a step backward. It refuses to recognize the inherent rights of Indian people to self-government or to aboriginal rights.

When we look at the question of aboriginal self-government, we see that this is something which must be addressed on many different levels. Certainly, there is a legal and constitutional level, and constitutional lawyers can argue back and forth as to what is involved. There are technical political discussions involved. It is important for everyone to recognize that there are at least 17 different players involved in the First Ministers' Conference which will take place at the end of this month. Simply to bring together 17 different players with their differing points of view is not an easy thing to do. Therefore, there are some very serious technical questions that have to be addressed.

There are economic problems because self-government is not something which is just a matter of drawing up a charter on a piece of paper and saying: "Okay. Go to it". There has to be an economic base for self-government. Therefore, this raises important questions.

Perhaps most fundamentally, there is a moral and emotional level at which this debate must take place. That, I believe, is where we have to begin. That is where I would like to begin this afternoon. If we can understand and accept aboriginal self-government at the moral and emotional level, then everything else can be worked out. If we do not understand and do not accept this at the moral and emotional level, then nothing will happen. It helps if we know some of the aboriginal people personally, if we have had the chance to sit down with them over a cup of tea, to go fishing with them, to walk a trapline or to attend some of their feasts and celebrations. Because of the nature of our work, parliamentarians have more opportunity for this kind of encounter than most other Canadians. Because of that we should be giving leadership in this whole area.

What if we never had this opportunity? What if we did not take advantage of it when we did have it? Does this mean that we simply turn our backs on this question and leave it to the small number of people who just happen to be interested? Is aboriginal self-government and aboriginal title the concern of just a few? I do not believe this can be our response because at the deepest level we need to relate to one another not as members of one nation or another, not as one ethnic group or another and not on the basis of class or gender. We need to relate to one another on the basis of our common humanity. The proper way for us to relate as one human being to another

was summed up hundreds of years ago as: "Do unto others as you would have others do unto you". We should treat other people the way we would like other people to treat us. When we look at our neighbours in this way, we begin to understand a few things.

Let us imagine, if we can, the case of Sam, a Salish Indian living on a tiny reserve on Vancouver Island. The reserve is tiny because in the 19th century, government officials decided that British Columbian Indians did not need very much land because they made their living from fishing. Today a greatly increased population still has to get by with the same little piece of land. In the meantime, however, their right to fish has been cut back, restricted and regulated by the very same Government which took their land in the first place saying that Indians did not need much land because they made their living from the sea.

Sam looks at his family of four young children and at the other families in his village. He looks at their tiny reserve and wonders what kind of a future he and his children will have. He thinks of his sister, her husband and their children. They have moved to the city and are having a pretty rough time. Whenever his sister comes home to the village for a visit, she worries that her children do not have the same understanding of their culture as their cousins. Sam knows that before the coming of European colonists, his people had the entire area to themselves. They used that area, the land and the sea, to provide for all their needs. They had their own system of government with its laws and customs for conservation, for looking after the weaker members of society, for holding and exchanging property, for trading with other nations and for choosing their leaders and so on. They had the land and the right to govern themselves. Sam knows that they never sold those rights. They never had them taken from them in war. If there is any justice in Canada, these rights should still be intact.

Sam looks at his family. He looks at his small overcrowded reserve and knows what aboriginal leaders mean when they talk about aboriginal rights, about land claims and about aboriginal self-government. When they talk about these things, aboriginal leaders are talking about Sam, his kids and their future. Sam knows he cannot turn the clock back to the 1850s when the first immigrants begin to show up. He knows the people in the nearby towns and the farmers have their rights and that these rights have to be respected. He knows that even hunting and fishing have changed. He knows there have to be rules and regulations so that everyone will get their fair share. But then he looks at his small reserve and thinks of the thousands of acres the forest companies control. They got the land for a few cents an acre, took the best of the timber, destroying spawning beds as they did, and then sold out to another company which does not even have its head office in Canada.

Sam thinks of the way that so much of his life has been controlled by the Department of Indian Affairs. He remembers how as a small child he was taken away from his home, family and village and sent away to a residential school where he was not even allowed to speak his own language and he was not allowed to talk with his sister because any contact between boys and girls was forbidden. He had to work half of each day on the school farm so that the education he ended up with never really amounted to very much. He thinks of the difficulty he had trying to borrow money so he could start a small business. The banks would not lend him any money because he lived on an Indian reserve. All the Government's promises about economic development turned out to be nothing but promises.

Sam knows that for his sake, for the sake of his children and his people, he and his people have to gain control over their own lives. Over the last few years he has developed some pretty good ideas about how this should happen. At the very top of the list is the need for federal and provincial Governments to recognize that he has rights. He has rights which were inherited in the same way as other people might inherit a farm, a house or a business. Sam has inherited rights. It is about time that the Government of Canada and the Government of British Columbia recognized this. He has rights to land, land that goes far beyond the dinky little piece of land that the Government left to him and his people. He has rights with respect to hunting and fishing that go beyond the hunting and fishing rights of other Canadians.

• (1720)

Sam and his people have the right to govern themselves rather than being controlled by the Department of Indian Affairs. This means that they have the right to make basic decisions about their children's education, how they should spend their health budget, how they should look after the welfare of their children, how they should develop their economy, and how they should conserve fish stocks in the stream that runs through the reserve.

Over the last 20 years Sam and his people have become more and more dependent upon Indian Affairs for financial help in running their band and for looking after the growing number of people who have ended up on welfare. Sam has a kind of funny attitude toward this money. He did not like it because of the way it was dealt out. In particular, he did not like what the welfare money did to so many people. Welfare money seemed to destroy their initiative, their independence, their pride and even their joy in life.

Sam knows that in the old days even when times were tough people could take care of themselves. They could take care of one another. Sam wants his people to get back to that spirit and that attitude. But nothing makes Sam more angry than to hear people in the town talking about Indians getting welfare as though they were just sponges on society. It was the system that had done this to his people. They had not chosen to be on welfare. It was the system that had stolen their land, penned them up on a tiny reservation with no economic base except fishing, and then had their right to fish taken away. The people had paid a terribly high price for this welfare, and Sam was

not going to take any nonsense about it. He knew that if the community itself had control over that money that was spent on welfare then they could do a lot more and a lot better with it.

All these plans, ideas, hopes and frustrations have been a part of Sam's life for several years now. He has gone to meetings and talked with other Indians about how they could be put into practice. He has even heard non-Indian politicians from all three federal Parties say that they agree with his basic ideas. But progress seems painfully slow. Sam will not be one of the aboriginal leaders who comes back to Ottawa for the First Ministers' Conference at the end of March. However, he has met and talked with some who will be here. What he cannot understand is the attitude of some of the provincial Governments. He does not understand where his federal Government really stands either. He recalls some of the commitments the Prime Minister (Mr. Mulroney) made two years ago. The Prime Minister said:

> The special relationships between Canada and the aboriginal people should be strengthened . . . Aboriginal rights, especially the right of self-government, should have constitutional protections.

But now the constitutional conference is coming, and as far as land claims are concerned the Prime Minister seems to have gone into hibernation. Sam knew that his leaders had been working hard on this issue in contacting community groups, churches and unions explaining what aboriginal rights and self-government are all about, answering questions and concerns, anything people might have worrying them. They reassured them that land claims did not destroy the right of other people to own and enjoy property, that self-government did not mean separation. The latest polls show that the majority of Canadians understand at least that much. The great majority of Canadians want self-government and land claims to go ahead.

So why was the Prime Minister not giving some leadership on this issue? Probably the Prime Minister meant well, Sam reflected. He probably meant what he said when he talked about the right to self-government. But why was he not doing something about it? Why was he not leading public opinion instead of merely following it? Why did he not work to persuade the provincial Premiers that they had nothing to fear from land claims? And how about the Premiers themselves, especially the Premier of British Columbia? Why did the Government of British Columbia take such a stupid, perverse attitude, refusing to recognize aboriginal rights or aboriginal title?

Sam and the other people of his village found it highly offensive that the Government of British Columbia was willing to offer a few crumbs as concessions to the alleviation of Indian poverty, but absolutely refused to recognize their rights. It was not concessions or charity that Sam and his people wanted, it was justice. They want this right, and they want a Government in Victoria that will recognize the other rights. They want a Government in Ottawa that will stand up for them.

Once we understand Sam and his people, and people like him in other aboriginal communities across Canada, we can begin to understand the issues involved in aboriginal title and aboriginal self-government. Technical problems, economic problems, constitutional and legal problems abound, but at the core of them all is the gut issue which is: Do we recognize the rights of aboriginal people or do we not? If we do recognize those rights, are we prepared to stand up and give leadership to see that those rights become a reality in our time?

We heard good intentions all around from all three Parties this afternoon. But one Party is in power. One Party has received an overwhelming mandate to govern the country. That is the Party that should be giving the leadership today. We are not seeing that leadership. Good intentions are not good enough. Unfortunately, to date, the Prime Minister and his Government have failed to show the kind of leadership that is needed if aboriginal title and aboriginal self-government are to become a reality in the immediate future.

In the two weeks before the constitutional conference I call upon the Prime Minister and members of Cabinet to show a real commitment to the aboriginal people and to work with the provinces and with the aboriginal leaders themselves so that a new relationship can grow and develop between Canada and the Indian, Métis and Inuit people who live within our borders.

Mr. Parry: Mr. Speaker, I would like to commend my hon. colleague for his commitment to the concerns and the issues of aboriginal people that has been expressed over many years in his role as my predecessor as New Democratic Party spokesman on aboriginal affairs. In view of his experience I would like to ask him a question regarding the reply that the Minister of Indian Affairs (Mr. McKnight) gave to me concerning the federal Government's position on the aboriginal right to self-government.

Will the Hon. Member take a moment to explain how he sees the federal position that self-government is merely a contingent right? How does he see that stance of the federal Government in light of what a Constitution should be?

Mr. Manly: Mr. Speaker, I thank my colleague for his question. When the Minister responded to the question as to whether the Government saw the matter of aboriginal rights and the right to self-government as a contingent or an inherent right, he said that the Government had introduced its motion that saw it as a contingent right. But he said that they were prepared to support anything that came along. It seems that the Government is very wishy-washy on this whole subject. It would like to see some kind of an agreement. That would be a feather in its cap. But it does not have any strong, gut-level commitment to the question of aboriginal rights.

Aboriginal rights are not something that can be granted by the Parliament of Canada. They are not something that can be granted by the legislatures of our provinces. Aboriginal rights were not granted by the Royal Proclamation of George III. Aboriginal rights are the pre-existing rights of the people who were here before the coming of colonists and immigrants.

Those rights existed and they continue to exist. They cannot be granted by a Parliament. They can be recognized. It is incumbent upon us as a Parliament to respect and recognize those rights. As long as we deny them, we are involved in an injustice or dishonesty. It is incumbent upon us as a Parliament to recognize that those rights have always existed and exist now. We must deal with them in a realistic manner which befits the 1980s.

• (1730)

Mr. MacDougall: Mr. Speaker, all three Parties are doing their utmost to come up with a consensus in this debate. On one hand, with the ongoing negotiations on a trade agreement between Canada and the U.S., members of the New Democratic Party feel that the provinces should have a veto power. On the other hand, the Hon. Member feels that as a federal Government we should be able to override the provinces on this issue. Could he explain to the House why there are two different standards on these issues?

Mr. Manly: Mr. Speaker, we are talking about two completely different things. We are talking about the entrenchment of the right to self-government in the Constitution. The Hon. Member should know that there cannot be any entrenchment without the consent of seven provinces with 50 per cent of the population. Certainly the provinces have a great deal of control.

What I am calling for, and what we have not seen from the Government, is leadership. That leadership should have been exercised down the line, from the moment when the Prime Minister was elected, in attempting to mould public opinion and to obtain the support of the Premiers for a strong recognition of the inherent right of aboriginal peoples to self-government. The federal Government cannot ride roughshod over them, because it must deal within the Constitution. We are calling for moral and political leadership on the part of the Prime Minister. We have not seen it. We would dearly like to see it. There are two weeks remaining before the constitutional conference. I should like to see the Prime Minister do his damnedest to get something to happen.

Mr. Redway: Mr. Speaker, I listened with interest to the Hon. Member's comments in respect of aboriginal rights. I note that in the national convention of the New Democratic Party, the thirteenth federal NDP convention held in Ottawa in June and July, 1985, his Party passed the following resolution in respect of aboriginal rights:

> WHEREAS the Liberals and the Conservatives have stated that aboriginal rights must be extinguished in Land Claims settlements, in spite of consistent resistance from native peoples; . . .
>
> THEREFORE BE IT RESOLVED that the New Democratic Party supports the position that aboriginal rights are non-extinguishable in Canada—

The Hon. Member is aware that the Minister for Indian Affairs and Northern Development (Mr. McKnight) and the Government have now adopted the provisions of the Coolican report which called for a comprehensive land claims policy and provided that there was to be no extinguishment of rights within that process. In fact, part of that process was to include negotiation for self-government.

Would the Hon. Member advise the House if, at the forthcoming national convention of his Party this Friday, he will be moving a motion to congratulate the Government on its aboriginal rights policy?

Mr. Manly: Mr. Speaker, I do not think I will be able to do that. I would dearly like to move a motion at our federal convention congratulating the Government for its aboriginal rights policy, if it had a policy in which it recognized the inherent right of aboriginal peoples to self-government.

If the Government comes out with that statement tomorrow, I will do my darndest to move an emergency resolution of congratulations to the Government.

When the Government indicated that it was prepared to remove the old bugaboo that aboriginal rights had to be extinguished before they could be negotiated, our Party agreed with it and we commended the Government at that time.

We do not want to see the Government rest on some achievement of two months or three months ago or on the commitment which the Prime Minister gave two years ago. We want to see the Government move ahead and deal with the agenda which aboriginal people are placing before it now. It has not done that.

Mr. Redway: Mr. Speaker, I have a supplementary question for the Hon. Member. As I indicated in my comments, the whole question of self-government and the recognition of the negotiating process for self-government are parts of the policy adopted by the Government under the Coolican report and the comprehensive land claims settlement policy. The Government has made that recognition and is moving forward with the procedure.

However, it is interesting to note that in the resolution on aboriginal rights put forward and adopted at the last convention of the New Democratic Party nothing was said about the question of entrenchment of those rights in the Constitution.

In that case, would the Hon. Member now be prepared to reconsider and move a motion of congratulations, since the Government has moved with a policy which recognizes that aboriginal rights should not be extinguished and the policy also includes negotiations for self-government, something which the NDP in its resolutions completely ignored when it last dealt with the issue?

Mr. Manly: Mr. Speaker, the entrenchment of the right to self-government is part of New Democratic Party policy. I will show it to the Hon. Member afterwards. He should read the whole book. We do not deal with everything in every resolution.

Mr. Redway: Table it.

Mr. Manly: The Hon. Member asks me to table it. If I could have the permission of the House to table it, I would do so.

Mr. Redway: Agreed.

Mr. Manly: Is that agreed, Mr. Speaker?

Mr. Crosbie: No.

Mr. Manly: The Hon. Minister of Transport (Mr. Crosbie) is unwilling to have the New Democratic Party policy on aboriginal rights tabled, because he knows that our policy entrenches the right of aboriginal people to self-government.

With regard to the Coolican report indicating that there should be negotiations for self-government, I think the Hon. Member missed the point in what aboriginal people are saying. They are saying that they want the right recognized as an inherent right, not something given to them by the Government. They want it recognized as something which is inherent and theirs by virtue of being their aboriginal people. We would like to see the Government recognize that, and it has not.

[*Translation*]

Mr. Deputy Speaker: Resuming debate. The Hon. Member for Charlesbourg (Mrs. Tardif).

Mrs. Monique Tardif (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, I am pleased to respond to the question under debate today because it gives me an opportunity to highlight what the Government has done to improve the situation of aboriginal peoples.

Hon. Members now in the House know that the Government is committed to take measures designed to enable Canada's native peoples to regain control over their daily activities. I should think that everybody is aware that both the Prime Minister and the Minister of Indian Affairs and Northern Development (Mr. McKnight) have stated that this is a priority.

As you undoubtedly know, Mr. Speaker, the federal Government has three ways to promote aboriginal self-determination: first, constitutional amendments; second, the adoption of new legislation; and third, changes to administrative procedures and policies within the structure of existing legislative statutes.

• (1740)

Constitutional amendments call for careful deliberations involving many participants and, in this respect, we have begun and are continuing discussions with aboriginal groups and the provincial governments. The First Ministers' Conference scheduled for next March 26 and 27 will deal with Indian self-government and all major participants will attend. Drafting new legislation also requires the active participation of various interests, yet we have managed to make significant progress in that field.

Last June the House passed the Sechelt Indian Band Self-Government Act. The proclamation of Bill C-93 attests to this Government's commitment to find local solutions to aboriginal problems.

The legislation recognizes the Sechelt band as a legal entity and provides for the transfer of the titles to all their lands. The specific powers of the Sechelt Government and the procedures for exercising those powers are being worked out.

My colleague, the Minister of Indian Affairs and Northern Development (Mr. McKnight) is now looking at other self-government proposals submitted by other Indian groups.

Such long-term changes will provide native communities with durable benefits. We agree however that there is an urgent need for immediate action in various areas.

We are acting on this by bringing administrative amendments to the current program, which is the third way of facilitating self-government.

The Minister of Indian Affairs and Northern Development traditionally has been responsible for providing Indians with a wide range of programs and services which outside the reserves are being provided for by provincial or municipal governments.

We believe that responsibility for those services must be transferred to local administrations. In that way, leaders of those communities will be more accountable to their members. That move also will help improve program implementation, and ultimately the quality of life of Indian communities.

One of this Government's main objectives, Mr. Speaker, is to make sure that Indians have as much control over their daily activities as non-native Canadians. That transfer of responsibilities or programs must take place in a way that is orderly and acceptable to all parties involved. Since they started exercising a certain measure of control over their local programs approximately 25 or 30 years ago, Indian bands have been competently providing such important programs as housing, education and social services. It would be worthwhile to recall today, Mr. Speaker, that 59 per cent of the Indian Affairs' budget is administered by the Indians bands. Since 16 per cent of services are provided for by the provincial Governments, this means that only 25 per cent of the budget is still administered by the Department of Indian Affairs and Northern Development.

Mr. Speaker, I would like to take a few moments to recall the progress made in some of those areas. Hon. Members will know that most Indian people live under conditions that are very dissimilar to those of non-native Canadians. The Indian economy is healthy, but unemployment is high compared to the national average. Therefore, many Indian communities are simply not in any position to provide their people with adequate housing at affordable prices.

In reserves generally, housing units have fewer rooms for a larger number of people as compared with non-native housing. A smaller but still significant number of Indian homes are not connected to water and sewer systems, facilities that most of us take for granted. The Department of Indian Affairs and Northern Development has seen first-hand those conditions during its numerous visits to Indian communities.

It is important for all of us to recognize the need to improve housing within native communities. It is also important for us to recognize, that, through the joint effort of the Government and the Indian bands, very substantial progress has been made these past few years.

Over the past five years for instance, there were 14,000 new housing units built on Indian reserves and 17,000 rehabilitated. The National Housing Code standards have been applied to all new housing units.

Direct native participation to housing policy development has markedly improved these past few years. Most Indians bands also play a more active role in the implementation of housing programs within their communities.

The administrative changes to the program and an increased control by the natives over their own destiny have resulted in a definite improvement in the number and quality of housing units available on the reserves.

Almost all housing construction is run by the Indian bands themselves, using native labour and, whenever possible, native suppliers. The economic benefits and jobs created have had an impact on the community as a whole.

The overpopulation problem, therefore, has eased off. In 1977, on the reserves, there were an average of 5.9 occupants per housing. In 1984, this number has declined to 5.1, and we foresee that it will be further reduced to 4.5 by 1990, which is much closer to the national average.

Mr. Speaker, this means that every year, some 60,000 native families have access to better living conditions than the previous year. And I do not mean just housing but homes of which adults can be proud, where children can invite their friends, and where lasting family traditions can be developed.

Native people are also involved in the development of new quality housing construction procedures.

For instance, some residents of 11 faraway communities, members of the Island Lake Tribal Council, are now taking a course in high-energy performing housing construction techniques. Under supervision, these residents will build 9 new houses and will improve the insulation in 9 others.

We are confident that the project will show that remote communities are in a position to acquire highly energy-efficient housing at a relatively low cost. When the pilot project is completed, the students will make up the base group which will carry on with the construction of highly energy-efficient housing. I think that this is a way to enable the Indians to develop.

While substantial progress has been made, the Government recognizes the need to amend the provision of housing services in Indian reserves. We have launched negotiations with Indian leaders with a view to setting up a mechanism for co-operation in order to develop new approaches to the financing of housing in the reserves.

In addition to housing, Indian bands are actively trying to increase their control over social programs and education.

The House knows that welfare services come under provincial jurisdiction. However, Indian children committed to the care of foster homes are eligible to federal assistance when they live on a reserve.

Federal expenditures for the care of Indian children and families have almost doubled in the past five years, from $35 million in 1981 to $63 million today. Most of those funds are managed by the Indian bands.

Moreover, Mr. Speaker, we note a substantial increase in the number of agreements on child care and agencies offering services to Indian families during the past few years. This shows the concern of Indian communities for their children and the survival of the family as a unit.

In Nova Scotia, for example, an agency has been set up to deal with the needs of children and families on reserves all across the province. The jobs will go to Indians and the agency will be managed by Indians. In addition to providing the requisite child care services, the agency will focus particularly on the preventive aspect of social services. Agreements on native child care in Manitoba and Alberta have also shown that Indians want quality programs that respect their culture.

• (1750)

Mr. Speaker, this Government fully endorses the resolution passed by Indian bands to provide for their own social services. When necessary, we consult with the native peoples on ways to improve existing arrangements. This is an area where it is essential for Indians to become responsible for their own future.

It is also important for Indians to continue exercising increasing control over elementary and secondary education. Thirteen years ago, the federal Government started transferring certain responsabilities for education to the bands. Today, 60 per cent of the Indian Affairs budget for education is managed by the local bands. Enrolment of students at the elementary level, school attendance and academic results have all improved dramatically during this period. About 80,000 Indian students are now enrolled in the school system. In 1984, the Canadian Education Association stated there had been a definite improvement in academic results and retention levels among Indian students.

More Indian bands are involved in administration at the local level, and more Indians are teachers. In Manitoba, for instance, only six or seven native people had a teaching certificate in 1970. Today, there are nearly 450. Increasingly, these teachers are incorporating traditional values and Indian precepts in their basic curriculum. Indian youth clearly have everything to gain from the bands taking over responsibility for education. Because of their commitment to local schools that teach traditional Indian values, parents and adults generally are also benefitting from this local autonomy that has renewed their pride and enhanced community involvement.

The present Government has also made a firm commitment with respect to post-secondary education. In 1977, federal financing for post-secondary education was less than $8 million. In 1986-87, it was estimated at $81.6 million. The Department of Indian Affairs and Northern Development gives some form of assistance to about 11,000 post-secondary students enrolled full-time or part-time.

Every year, Mr. Speaker, about 750 Indians graduate from junior colleges or universities, and a good many of them continue to study to obtain post-graduate degrees. Improved schooling will certainly brighten future prospects for all Indians.

Mr. Speaker, better education, housing and social service programs are truly effective only if there is a corresponding growth in economic development. As it has already been pointed out in this House, genuine self-government is impossible because of the current situation of economic dependence of the Indians.

In 1985 there were only 3,000 Indian businesses in Canada, and 2,000 of them were located on reserves; 56 per cent of these concerns have been established over the past five years.

The federal Government took part in the establishment of about 1,000 such businesses through the award of 188 direct loans. The results are impressive: roughly $38 million worth of investments on reserves, and more than 1,500 jobs created or maintained.

But a lot remains to be done, Mr. Speaker. This is why last year we set $25 million aside for the Indian Community Human Resources Program, in addition to the $18 million already earmarked for native training and employment. The new program includes a sound analysis of long-term economic and employments prospects, as well as an assessment of the skills and abilities of Indian community members. This program will enable Indians to find jobs in both Indian and non-Indian companies.

The program is aimed at encouraging Indian communities to assume full responsibility for the preparation and implementation of their own strategy.

We are confident that this approach will make it easier for them to gain readier access to long-term employment in many other communities.

Some bands have been able to take full responsibility for administering federal funds. The Conne River Band is fully responsible for its budget, provided it observes the conditions laid down in an agreement that was signed with the Department of Indians Affairs and Northern Development last March. This Government took a historic initiative at the end of last year when it introduced alternative financing modes. The program will give native leaders, within the scope of existing legislation, the greatest possible control over local expenditures.

Alternative financing modes will make it possible for bands to receive a block of funding equivalent to what they would normally receive from Indian Affairs and Northern Development. However, each band will have the option of setting its own priorities, adapting services to the needs of its members and designing the appropriate mechanisms.

In addition to providing a high level of social and economic autonomy, the new modes will make Indian leaders more accountable to their members, and this is an important point. Leaders will be judged on their ability to provide essential services in a reliable and efficient manner.

Treasury Board has approved this initiative, and its implementation is proceeding. It is expected that around thirty or forty bands or tribal councils will take advantage of alternative financing modes in the course of the next fiscal year. However, the Government will be monitoring the way federal funds are spent. The First Nations that take advantage of these alternative financing modes will have to submit an annual audited report as evidence of effective and responsible financial management. The Minister of Indian Affairs and Northern Development will continue to be accountable to Parliament for the funds distributed by his Department, although the Department will no longer be the sole administrator of these funds.

Mr. Speaker, this Government has often demonstrated its commitment to transferring responsibility for local programs to the Indian bands. We have made significant progress in many areas. However, as I said before, much remains to be done. We will be able to succeed thanks to consultation, co-operation and understanding, and we are confident that progress will be even more significant in the future.

Mr. Deputy Speaker: Questions and comments. The Hon. Member for Kenora—Rainy River (Mr. Parry).

Mr. Parry: Mr. Speaker, I want to thank the Hon. Member for her speech. I think it was useful to have an overview of what is being done in this area by the Department of Indian Affairs and Northern Development.

Mr. Speaker, perhaps I may comment that in listening to the Hon. Member's description of the progress made by native

peoples, I felt that this further points to the need for our native peoples to be considered as equal partners in Confederation. In fact, before the Hon. Member's speech, the debate had centred mainly on the constitutional issue, and therefore I would like to ask the Hon. Member to give us some thoughts on that question. I am particularly interested in her analysis of the position of the Province of Ontario at the First Ministers' Conference to be held within two weeks. Could she give us, let us say a federal perspective on the current position of the Government of Ontario as described in newspapers and as explained to us at the standing committee by the great leaders of native organizations? Indeed, they say that this position is of no use to the aboriginal peoples, that it does not support the process, and they make a comparison between the present Government of Ontario and the previous administration which, during earlier First Ministers' Conferences, they saw as an ally in their quest for the advancement of native peoples.

• (1800)

Mrs. Tardif (Charlesbourg): Mr. Speaker, I thank my colleague for his question. With respect to the position of the Government of Ontario concerning the constitutional problem, I think it is under discussion, and that the Indian bands and the governments of the other provinces as well as the federal Government will have to react to various positions.

As the Minister of Indian Affairs and Northern Development said earlier, what matters now is that the first proposal which was tabled by the federal Government, which was considered and which prompted the parties to seek concertation paved the way for another motion sponsored by the Province of Nova Scotia. All these debates on the constitutional aspect involved will continue during the conference at the end of this month. To me these problems are extremely important, and I can inform the Hon. Member, in case he is not aware of the fact, that I have an Indian reserve in my own riding. When I consider the co-operation during the last two years between the authorities on the reserve and the federal Government, I have to say that in most cases, I agree with giving increased autonomy and I think this must be done, because I can tell you, Indians are really proud when they have designed and implemented a project and can show their community what they can do.

I am thinking of a senior citizens' home that was built in my riding. The home is really the pride and joy of the whole village, because they built it and also had the idea in the first place. So I think that on the basis of all these facts, we must conclude that Indian bands must be autonomous and be answerable to their own communities, and that is the only way the money will be matched up with the priorities of the community. I am convinced that the native people living in my riding do not have the same needs and priorities as those of other reserves in Ontario or British Columbia, and I therefore think it is important that each community or local authority be able to determine its own needs.

Mr. Parry: Mr. Speaker, I think I visited the reserve in the riding of Charlesbourg not long ago, if we are talking about the Village Huron reserve. I can assure the Hon. Member that it is certainly quite different from any of the fifty-nine Indian reserves I have in my own riding. The Hon. Member mentioned the need to help native people be proud of themselves. In this respect, what are her views on the position taken by the Government of British Columbia which, for all practical purposes, denies that native rights exist in British Columbia and that the provincial Government has any responsibility to native people? It claims the federal Government is fully responsible for them. I wonder what the Hon. Member thinks the federal Government should do to make the Government of British Columbia change its position.

Mrs. Tardif (Charlesbourg): Mr. Speaker, as I said earlier, I think it is important to have an honest and open debate and to have all parties involved. As in any matter where disputes have to be settled, if none of the parties are prepared to come part of the way to understand the other's position, I don't think we will ever get anywhere. In the specific case you refer to, I agree the situation in no way resembles that in my riding. There are very specific problems, and I think that in this particular case, negotiations may take a long time. When we have a provincial Government that is not prepared to make any concessions at all, I think something must be done. On the other hand, I must admit I am not very familiar with the present situation in British Columbia.

Mr. Deputy Speaker: Questions or comments. Debate. The Hon. Member for Westmorland—Kent (Mr. Robichaud).

Mr. Fernand Robichaud (Westmorland—Kent): Mr. Speaker, it gives me pleasure to take part in this debate on the motion now under consideration, which says the following:

> That this House condemns the Government for its timid and unimaginative approach to the advancement of the Aboriginal Peoples of Canada, for its continuing failure to offer long term, fair, and just responses to the social, cultural, economic and political aspirations of Canada's First Nations, for its unwillingness to recognize and affirm the inherent rights to Aboriginal self-determination, and for thereby impeding the improvement of the health, heritage and economic well-being of present and future generations of Aboriginal peoples in Canada.

Mr. Speaker, the text of this motion says a lot, and justifiably so.

Before my election to this House, I found it very hard to understand the problems and frustrations of the native communities in my region. Indeed, I could not understand why these people could never reach their goals and receive from the Government the attention they required and which the Government should in fact have given to their problems. I was not aware of all the treaties and agreements signed between the native people of my region and our ancestors and parents. Agreements were in fact signed which provided for mutual respect and for sharing the same territory in harmony.

As a Member of Parliament, I sat on the Standing Committee on Aboriginal Affairs and Northern Development where I heard the submissions of many representatives of native communities, not only from my region, but from everywhere in Canada. These people told us about the problems they had to face in their everyday life. I also attended a few meetings between the native communities and the officials of the Department of Indian Affairs and Northern Development, and more particularly a meeting at which the Minister was present. I must say, Mr. Speaker, that in his statements and all the time he was at this meeting, the Minister showed understanding and even compassion for the needs expressed by the representatives of the various communities. I have no doubt about the good intentions of the Minister and all the people who were there.

At this meeting there were representatives of all the groups from the various communities in New Brunswick, and as you are probably aware, Mr. Speaker, we have in New Brunswick two Indian nations, the Micmacs, whose territory extends beyond the boundaries of the province, and the Malecites, who live mostly along the St. John River. All these communities were represented at this meeting which had a lot of importance for them.

At this meeting, they indicated the needs of their communities in many areas, including education and especially housing. I will limit myself to these, because it might take much too much time to report everything that was said at that meeting.

In his reply, the Minister assured all the people there that he would look into these problems very carefully and make sure that his department tried to correct certain situations.

Now, when I get in touch with these communities, Mr. Speaker, I can see that the same problems still exist, that although goodwill was expressed during this meeting, the problems still remain, so that I begin to understand why these people sometimes feel so frustrated. They are simply marking time, never progressing. Here is an example. I was told that a certain community was in great need of housing. Recently, representatives of that community appeared before the Standing Committee on Indian Affairs and told us they had received money for housing. Because of the need, they had started building before the winter. They had to proceed quickly to provide shelters for the people. But when the Department approved funding for this housing, it only covered building materials, not the labour. What happened is that only the basements could be built with no structure above to shelter the family. I am even afraid some of those basements may not be of any use because of ground freezing.

So when one says that these communities are frustrated, I mean when I say so, this is another example which shows why these people are experiencing such frustrations. It would seem that, well intentioned as we always are, we want to help them but we do not carry through our good intentions to the last step, we fail to act on all our intentions and, of course, intentions are always commendable. I have in my riding four Micmac communities, the largest with 1,543 inhabitants. As a matter of fact, these people came to meet us at the standing committee to tell us about some of their problems. Mr. Speaker, I will quote from their brief:

• (1810)

[*English*]

It reads:

It is the biggest reserve in New Brunswick numbering 1,543 people which comprises 25.5 per cent of the status Indian population in the province. We live in an area that suffers one of the highest unemployment rates in the province, which is said to be around 50 per cent. The Big Cove unemployment rate is constantly at 75 per cent and sometimes goes as high as 90 per cent. There are simply no jobs available to the Indians in Kent County even though we represent a large percentage of the area's population and a large percentage of the area's economic generator. We have approximately 4,000 acres of land, but most of it does not have the type of resources that would enable us to create employment. Consequently, the lifeline of Big Cove is welfare.

[*Translation*]

So that this community is sustained by social welfare. Indeed the community had agreed to assume responsibility for administering this welfare program. They agreed although with some hesitation, because they were afraid that if they accepted this responsibility, then perhaps departmental officials would begin to reduce the funds given to the community. Well, Mr. Speaker, we read a little further and that is exactly what happened. Once they took over responsibility for administering community funds, officials began to reduce them, and the people tell us in their brief that they were not consulted at any time. So again we can understand why they should feel frustrated.

I could give you another example, this time concerning the Tobique community on St. John River, a Malecite nation, where land negotiations had begun, negotiations which had been considered for ten years and which the then Minister in 1982 had acknowledged as being over a legitimate claim, so the negotiation process was launched. Of course those people had to depend on the Department of Indian Affairs and Northern Develoment to get the funds required to continue the negotiations. After a few years of negotiations—I am about to conclude my remarks, Mr. Speaker—all of a sudden it was decided to suspend the negotiations and not give any more money to support the whole infrastructure which had been set up.

Well, Mr. Speaker, this is just another example of the way we Canadians and the Government, no matter how well-intentioned we may be, another example as I said which shows how we treat native people. Mr. Speaker, I hope that at the conference to be held at the end of this month there will be strong evidence of a political will to show complete understanding of and full respect for the problems and claims of these native people.

• (1820)

[*English*]

Mr. Deputy Speaker: It being 6.21 p.m., it is my duty to inform the House that pursuant to Standing Order 82(12) the proceedings on the motion have expired.

[*Translation*]

This House therefore stands adjourned until tomorrow at 11 a.m., pursuant to Standing Order 3(1).

The House adjourned at 6.21 p.m.

HOUSE OF COMMONS

Thursday, March 12, 1987

The House met at 11 a.m.

Prayers

ROUTINE PROCEEDINGS

[*English*]

WAR CRIMINALS

TABLING OF REPORT OF COMMISSION OF INQUIRY

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker, I am pleased to table, in both official languages, the report of the Commission of Inquiry on War Criminals, also known as the Deschênes Commission report.

* * *

[*Translation*]

PETITIONS

GOVERNMENT RESPONSE

Mr. Doug Lewis (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, pursuant to Standing Order 106(8), I have the honour to table, in both official languages, the Government's response to petitions Nos. 332-623, 332-644, 332-792 to 332-821 inclusive, 332-872 to 332-878 inclusive, 332-893 to 332-916 inclusive, 332-924 to 332-933 inclusive, 332-987 to 332-992 inclusive and 332-999 to 332-1005.

* * *

[*English*]

WAR CRIMINALS

REPORT OF COMMISSION OF INQUIRY—STATEMENT OF MINISTER

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker, I would like to address an issue of great importance, the report of the Commission of Inquiry on War Criminals.

[*Translation*]

At the outset, I would like to take this opportunity on behalf of the government and all Canadians to express our sincere appreciation for the important contribution that has been made by the Commission. Because of the dedication and efforts of the honourable Justice Deschênes and those who assisted him in his work, the resolution of the difficult problem of war criminals has been brought much closer.

The problem of war criminals has been of serious concern to Canadians, and to the entire world from the time when it first became clear during World War II that crimes of unprecedented scope had been perpetrated. In order to ensure that those guilty of war crimes and crimes against humanity were tried and punished, the Nuremberg war crimes trials were held. As a result many major war criminals were tried, convicted and promptly punished.

[*English*]

It should be remembered that under its War Crimes Act, Canada also conducted war crimes trials from 1946 to 1948. One hundred and seventy-one cases of crimes against members of the Canadian Armed Forces were investigated and seven individuals were found guilty of war crimes.

In the 1950s, as individuals and nations decided to put the trauma and horror of World War II behind them, the active pursuit of war criminals became much less of a priority in many countries.

Strong public attention did not focus on this problem again until the 1970s when suggestions emerged that not all war criminals had been identified and convicted by earlier processes. That alleged war criminals might have found refuge here became clear with the arrest and extradition of Helmut Rauca from Canada to West Germany.

Reports during the early 1980s suggested that the number of war criminals in Canada was in the area of 2,000 to 3,000 and could reach as high as 6,000. There were claims made that Josef Mengele, notorious for brutal and inhuman medical experiments, had come or attempted to come to Canada. As these accounts persisted, it became increasingly apparent that the Canadian Government should take action to resolve old uncertainties and to see that the interests of justice were served. However, the absence of clear information on the scope of the problem and any consensus among legal authorities on appropriate remedies were impediments to decisive action. It is a substantial accomplishment of this Government that, despite

the difficulties, it has taken the required action to address this problem which has cast its shadow on Canada for far too long.

To ensure that any war criminals who might be found in Canada were brought to justice, the precise scope of the problem had to be measured and an appropriate approach to its resolution developed. On February 7, 1985, the Commission of Inquiry on War Criminals, with the Hon. Mr. Justice Jules Deschênes as commissioner, was established with a mandate to address these questions. The report on the commission of inquiry was transmitted to the Government on December 30, 1986. It was my privilege to have tabled that portion of the report recommended for publication by the commission. That part of the report discusses generally the scope and nature of the problem of war criminals in Canada and sets out the findings and recommendations of the commission. It also contains general outlines of the commission's treatment of 822 individual cases.

• (1110)

There is an additional part of the report in which the commission discusses 29 cases. The commission originally felt that the seriousness of the allegations and the possible availability of evidence merited special attention. The commission recommended that this part of its report entitled "Part II, Confidential", not be released. We agree with this recommendation.

Before turning to the findings and recommendations of the commission, there is one preliminary matter which is important to note. When the commission's report was submitted to the Government, it was apparent that the level of detail set out in the portion of the proposed public report which deals with individual cases might allow the identification of many of the individuals concerned. Because the commission found the allegations against most of the individuals to be unfounded and in other cases recommended further investigation, the Government decided that changes were necessary to protect the privacy and reputations of all the individuals concerned. This concern was discussed with Mr. Justice Deschênes. Following this consultation, many specific place names, dates and some details in this portion of the report were made more general in order to protect against the identification of individuals. Mr. Justice Deschênes has expressed his agreement that the changes made in no way affect the substance or the integrity of the report. He has also provided an explanatory note to this effect which has been included in the report.

I would like to take a moment to discuss the findings of the report. I am pleased to say that the report represents a substantial clearing of the air with respect to war criminals. We are no longer confronted with an undefined problem with no solution in sight. Rather, it is now apparent that the problem of war criminals is not as extensive as had been feared. Nevertheless, it is apparent that action is required and that a resolution of this problem can be found within our system of justice.

The work of the commission of inquiry has cleared away much of the mystery and speculation which has characterized previous discussions of war criminals in Canada. It has provided a basis upon which the Government can act to carry out necessary investigations and resolve specific legal issues. While the commission's work has identified a number of instances in which individuals suspected of war crimes are or have been in Canada, it appears that the scope of this problem has been considerably exaggerated by some. There are and have been far fewer suspected war criminals in Canada than suggested. Many persons against whom suspicions were voiced are no longer living. There is no evidence that Dr. Josef Mengele ever entered or applied to enter Canada. The charges of war crimes against the so-called Galicia Division said to have committed atrocities were found not to be substantiated, and allegations against many, many individuals have been found groundless or otherwise dismissed.

While pointing out that the history of Canada's approach to the question could have been more active and aggressive, the report indicates that Canadian actions with respect to the pursuit of war criminals in the period following World War II were not substantially different from those of other western countries. There is little doubt that the practices over the past 40 years could have been even more effective in preventing the entry of suspected war criminals into Canada and their attaining of citizenship here. However, it is also clear from the report that there was no action or policy on the part of the Government of Canada or of Canadian officials to aid or assist known or suspected war criminals in entering Canada nor to conceal or protect their presence in any way.

Of approximately 880 individuals investigated by the commission, the large majority of cases have been found to be unsubstantiated. The commission recommends that over 600 cases be closed immediately. The commission did find that 21 persons suspected of possible complicity in war crimes were in Canada but left for another country and 86 such persons died in Canada. Three hundred and forty-one individuals on the suspect list never came to Canada. In 154 cases, the commission could find no prima facie evidence of war crimes.

The number of individuals in Canada against whom there remain outstanding allegations of possible involvement in war crimes has, as a consequence of the commission's efforts, declined very substantially from the previously suggested thousands to far smaller numbers.

[*Translation*]

However, in the time available to him, Mr. Justice Deschênes was not able to complete his investigations in every case. Consequently, some cases remain open. Of these cases, almost all require further investigation before any decision concerning possible action can be taken. Some of the cases involve possible fraud or non-disclosure of an individual's background at the time of entry into Canada or when applying for citizenship. In turn, some of these reveal no evidence of personal participation in criminal acts directly harmful to others.

[*English*]

In its recommendations, the commission recognizes that there are difficulties with the capacity of Canada's current laws to deal with war criminals. In particular, the recommendations of the commission indicate a need for further legislative amendment before proceeding beyond the investigative phase. Amendments to present laws are suggested with respect to three possible approaches to dealing with war criminals. These are extradition, criminal prosecution and denaturalization or removal of citizenship with or without deportation. The commission also recommended changes to immigration and citizenship laws and prospective changes to immigration practices to ensure that future entry into Canada by war criminals is prevented.

Specifically, the commission's recommendations are as follows. With respect to extradition, the commission suggests an expansion of Canada's traditional laws and practices to make the extradition from Canada of individuals accused of war crimes easier to accomplish. This would involve amendments to the Extradition Act and specific bilateral treaties to allow war criminals to be extradited to other countries willing to undertake prosecution.

The commission's recommended approach with respect to the use of Canada's criminal law would see a specific amendment to the Criminal Code to allow it to be used as a vehicle for the prosecution in Canada of war criminals. To permit this, the report recommends amendments to the Criminal Code to define war crimes and crimes against humanity. It recommends that Canadian courts should then be given jurisdiction to try individuals accused of war crimes and crimes against humanity even if their crimes were committed outside Canada if the acts in question would have amounted to crimes if committed in Canada.

With respect to revocation of citizenship, denaturalization and deportation, the commission recommends that denaturalization and deportation procedures should be streamlined and consolidated, at least in cases of suspected Nazi war criminals. It also recommends that the denaturalization phase should proceed first and that the resultant findings of fact should be held conclusive in the deportation phase of proceedings. In addition, the report suggests that judicial appeals of decisions on denaturalization and deportation should be denied or restricted to a single appeal.

The report includes other recommendations and findings with respect to the grounds for deportation and denaturalization and the legal principles applicable thereto directed at clearly establishing that war criminals should be denied entry into Canada or Canadian citizenship if their status was obtained on the basis of fraud or by withholding evidence. These changes would be prospective as well as affecting those whose alleged offences occurred during World War II.

With a view to the strengthening of the immigration and citizenship processes to ensure that future entry of war criminals into Canada is made as difficult as possible, the commission made a number of other specific recommendations. In order to strengthen the Immigration Act and immigration procedures, the commission recommended that:

(a) The immigration screening process and interview procedure should be tightened so that a minimum set of questions on military, political and other past activities of applicants are asked, reduced to writing and signed;

(b) Immigration application forms should be kept until the applicant is no longer alive;

(c) Express exclusions should be made in the convention relating to the status of refugees and the Immigration Act to make them expressly inapplicable to war criminals;

(d) Section 127 of the Immigration Act, whose purpose is to provide protection for individuals with an established Canadian domicile, should be amended to ensure that its guarantee expressly does not apply to those involved in war crimes;

(e) To allow individuals to be deported to jurisdictions where they will be subject to judicial process, their current right to choose where they will go on being deported ought to be limited by expressly amending the Immigration Act.

• (1120)

With respect to the Citizenship Act the commission recommended:

(a) That the Citizenship Act should be amended to make it a bar to obtaining citizenship to have been involved in war crimes;

(b) That the Citizenship Act should be amended to make participation in war crimes a specific ground for revocation of citizenship;

(c) That Section 9 of the Citizenship Act, which provides for removal of citizenship by order because of false representation, fraud or knowingly concealing material circumstances, should be amended to make it expressly applicable to situations arising under former laws on citizenship and immigration in order to ensure that it applies to past misrepresentations or offences of this nature.

The commission also considered certain evidentiary problems which presented themselves. It is apparent that in conducting further investigations serious evidentiary difficulties would be encountered. The passage of 40 years and the national, political and linguistic differences that must be addressed in endeavouring to collect the necessary evidence are formidable. In quite a number of the remaining cases the pursuit of investigations must involve at least one Eastern bloc country. The commission concluded that Eastern bloc evidence should be sought but only under specific conditions. The commission recommended that Canada should seek evidence in foreign countries in situations where there are already serious grounds to believe that an individual has committed war crimes, provided that the country agrees to the six specific conditions which the commission recommended in order to

ensure that Canadian standards of evidence and justice are met.

Finally, the report recommends that the legal changes recommended by the commission and the investigation of individual cases required, should be carried out either by the commission itself or by the Government utilizing resources within the Department of Justice and the Royal Canadian Mounted Police. The commission did not recommend an organization similar to the United States Office of Special Investigations.

Since receiving the report the Government has reflected carefully on the nature of the issues which prompted this inquiry and the need for the Government to address the problem of war criminals. Although the commission found that the number of war criminals in Canada has been greatly exaggerated, it is clear that Canadians are not and will not be satisfied with the notion that individuals guilty of war crimes during the course of World War II should find in Canada a safe haven from the processes of justice. The Government must be concerned if even one individual guilty of war crimes has found a refuge from justice here.

It has long been a principle of our law that individuals guilty of serious crimes must be sought out and punished with regard to any statute of limitations. At the same time the Government realizes that the preservation of individual rights is a fundamental component of the administration of justice.

It is clear that Canadians value highly the legal rights guaranteed in the Canadian Charter of Rights and Freedoms and the other protections of our system of justice. The Government has therefore approached its initial assessment of the recommendations of this commission recognizing the need to develop a response appropriate to our own society in the context of our own system of justice. The guiding principle is simply this: The problem of war criminals should, wherever possible, be dealt with here in Canada and every case must be resolved in a manner consistent with Canadian standards of law and evidence.

Within this framework it is clear that an unequivocal affirmation of Canada's commitment not to be a haven for those who would seek to avoid punishment for crimes committed in time of war is necessary. The Government is, therefore, prepared to amend the Criminal Code to give Canadian courts jurisdiction to try in Canada war crimes or crimes against humanity where the conduct in question would amount to a criminal offence in Canada. Such proceedings, mindful of the need to preserve the fundamental rights and freedoms of persons in Canada, would be undertaken according to Canadian rules of evidence and in accordance with the overriding principles established by our own Canadian Charter of Rights and Freedoms. Such jurisdiction will of course allow the trial within Canada of individuals accused of war crimes in modern conflicts and will not be restricted to addressing past crimes. It will also be necessary to define what war crimes will be subject to criminal sanctions. To ensure that the required amendment effectively addresses past and future war crimes, careful attention is being directed to the development of the precise standards and definitions to be utilized in the proposed Criminal Code provisions.

Mr. Justice Deschênes pointed out that much more remains to be done in completing the recommended investigations. He felt, however, that a determined effort could achieve the necessary results within the framework of existing Canadian institutions, specifically the RCMP and the Department of Justice. He pointed out that sufficient resources would be required by these institutions to pursue the investigative process and take the necessary action warranted by the available evidence. As already noted, he recommended against the creation of an organization similar to the Office of Special Investigations in Washington. With all of this the Government agrees.

If Canada is to contemplate seriously the possibility of bringing criminal proceedings in Canada concerning events which happened in Europe it is clear that evidence will have to be gathered wherever it may be found. That is nothing new, of course. Traditionally Canadian courts have, where appropriate, sought and utilized the capacity to seek evidence in foreign countries by way of commission. As well, Canadian police have on many occasions carried their investigations into foreign lands with the aid of local authorities. For example, significant and reliable evidence was obtained in several countries, including the Soviet Union, in the proceedings leading to the extradition of Helmut Rauca to West Germany for war crimes.

The individual cases in which Mr. Justice Deschênes has recommended that consideration be given to seeking Eastern European evidence will be carefully reviewed on a case-by-case basis. Any gathering of evidence abroad will be restricted to those cases where, in the opinion of Canadian authorities, there are specific, credible and serious allegations of war crimes requiring further investigation.

In such cases Mr. Justice Deschênes recommended that six conditions be observed. These were: One, the protection of reputations through confidentiality; two, the use of independent interpreters; three, access to original documents where relevant; four, access to witnesses' previous statements; five, freedom of examination of witnesses in accordance with Canadian rules of evidence; six, the videotaping of such examination. The Government believes that obtaining evidence in accordance with Canadian procedures and the additional safeguards of the six special conditions recommended by Mr. Justice Deschênes for use in Canadian courts under the scrutiny of Canadian judges and in accordance with Canadian rules relating to the admissibility and probity of evidence should guarantee fairness and justice to all concerned.

The need to tighten up Canada's practices with respect to the entry into Canada and the processes of obtaining Canadian citizenship to ensure that Canada will not be thought of as a place of refuge for individuals who have participated in war crimes, crimes against humanity, is also clear. The Government will proceed with the measures recommended by the

Deschênes Commission to ensure that in the future, immigration into Canada and Canadian citizenship are not available to those who have participated in war crimes in other countries. The immigration screening process and interview procedure will be tightened up as recommended. Other protections of the Immigration Act and the Convention Relating to the Status of Refugees will be made expressly inapplicable to war criminals.

• (1130)

[*Translation*]

In future, Canadian citizenship will be denied to those who have participated in war crimes. This will be done by amending the Citizenship Act to make complicity in war crimes as defined in the amended Criminal Code a bar to Canadian citizenship.

[*English*]

With respect to those who already have become Canadian citizens, the Government does not wish to change the law retroactively. Hence, it will proceed under existing laws and practices to address the problem of individuals whose citizenship has been obtained through demonstrable fraud.

Certain of the commission's recommendations suggested changes to Canada's extradition laws to increase the extent to which extradition would be available to remove those suspected of war crimes from this country. The Government's current extradition policies represent a carefully developed balance of the considerations which must apply before Canadian residents are sent outside Canada for trial elsewhere. Because we seek solutions consistent with the Government's goal of ensuring that this problem is, to the maximum possible extent, addressed here in Canada, no change in current law or practice with respect to extradition will be made to address the situation of war criminals specifically. That is not to say that extradition will not be carried out in any circumstances. It is intended, as in the past, to consider extradition requests in a manner consistent with existing law and traditional arrangements and practice.

The commission also makes a number of recommendations suggesting the streamlining and consolidation of Canada's legal processes with respect to the revocation of citizenship and deportation. As recognized by the commission, the proposed changes raise difficult questions which must be carefully reviewed and assessed. It is not proposed to make these changes. The Government believes that by applying current law and practice, together with the other changes already proposed, the underlying problems will be effectively addressed.

Canadians expect their Government to demonstrate leadership in addressing this important question. Canadians also expect that no matter how difficult the problem, the fundamental principles of fairness and equity must apply. It is not appropriate to seek to delay its resolution, nor to seek to export our responsibility to other countries. I believe that the Government's commitment, which I have outlined today, will be effective, fair, and in keeping with the best tradition of Canadian justice.

Some Hon. Members: Hear, hear!

Mr. Blenkarn: Mr. Speaker, I rise on a point of order. Would it be possible, in view of certain other arrangements, for me to present the fourth report of the Standing Committee on Finance? It would take just a moment and I understand that the opposition speakers will want to speak extensively in reply to this statement by the Minister of Justice (Mr. Hnatyshyn). It would be helpful and I would appreciate the House's indulgence.

Mr. Speaker: Will the Hon. Member for York Centre (Mr. Kaplan) indicate approval or disapproval?

Mr. Kaplan: Mr. Speaker, the Hon. Member requires unanimous consent. For my part, I have no objection.

Some Hon. Members: Agreed.

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FINANCE AND ECONOMIC AFFAIRS

PRESENTATION OF FOURTH REPORT OF STANDING COMMITTEE

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, I have the privilege of presenting the fourth report of the Standing Committee on Finance and Economic Affairs in relation to the definition of scientific research development. At this time the Income Tax Act allows for a tax credit for those engaged in scientific research on behalf of business in the natural sciences and engineering sciences. This report recommends an extension of the income tax allowance to the humanities.

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

* * *

[*Translation*]

WAR CRIMINALS

REPORT OF COMMISSION OF INQUIRY—STATEMENT OF MINISTER

Hon. Bob Kaplan (York Centre): Mr. Speaker, first of all, I want to thank the Minister for giving us notice of his statement and for the opportunity this morning to spend two hours examining both the report, which numbers about 1,000 pages and the statement he just made. I am of course very grateful, but I think all Members will agree that since we are looking at 1,000 pages, it would be difficult for us to respond today with the same degree of precision as the Minister. I intend to look at the details and to respond specifically to each proposals in the days to come.

Today, however, I can only respond in a very general way, and I trust the Minister will understand.

[*English*]

When the Deschênes Commission was launched I had the opportunity, on behalf of my Party, to indicate our position. I want to remind the House of the degree of approval which I indicated for the choice of Mr. Justice Deschênes to head this commission. Without having read the report from cover to cover, I believe that what I did see in it shows a degree of workmanship, a degree of commitment which lasted years beyond his original undertaking, a willingness to examine all issues raised, and a willingness to pursue all suspects identified, which deserve the commendation of this House. As I said at the outset, I would like to indicate once again how felicitous the choice of Mr. Justice Deschênes was for this project and how well he has redeemed the confidence which was shown in him when he was asked to undertake this assignment.

At the same time as I expressed confidence in Mr. Justice Deschênes I expressed two reservations, and I want to refer to those briefly now as well. I expressed the reservation that the Government would do nothing on the prosecution of war criminals for the entire time that the commission sat. I expected then that it would be a relatively short period of time. It has turned out to be a long period of time and, regrettably, the concern which I expressed was validated by events. During the entire process, although there were cases under investigation as indicated and referred to in the House by the Minister of Justice of the day, nothing was done during this very, very long period. I regret that during that long process the projects which the Deschênes Commission recognized as having been commenced by the former Government were not pursued by the present Government.

The other concern which I expressed, to which I want to refer again, was a concern that the fabric of Canadian society could be affected by a process in which there would be allegations, not related to particular individuals who would be charged, but which might find a reference to communities, allegations which could disturb the harmony of the Canadian society. Regrettably, and through no fault of Mr. Justice Deschênes, in my opinion, there have been tensions during the period that the Deschênes Commission conducted its work.

However, those are behind us now and the report is before us. It is incumbent upon the Liberal Party, and it is our desire, to look to the future, to look to the degree to which this report will settle issues of public concern and the degree to which the Government will respond to it. It is to those issues that I want to turn now.

However much the fabric of Canadian unity may have been affected by the report, there is a full opportunity for national unity to be strengthened, for the understanding among Canadian communities to be enhanced, and for the report and the action of the Government to be an experience which will enrich Canadian society and reinforce our commitment to fundamental justice, which surely includes the inability of a democratic society to accept among it the presence of those who have committed some of the worst crimes in world history and have remained unpunished.

• (1140)

The formula for a very good ending exists. I had an opportunity to read the Minister's statement beforehand and I want to say that I think the Government is indicating that it will be on the right track. It will have the support of this Party to carry out the program that the Minister has indicated.

I want to examine some of the important issues that are raised in the report. Again, I think Canadians can find reassurance from some of the conclusions on serious key issues with which the Deschênes Commission dealt.

The first question I want to examine is: why has it taken so long for Nazi war criminals to be addressed and brought to justice? The report deals with that issue and finds, I hope to the relief of all Canadians, that there has been no conspiracy to harbour war criminals in Canada, that no one was providing cover or protection for war criminals, and that no one encouraged them to come to Canada. The report finds that the number who got here, regrettable as it is, came here through the same kinds of circumstances in which they got to other countries. While Canada's record is not satisfactory, it is no worse if no better than the record of a number of other western countries which were similarly countries of refuge for those fleeing the war, including a number of war criminals. That should be a relief to Canadians. I hope it will be generally accepted and will provide more cement for good relations among the communities that live in this wonderful country.

A second finding that I believe is valuable and important as well as reassuring is the finding that the number of war criminals who are here is small. One is too many, and I am glad the Minister addressed that theme in his remarks. If there is one among us who can be brought to justice, that individual should be brought to justice. However, I am reassured, as I hope other Canadians are reassured, to learn that there are not 6,000 or 3,000 but a number small enough that there should be no more excuses for not taking the necessary steps to bring them all to justice so that Canadians can feel, when this process is completed, that the problem has been dealt with and we are not a country which offered asylum and did nothing about war criminals who in one way or another—fortunately not through complicity or support—managed to make Canada their hiding place for so many decades. That is reassuring.

Finally, I want to refer to one example because the report makes a great deal of it. It is the example of the Galicia Division in Ukraine. I am Jewish. I grew up in the Jewish community. It has always been thought and said that that division represented a symbol of evil. While I want to read his examination fully, I am prepared and I want to accept the examination by Mr. Justice Deschênes in which he tells us that that division is made up of individuals, some of whom are clearly not guilty of any war crimes, not only in the opinion of

Mr. Justice Deschênes but in the opinion of others on whom he relied and whom he cites at great length in his report.

In other words, in relation to this division, I would like to think of the Deschênes Commission as being a clearing of the air and a sign that no ethnic group can be taken as a whole to be responsible for the commission of war crimes. War crimes were committed by individuals of a variety of nationalities, and in the Galicia Division, as in other groups, each case must be considered on its merits and each individual must be dealt with as an individual. According to Mr. Justice Deschênes, the vast majority of them are innocent of any war crimes.

We must remember that the Nürnberg trials were not a trial of the German people. They were not a trial of World War II. They were a trial of a series of individuals, each charged with personal responsibility for the commission of war crimes. That is how we must look at the question of war criminals in Canada. It is a matter of individual responsibility.

I am pleased that Mr. Justice Deschênes went to the length he did in connection with the Galicia Division to establish that approach. It is an approach that I hope Canadians will make part of their consideration in seeing that war criminals are brought to justice and that the matter is dealt with in a way that is fair.

I said that the Government promises action and that Deschênes recommended action. Let me turn to the action that is recommended and what the Government proposes to do about it. Deschênes made three recommendations. The Government is only proposing to act upon one recommendation. First, Deschênes recommended that the Criminal Code be amended so that a made-in-Canada approach can be taken so that prosecutions can be held in our country and evidence can be brought in subject to strict Canadian rules and applied against war criminals here. It deals with some issues that have been difficulties in the past such as the question of retroactivity, and comes to the conclusion, based on what looks like sound legal argument, that the Criminal Code can be amended and war criminals can be prosecuted here.

The second recommendation is the revision of the extradition laws and the treaties to facilitate trying war criminals in foreign countries if those countries ask for their return.

Third, the process of denaturalization is examined. Deschênes recommended all three proposals and the Government is proposing to deal with the Criminal Code approach. I will have much more to say about the details of the Government's proposal, but one point I want to make now is that there is no doubt that the Criminal Code approach is much better than the other two. Taking away someone's citizenship depends on very special circumstances in individual cases which may or may not be there for the individual. I suspect that there are war criminals in Canada who could pass the denaturalization test by the circumstances under which they came. Therefore, it would not work for them in any event.

Extradition is similarly limited. Not every request for extradition can be honoured. In my opinion, if we had a war criminal in Canada who was wanted in some country where he had already been tried and condemned to death in front of a firing squad *in absentia*, we would not be able to condone an extradition under circumstances like that. Therefore, the two methods which the Government has put aside are less broad and less useful than the third method which it has endorsed and is proposing to follow. Our Party will accept that.

We will be satisfied, I suggest, for the time being to see the Government proceed with the Criminal Code amendment and show us the kind of good faith which has not been forthcoming generally from the Government in many other areas. I must say that the Government has not kept its promise in other areas, but in this case in taking the promise we are prepared to give the Government the opportunity and our support for the concentration on the one method of the three which could touch every war criminal and which ought to be the most useful device with the most safeguards. After all, taking away citizenship does not deal with the reasonable balance of proof of guilt of a serious crime. Extradition puts the individuals in the hands of another country, however much we might respect that particular country.

• (1150)

So let us have the amendments, and let us have them quickly. The Government has also made a commitment to allocate resources so that war criminals can be dealt with expeditiously. It has had the report for three months but we have not yet heard of anything. I hope the Minister was able to tell the media today how many Counties, how many lawyers, how many historians and how many interpreters have been allocated, because in three months, if the Government is acting in good faith on the solution it has endorsed, I think it should have been able to come up with something substantial. We in our Party will be pressing for that.

I think the Government as well ought to act on 21 particular cases referred to in this report. The Deschênes Commission finds that 21 highly suspected war criminals have left Canada. I do not think it is good enough for us to close the books on them just because they have left Canada, and I would expect the Government to do what we have been asking other countries to do. We have asked them to help us bring war criminals to justice in our own country. I would hope that in each of those cases an initiative will be taken by the Government to alert the country concerned that there is a fugitive in that country who ought to be brought to justice and that all possible assistance will be offered by the Government so that that can be done.

I have two other points that I would like to put before you, Mr. Speaker, at this time. The first point is the concern expressed by the public in some quarters while all this has been going on that while the Nazi holocaust certainly occurred and requires that its perpetrators, if found in Canada, be brought to justice, there are other victims in this country who have suffered from other international atrocities in other places in the world. While the Government has focused on the holocaust

in Europe during World War II, there have been calls for a focusing on other victims and other victimization and on the fact that in other parts of the world, in Asia, Africa, Afghanistan, Angola, Viet Nam, horrible tragedies and brutalities have been committed, and that possibly there may be perpetrators of those crimes among us. There is, indeed, the Communist invasion following World War II. After the defeat of the Nazis, an additional series of atrocities were committed as the Communists took control of country after country. Something should be done about these facts as well. While I approve and support on behalf of my Party the amendment of the Immigration Act and the Citizenship Act so that from now on there will be a very good filter system, I am not satisfied that the past has been sufficiently addressed. I would urge the Government to deal with that problem as well.

I want to suggest even that if a royal commission has done us such a service in connection with war criminals from World War II, a royal commission could be the solution and other Canadians who were victims of foreign atrocities could bring their case against suspects in our country and receive the same attention and investigation which has been given to the case of the Nazi war criminal.

My final thought was that the report, and it is really the point I made at the outset, is a great opportunity and that the Government's response is also a great opportunity for a healing process to take place in our country, a healing process which is needed because of tensions among some communities in Canadian society which became regrettably worse during the process of the Deschênes Commission. This is an opportunity to strengthen national unity and to reinforce our commitment to fundamental justice for all crimes which must be punished, as the commission of war crimes must be punished.

I want to lend my support to the Government in this purpose and to warn that, having made a commitment to action and Criminal Code amendments, a commitment to supply RCMP officers and officials from the Department of Justice, three months is enough time for us to have a report and not simply a statement, if it is the case that the Government is still looking into it. I am pleased on behalf of my Party to offer these preliminary comments.

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, I am pleased to rise to respond on behalf of my Party and my caucus to the announcement made by the Minister of Justice (Mr. Hnatyshyn) today with respect to the Government's response to the recommendations of the Deschênes Commission. You will recall, Mr. Speaker, that in February of 1985, the former Minister of Justice of the Government of the day announced the establishment of the Deschênes Commission. I welcomed that announcement and commended the Government for taking the first real and concrete action to deal with the concerns of Canadians with respect to the possible presence in our community of Nazi war criminals. We welcomed the announcement of this commission to be chaired by such a distinguished judge as Judge Deschênes in February, 1985, and I believe it is appropriate now to say that Judge Deschênes has done an excellent job. He has approached his daunting task with care and diligence.

It is not insignificant that it was also in 1985, some 40 years after the conclusion of World War II, that there was a historic gathering here in Ottawa of Jewish holocaust survivors and their children. I had the privilege and honour to attend that gathering. Certainly, for those of us who were present, it was a profoundly moving event. I remember Elie Wiesel, who addressed so eloquently that gathering of the Jewish survivors of the holocaust. He spoke of the importance of not forgetting. He said:

> The fear of forgetting remains the main obsession of all those who have passed through the universe of the damned. The enemy counted on people's incredulity and forgetfulness. How could one foil this plot?
>
> And if memory grew hollow, empty of substance, what would happen to all we had accumulated along the way? Remember, said the farmer to his son, and the son to his friend. Gather the names, the faces, the tears. We had all taken an oath: "If, by some miracle, I emerge alive, I will devote my life to testifying on behalf of those whose shadow will fall on mine forever and ever."

Those words spoken by Elie Wiesel must surely guide us in our response to the presence in our communities of those who allegedly participated in these atrocities. I want to commend particularly those in our community in Canada who have particularly taken the time and energy to draw to the attention of the Government our historical responsibilities in this area, whether it be the Canadian Holocaust Remembrance Association, the Simon Wiesenthal Centre, the Canadian Jewish Congress, the B'nai Brith, and many others. As we know, and as has been clearly documented, Canada has a history of shameful inaction in this area. As Judge Deschênes pointed out, unfortunately, we were not alone in this inaction.

• (1200)

Before the war not only did the Government close the doors to Jews who were seeking to flee persecution from Nazi Germany, but afterward those doors were opened. Those doors were opened to far too many people who, in fact, were perpetrators of the atrocities that the Jews were attempting to flee. Canada had one of the worst records in admitting Jewish refugees fleeing the Holocaust from 1940 to 1945, and a tragic record of keeping survivors out in the three years after the Holocaust. Surely, this imposes upon us even greater obligations at this time to reach out and take whatever steps are necessary in our community to bring to justice those who were responsible for the obscenity of the Holocaust.

This is particularly important as well in view of some recent attempts to deny the reality of the Holocaust. We have seen the obscenity of people who would refuse this reality, the reality of the murder of millions at the hands of the Nazis, millions of Jews, homosexuals, gypsies and others. We must not be blinded to the horrors of the Holocaust. We must not continue what Irwin Cotler has described so eloquently as the bureaucratization of horror. He said:

> Rather, what one finds throughout is the reduction of the Holocaust to a footnote and the concomitant bureaucratization of horror into a technical rationalization of why nothing can be done—a bureaucratization of evil that emerges as a blueprint for government inaction.

We all remember the decision that was taken in 1962, for example, when the Government said that because nothing could be done with respect to alleged Nazi war criminals the RCMP should not pursue these questions. That was wrong. It is tragic that there has been but a single attempt to move in this area, and that was with respect to the extradition of Helmut Rauca in 1982.

The Minister has touched upon the question of the tensions which have been raised between ethnic communities in Canada following the establishment of this commission. My colleague, the Hon. Member for York Centre (Mr. Kaplan), has discussed the same issue. We share these concerns. Indeed, my colleague from Thunder Bay has spoken out eloquently as our official spokesperson in the area of multiculturalism on this question and the essential importance of focusing not on ethnic communities but on individuals. We must make it very clear that we are not singling out any ethnic community. There can be no collective indictments. There can be no collective guilt in this area.

At the same time we must reject one of the arguments made by these bureaucrats to whom Irwin Cotler referred, the argument of retroactivity. I am pleased that the Minister of Justice has dealt with that argument in his response and has rejected it. Murder is murder. The passage of time cannot in any way diminish the significance of these crimes. To suggest otherwise would surely betray not only those who perished in the Holocaust and those Canadians who fought the Nazis, but it would betray those who survived, as well as the families of those who died. Also, it would be a betrayal of our obligations, our international obligations, such as those undertaken in the General Assembly in 1973 where we agreed, and I would like to quote now from the Convention:

> War crimes and crimes against humanity, wherever they are committed, shall be subject to investigation and the persons against whom there is evidence that they have committed such crimes shall be subject to tracing, arrest, trial and, if found guilty, to punishment.

That is our obligation, solemnly undertaken at the United Nations. It is an obligation which we must respect. It is an obligation which has been recognized by the adoption of the provisions of the Charter of Rights allowing for the trial, in Canada, of crimes against humanity.

I might say that it is particularly offensive, in the context of the discussion of retroactivity, to hear individuals within the Department of Justice in submissions to the Government suggest, as they did in 1982, that retroactivity applied to persons whose demeanour while in Canada over a lengthy period may have been exemplary might be quite controversial. That was the suggestion made by the person who chaired the interdepartmental committee looking into this question. So it is no wonder that no action was taken with respect to this question.

We know, for example, that one woman, Hermine Ryan, was recently sentenced by a West German court to life in prison for murdering at least 1,100 prisoners in Poland's Maidenek concentration camp during the Second World War. For a while she lived in Canada. Had she not later moved to the United States, from where she was extradicted in 1983, she might never have been prosecuted for these murders and for the kicks that earned her the nickname "The Mare" among prisoners.

We must not allow that to continue in Canada. There must be a forum for those who suggest that the numbers differ from those which were established by Judge Deschênes. There must be a forum for these people who bring forward evidence, a forum within the Department of Justice and the RCMP. All must be brought to justice.

We welcome the announcement of the Government that all relevant evidence will be used because, indeed, survivors are living today not only in Canada but in Europe and in the U.S.S.R. Provided evidence is taken, subject to the safeguards which were established by the Deschênes Commission, obviously, that evidence must be taken wherever it may be.

Very importantly, we welcome the announcement of the Government to amend Canadian legislation, to amend the Criminal Code to allow the bringing to justice, in Canada, with trials in Canada subject to Canadian judicial standards, of individuals who are alleged to have participated in crimes against humanity, those who have participated in war crimes. I might note that this option is one which was explicitly rejected by the previous Government. I regret that very much. It was a former Minister of Justice, Jean Chrétien, who stated:

> I don't think we should start prosecution in Canada for crimes committed in European countries 35 years ago . . . I don't see how it would be possible to do so in Canada for crimes committed in other countries.

I am pleased that the Government has recognized that, indeed, we can move forward under the appropriately amended provisions of the Criminal Code to take action here in Canada to deal with these individuals. Indeed, it is important—in fact essential—that the Government move forward quickly in this area. Members of the New Democratic Party, and I speak on behalf of my caucus, will co-operate fully with the Government in speedy passage of legislation to allow for the trial in Canada of alleged Nazi war criminals.

It has been pointed out that the biological clock is ticking, the biological clock is running out on Nazi war criminals. As Rabbi Marvin Hier of the Simon Wiesenthal Centre pointed out:

> —the record of history should not read that those who committed unspeakable crimes against humanity had the final victory by depriving justice of its due course.

• (1210)

We will fully co-operate with legislation that will allow for the trial in Canada of these individuals. It is important that the necessary resources be made available to the RCMP and to the Department of Justice to carry out their task with dispatch. I was most concerned to learn that apparently as yet there have been no additional personnel attached to the Department of Justice and no new personnel hired by the Ministry to respond to the report of the Deschênes Commission. As yet, we know of

no individuals who have been hired by the RCMP to augment the unit within the RCMP that is conducting investigations. If the good words and the noble intentions of the Government are to be a reality, it must move forward now to put in place the necessary resources, both in the hands of the Department of Justice and the RCMP to allow for the prosecution of these individuals.

I would note the comments in this regard in the report of the Deschênes Commission. The Deschênes Commission states that should this not be done, should the necessary resources not be made available on a priority basis, there would appear to be no other alternative but to close the whole matter of war criminals altogether.

We wish to see legislation very quickly as promised by the Government. But we also want to see action now to ensure that the legislation which is in place can in fact be used and that individuals can be brought to justice. There could be no greater betrayal than to bring forward legislation but at the same time for the Government not to put in place the resources to allow for the necessary prosecutions under that legislation.

The Government has rejected two of the three major recommendations of the Deschênes Commission. The Government has rejected the suggestion that there should be changes in Canada's extradition laws and proceedings to facilitate the extradition of individuals who may be guilty of crimes against humanity. The Government has also rejected any changes to laws governing denaturalization and deportation with respect to these individuals.

With respect, I would suggest that while we fully support the decision of the Government to move forward in the area of trials in Canada, indeed we have called for that action to be taken for some time, we would not close the door, as the Minister has done, on the other options which have been suggested by the Deschênes Commission. I would suggest that these other options be referred to the Standing Committee on Justice and Solicitor General in order that that committee might conduct with dispatch a careful study to ensure that indeed these options should not be pursued.

For example, we know of the barriers in the present extradition laws that have prevented the extradition of Jacob Luitjens which has been requested by the Dutch Government. Luitjens was convicted of crimes involving the murder of two innocent people, and also of assisting the German occupiers. He was sentenced to 20 years imprisonment for that criminal offence. Today he is present in our community. The Dutch Government has asked for him to be returned to Holland. Our Government has said that that is not possible because the extradition treaty does not allow it. Surely we must ask ourselves whether there should be some changes to those extradition treaties.

We also must examine with care the question raised by the Deschênes Commission with respect to flaws in the Canada-Israel extradition treaty, and the fact that this treaty is prospective only. Indeed, the commission states that abrogating this amendment in that treaty should be the first task of those who are interested in bringing war criminals to justice.

We do not agree that the Minister should close the door, as he has done apparently irrevocably, to any possible changes in the law in the area of extradition, denaturalization, or deportation.

I wish to conclude by again assuring the Government of our support for speedy passage of legislation to allow for the trial of those individuals who are living within Canada who are accused of crimes against humanity. I call upon the Government to bring that legislation forward quickly, and particularly not to betray the hopes of the survivors by delaying action in terms of adequate resources for the Department of Justice and the RCMP.

As I previously stated, the biological clock is ticking. Those who are accused are getting older; the witnesses are getting older, and many have died. We must move quickly in this area, particularly given Canada's shameful history of inaction in this area.

I wish to close by referring to a story that is told by Simon Wiesenthal of an incident that took place shortly after World War II. He was told that thousands of Jewish prayer books had been found in a cellar of a 16th century castle in Austria. He went to investigate. In the cellar there were thousands upon thousands of books brought from Jewish homes and houses of worship all over Europe. The Nazis planned to distribute these books among libraries as historical curiosities. A young man who was with Wiesenthal picked up one book after another. Finally, in one of the books, on the first page he found, in the handwriting of his own sister, these words:

> They've just come into our town. In a few minutes, they will be in our house. If someone finds this prayer book, please notify my dear brother. Do not forget us. Do not forget our murderers.

We must heed that cry.

* * *

The Acting Speaker (Mrs. Champagne): Presenting reports from committees.

Mr. Lewis: I wish to request that the presentation of reports from committees be allowed to stand for a minute or two. There is a committee report which has to be presented. If we could go through the other items in Routine Proceedings, we will be in a position to do that at the end of Routine Proceedings.

The Acting Speaker (Mrs. Champagne): Do I have unanimous consent?

Some Hon. Members: Agreed.

PETITIONS

OPPOSITION TO PROPOSED CHANGES TO PATENT ACT

Mr. Nelson A. Riis (Kamloops—Shuswap): Madam Speaker, it is my pleasure to present a petition from a number of constituents who are concerned about the Government's present proposal to change the Patent Act relating to prescription drugs. The petitioners feel that this will increase drug prices for Canadian consumers. They believe it will severely restrict the ability of average Canadians to buy the necessary prescription drugs. Therefore, the petitioners are asking the Government to reject these proposals before it imposes what they believe could be an additional drug cost as high as $650 million a year.

OPPOSITION TO PROPOSED CHANGES TO UNEMPLOYMENT INSURANCE BENEFITS

Mr. John R. Rodriguez (Nickel Belt): Madam Speaker, I have the privilege and honour to present a petition signed by residents of Richmond, Surrey, Delta, Port Hardy, Vancouver, Nanaimo, and Langley in British Columbia. In July, 1985, 1,093 fishermen were collecting unemployment insurance. By February, 1986, that number had jumped to 29,847. The petitioners point out that fishermen fear that the Government is contemplating their right to collect unemployment insurance. Furthermore, they point out that unemployment insurance must be improved to better serve the needs of fishermen. In fact, the petition calls upon the House to give the assurance that fishermen's benefits under the Unemployment Insurance, 1971 Act will not be removed or tampered with.

• (1220)

Madam Speaker, I have petitions signed by residents of Winnipeg, Manitoba, Kingston, Napanee, Sydenham, Nepean, Ontario; Calgary, Alberta and Gatineau, Quebec. The petitioners point out that if the Forget Commission of Inquiry recommendations were put into effect it would take $1 billion in income transfers out of Quebec, $660 million out of the Atlantic, and $670 million out of the West. It also points out that it would reduce the provision for annualization and would reduce UI benefits to the unemployed by an over-all percentage of 31 per cent.

The petitioners call upon Parliament and this Government to ensure that the provisions of the Forget Commission, namely, annualization, removal of regional extended benefits and the removal of fishermen's special benefits from the UI be cancelled or removed from the Forget Commission.

OPPOSITION TO PROPOSED CHANGES TO PATENT ACT

Mr. David Orlikow (Winnipeg North): Madam Speaker, I have the honour to present a number of petitions under the provisions of Standing Order 106 in which the petitioners, mostly parents of children attending day-care centres, say in connection with the changes to the Patent Act provided for in Bill C-22 that whereas the proposed measure will unfairly hurt those Canadians whose health needs require the purchase of prescription drugs on an ongoing basis; and whereas the proposals of the federal Government will result in higher costs to provincial Government drug plans; and whereas the proposed changes are another example of the Canadian Government's concessions to the United States at the expense of average Canadians in free trade negotiations, therefore, the petitioners humbly pray and call upon Parliament to reject these proposals which will increase prescription drug prices for Canadians.

* * *

STRIKING COMMITTEE

PRESENTATION OF FIFTEENTH REPORT OF STANDING COMMITTEE

Mr. Scott Fennell (Ontario): Madam Speaker, I appreciate your allowing me to present the report at this time. I have the honour to present the fifteenth report of the Striking Committee.

If the House gives its consent, I intend to move concurrence in this report later this day.

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

CONCURRENCE IN FIFTEENTH REPORT OF STANDING COMMITTEE

Mr. Scott Fennell (Ontario): Madam Speaker, I should like at this time to move concurrence in the fifteenth report of the Striking Committee presented earlier this day.

Motion agreed to.

* * *

QUESTIONS ON THE ORDER PAPER

Mr. Doug Lewis (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Madam Speaker, I ask that all questions be allowed to stand.

The Acting Speaker (Mrs. Champagne): Is it agreed?

Some Hon. Members: Agreed.

The Acting Speaker (Mrs. Champagne): I wish to inform the House that because of the ministerial statement, Government Orders will be extended by 71 minutes beginning at 1 o'clock p.m. today.

GOVERNMENT ORDERS

[*English*]

BORROWING AUTHORITY ACT, 1986-87 (NO. 2)

MEASURE TO ENACT

The House resumed from Tuesday, March 10, consideration of the motion of Mr. Wilson (Etobicoke Centre) that Bill C-40, an Act to provide borrowing authority, be read the second time and referred to a legislative committee.

Mr. Nelson A. Riis (Kamloops—Shuswap): Madam Speaker, I am quite pleased to have this chance to say a few words in today's debate on the borrowing authority. I want to remind the House that we are being requested to approve borrowing authority for $24.3 billion as set out, as you know, in Part II of the Bill, and for an additional $3.6 billion set out in the other part of the Bill. We are discussing $27 billion plus worth of borrowing authority. For that reason, we felt it was certainly appropriate to spend some time to point out some of the concerns that we have.

I refer now to an interesting speech which the Minister of Finance (Mr. Wilson) gave just last week to the Macdonald-Cartier Club in Calgary. Let me quote three or four phrases because I know you will be interested in them, Madam Speaker. At the conclusion of his speech he said:

> In my remarks today, I have stressed the fact that the Government you elected—has carried out your program, your desires for fiscal rejuvenation, your principles of a market- driven economy and your commitment to stimulating the private sector.

In other words, the Minister went on to say that the government program as promised presumably had been delivered. Yet I seem to recall that part of the major thrust of the Government's program when it was seeking a mandate from the Government of Canada was about jobs, jobs, jobs. It was said that the Government would intend to create jobs and put Canadians back to work, but there seems to have been some transgression against that commitment. When you look at the facts and the unemployment figures as they exist in Canada today, you will find that in provinces such as Prince Edward Island and Nova Scotia, the unemployment levels today are actually higher than they were in September, 1984 when the present Government took over.

I think if you look at the unemployment levels during the very serious recession in which Canada found itself in 1981-82, I say quite frankly that they exist today in seven out of the ten provinces, Madam Speaker. The Government, through this borrowing authority, is asking us to give permission to continue on as it has over the last two and a half years, to stay the course, as the Minister of Finance calls it. I say it would be quite inappropriate. Last year, Statistics Canada labour statistics indicated clearly that 137,000 new jobs were created in Canada. The interesting thing about that is that out of those 137,000 new jobs, 132,000 were created in one province, the Province of Ontario, and even there the jobs were not widely dispersed but were, by and large, confined to the greater Toronto area or, as it is commonly referred to, the Golden Horseshoe. In other words, 96 per cent of the new jobs created in Canada last year were created within sight of the CN Tower in downtown Toronto and only 4 per cent of the new jobs were dispersed across the rest of Canada. That is unacceptable. That is not something with which we ought to feel pleased, yet the Government is saying that it will simply continue on taking this particular tack and will stay the course. The Government will hold the line because this is the strategy with which it feels comfortable and it is asking us to accept. We do not accept that and we cannot accept it.

• (1230)

The Minister of Finance tells us that he has carried out our program and our commitment to stimulating the private sector. That brings little comfort to single parents looking for work, to hard-pressed farmers and ranchers, to fishermen on the two coasts and the interior lake systems or to the small businesses that are struggling. It does not bring any comfort when the Minister of Finance says that he has in fact carried out our program. That was not our program.

I believe that if we were to carry out a survey of small businesses across Canada, we would find that life for them is not particularly encouraging. I recently toured my constituency of Kamloops—Shuswap and asked business people there how they are doing and what their projections for the forthcoming year are. While they maintain a stiff upper lip and a hopeful, positive attitude, the facts are quite to the contrary. In fact, by and large, the businesses are not healthy. There are always a few exceptions to that for a variety of reasons, but over-all, business prospects in most of the country are not particularly encouraging.

An Hon. Member: Gloom and doom.

Mr. Riis: My hon. friend across the aisle says: "Gloom and doom". I am not suggesting that we need to practise gloom and doom but we do have to admit the truth. Before a person with a drinking problem can solve the problem, he has to admit that he has a problem. Once he has admitted he has a problem, he can set out a particular course to resolve the problem.

Government Members are saying that everything is fine. The Minister of Finance is saying that we will simply hold the course. It is time they stopped saying that because things are not fine in most of Canada. They are not fine in Atlantic Canada, in western Canada and in northern Canada. The forest, mining, agricultural and fishing sectors are not fine. I am not suggesting that we get depressed about all this, but we must admit that there are serious problems in the economy and then start putting into place programs to resolve these difficulties. That is all we are asking. Yet in the Budget Speech of a few days ago, I did not hear about any new programs or initiatives the Government planned to take. When I pored through the Estimates item by item, I did not find any new initiatives. I suggest this is the reason Canadians are disillusioned and disappointed with the Government.

When Canadians gave the Conservatives such an overwhelming mandate, they wanted them to do something different from that which was done under successive Liberal administrations. Canadians wanted a new direction and to feel some change in the economy after a few months. Canadians are now saying that after two and a half years, something should have begun to happen in western Canada. The small business sector should be becoming more active than it was two and a half years ago, but that is not the case.

The economic projections for western Canada are relatively bleak. We are hoping for some growth and improvement but, based on our best indicators, we are not particularly hopeful and optimistic. All this means that the future does not look particularly bright under present government policy. If the Government were to behave in different ways, we would see a tremendous change. We would see unemployment rates go down.

Again, before we can begin to create the perception that the Government is really serious about unemployment, it would be realistic to expect the Government to say: "Our goal is full employment, a job for every able-bodied man and woman in Canada. That is our goal and this is how we plan to achieve that goal". Then people would think that the Government is serious.

A great many people are asking seriously what can be done and what are some of the options. I would like to take a moment or two to deal specifically with what the Government could be doing if it really intended to reduce levels of unemployment, particularly in the regions of Canada, and if it were really serious about revving up the economy so that it will be like the economy we knew a few years ago. I will begin with agriculture.

At the top of the list for agriculture, the Government should introduce agri-bonds. The Standing Committees on Finance and Agriculture and special subcommittees have looked into that concept and have unanimously recommended to the Government that action be taken on agri-bonds. The experts, public servants, farmers and parliamentarians interested in agriculture have examined it and have recommended the introduction of agri-bonds in one form or another. Agri-bonds would provide the farmers and ranchers of Canada relatively low-interest money over a long period of time and they could then begin to plan years ahead knowing what interest costs on their loans would be. Other jurisdictions have forms of agri-bonds. They have been developed in the United States, and European countries have various forms of agri-bonds. That is a specific suggestion for what the Government could do this week if it really were concerned about the agricultural sector.

These days, the mayors of Canadian cities are meeting to discuss mutual concerns. A few years ago when the mayors met in Toronto, the then Mayor of Vancouver, Mike Harcourt, proposed that we return to the system that existed a few years ago whereby the federal Government, in co-operation with the provincial and local Governments, shared one-third, one-third, one-third in the development of municipal infrastructures, including new water systems, upgraded sewage treatment facilities, improved roads and highways, and improved recreational and cultural facilities.

The infrastructure required by a city benefits not only the city but also benefits the province and the country. Therefore, the suggestion was made that the funding of those projects should be shared. It is not a new concept. Other countries around the world do it and Canada used to do it a few years ago. If we were prepared to launch such a program, literally tens of thousands of Canadians would be put to work directly on those projects or indirectly by serving those projects through the manufacturing sector and the various professional sectors. That is another proposal that has been before the Government for some time now.

Let us look at some of the hard-pressed resource areas, and first at the forestry sector. As a result of the softwood lumber tax, the Government imposed some $600 million in new taxes. The Government should reinvest that money and develop silviculture and reforestation programs for our forests. I do not have to remind you or any Member of this House how woefully inadequate our silviculture programs have been and still are. There is much to be done. If we were to introduce more programs covering tree planting, thinning, spacing, fertilizing, disease, pest and fire control, as well as research into new product uses and new techniques for forest growth, we could put hundreds of thousands of Canadians to work in that one sector alone. I am not exaggerating. The provincial foresters who work in my constituency have said to me that in my riding alone 10,000 people could be put to work for many years in husbanding the forest as we should be doing. Yet, no, we say we cannot afford it.

• (1240)

We know it costs the Canadian taxpayers, one way or another, directly and indirectly, $1 billion a month for unemployment insurance. It costs them another $1 billion a month for welfare, not to mention all the other costs that unemployment creates. I do not understand why we would rather pay out literally billions of dollars in unemployment insurance and welfare rather than invest that money in the forest and fishery sectors, or in upgrading small business and manufacturing. We could put people to work for that money instead of paying them welfare or unemployment insurance or other forms of support.

We can talk about the fishery on both the East Coast and the West Coast, not to mention our lakes. Work can be done to improve and enhance the fishery sector through bank stabilization, hatchery assistance, fish farming and even fish ranching programs. All sorts of investments could be made to make Canada more productive and competitive in international markets. Yet, again, we say we do not have the money to invest. However, it is an old business adage that to make money you have to invest money. To expand your business you have to invest. Perhaps you have to borrow or find equity. The same thing applies to Canada. The Government has not an

exclusive role to play but it has some role to play if we want Canada to grow and develop. If we want to increase our world trade then we have to invest in our country.

The saddest figures I have heard were those we got the other day about the amount of money invested in factories and mines and shops in Canada. Canadians are investing more money outside of Canada than inside. As well, very little money was being invested in Canada from outside. There was a net loss of investment of more than $10 billion in 1985-86, money that was invested in hard economies elsewhere. I understand that the purpose of many of the Government's initiatives was to attract money. We were told that if we privatized Crown corporations and laid off all these public servants, cut back on various programs, for some reason people would come into the country and invest vast sums of money. That was a hoax. I do not know if the Government knew it was going to be a hoax or if it actually hoped it would happen. I suspect that this is the case. However, the fact is that it has not happened. Not only has money not come into Canada for investment in those hard aspects of the economy, but the lion's share has been leaving the country more than ever before. Investment outside Canada is reaching historic highs, and it is a very serious issue.

If we are going to expand our economy we have to start investing. For that reason I think it is time the Government, in co-operation with the private sector, started to take some major initiatives to show the people of Canada that it is serious about expanding and developing the economy, not only in Toronto and the Golden Horseshoe but in the rest of Canada.

It is for that reason that I hope the Government has recognized that its program to date has not been successful in attracting investment or in creating jobs. Further initiatives must be taken far beyond anything we have seen to date, particularly in the regions of Canada.

[*Translation*]

Mr. Grondin: Madam Speaker, after hearing the Hon. Member for Kamloops—Shuswap (Mr. Riis), I wonder how and where other than in the areas he mentioned, the Government should invest to provide for increased economic development in Canada. He mentioned quite a few, but I am wondering whether it would not be a good idea for the Government to invest more money in youth and research, to help young people become better educated, which eventually will have a positive impact on this country's economy.

[*English*]

Mr. Riis: Madam Speaker, I want to thank my hon. friend for a good question. Obviously in a short speech one is unable to list all of the initiatives possible. However, he has touched on one which is perhaps the most crucial of all. If we were to identify a Canadian resource which needs to be developed, it would be the people of Canada, particularly the young people of Canada. We are falling behind many countries in the support we give to our people to develop their skills, whether it be vocational, technical or professional training. Anyone looking at the future will realize that our future will be knowledge-based. We saw from briefings this morning that Japan is moving its economy in the direction of a knowledge-based economy. That requires a well-trained and educated workforce. When you look at our educational system and the opportunities young people have relative to many other countries, it is not that encouraging. I noticed the other day that Mr. Ken Dryden issued his report on the participation levels of young people in post-secondary education. I believe all of us were astounded to find that such a small number of people graduate from post-secondary institutions in Canada. In my own province it is less than 5 per cent. This should be creating a great deal of concern. While the Minister of State for Youth (Mr. Charest) is really a nice fellow, he does not seem to have done very much in providing equal access to post-secondary education for Canadians regardless of where they live.

Mr. Stackhouse: Madam Speaker, I always look forward to listening to the Hon. Member because he is usually the voice of reason. However, with respect, I was not as impressed today because there were moments when I thought the NDP House Leader was sounding like a disciple of Reaganomics. He was urging the Government to spend more, whether or not it had the money. According to him the answer to the problems he outlined is to stimulate and inflate the economy. I know he did not intend it the way it sounds. We have seen what happens to an economy when it follows that route. It results in a more and more top-heavy deficit from which we are trying to gain liberation.

• (1250)

If we wanted only to be partisan, it would be very simple to respond to the Hon. Member's critique of the Government's alleged lack of concern about regional disparities by pointing to the extraordinarily impressive number of projects that the Government has undertaken in recent months. It has issued a contract for an ice-breaker in Vancouver. It has given $1 billion in funding for grain growers across the country. It has provided for the continuation of the steel industry in Nova Scotia. It expedited the frigate contract in the Maritimes and Quebec. The list is long.

However, I would like the Hon. Member and me to avoid the usually futile partisan exchange and face this: The problem he has rightly identified is not to be solved by the solution he put before this House. It may not be solved by the one the Government is following, but let us put that to one side for the moment. The Member and the House should recognize that the kind of problem which he has identified, namely, the concentration of population and economic strength in one part of the country in contrast to others, is not peculiar to Canada. It is to be found around the world.

We should not be criticizing one another and being defensive, but asking ourselves what are the basic reasons which explain that. What can we do to change that in this great country? The Member does not want to see that, living in

British Columbia as he does, and I do not want to see it living in Metro Toronto. However, I do not think the answer is to throw more and more money here and there. We have tried that and it has not worked yet. I hope that at some point the result of the intervention which he has made in this debate will be to force this House to debate one of the critical and economic social problems of our age.

Mr. Riis: Madam Speaker, I am pleased to respond to my hon. colleague who outlined the problem. There is a myth that the United States is a great free enterprise country. I suspect that when one looks at the stimulation of that economy through the defence budget, one will see that there is not a single major community in the United States which does not receive direct financial stimulation every year. I just want to clear the record with regard to federal initiative to expand that economy.

I want to be very specific. The fact that much of the concentration of economic power happens to be in southern Ontario is largely result of the market-place, in other words, the national gravitation of economic forces to where the action is. Let us look at Norway as an example of a country which has tried a different approach. I happen to be familiar with Norway which is headed by the equivalent of a New Democratic government. The unemployment rate there today is 1.9 per cent, the lowest in the world. I checked that figure before I came in today.

In Norway they realize that if it is left to the market-place all the economic activity will take place in and around the City of Oslo. They believe that it is important that people in the various regions of Norway have economic opportunities. Therefore, if one wants to build a factory to make shirts in Sandefjord, a small community, the Government will assist with the cost of transporting raw materials and transporting the finished product to the port to equalize the cost of manufacturing the shirts there rather than in Oslo which has a port facility.

In other words, if you want to locate your factory in a small rural area, the Government will assist you to ensure that you are able to compete without being penalized because of your geographic distance from the port. One could say that that involves government intervention. Yes, it does. However, the unemployment rate in Norway today is 1.9 per cent, virtually full employment. There will always be some people between jobs.

Therefore, if we do not want all of the economic activity in the future to be concentrated in the Golden Horseshoe of Canada, the Government must take steps to ensure that reasonable enterprises elsewhere have support to enable them to compete. I offer my colleague that as a possible way to encourage economic development in the provinces other than southern Ontario.

[*Translation*]

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Madam Speaker, I welcome this opportunity to speak to a Bill whose purpose is to authorize the Government to borrow billions of dollars. If the money was supposed to help low- and middle-income Canadians, I think I would congratulate the Government, sit down, and we could vote on the Budget, so that these measures could be implemented immediately. Unfortunately, the borrowing authority the Government is seeking is certainly not for money that will help people on middle- or low-incomes or people who live in poverty in Montreal, Toronto, Vancouver, Edmonton and other urban centres.

I think we should remember that this is the international year of the homeless. I can assure you, Madam Speaker, that the money the Government wants to borrow will certainly not be used to help this group of citizens but to help the Government's friends, the people who contributed $60,000 and more in the case of the bank failures. Although the Minister of Finance (Mr. Wilson) and most Government Members would have us believe that all's well with the world, I would like to recall a study whose findings were published in the newspaper *La Presse* about a month ago, which showed that poverty still exists in Quebec and the Montreal area and Canada, despite the self-congratulatory stance of this Conservative Government.

First the headlines: More and more people are queuing up for our soup kitchens, an institution that had disappeared altogether and that we had to bring back. Soup kitchens were a creation of the Depression, in the '30s, and in Montreal the only vestige of that time was the Bonneau shelter that was able to help the needy of the entire Montreal area. Unfortunately, non-profit organizations all over Montreal and all over this country are having to set up these soup kitchens.

According to the same study, there are over 500,000 poor people in the greater Montreal area alone, at a time when much is made of the fact that the volume of shares traded on the Montreal Stock Exchange has increased in six years from 3.8 billion to 15.9 billion. I think we should remember that the number of people on welfare has also considerably increased over the last five years. The words inequality and injustice come to mind. When we look at our national unemployment statistics, it does not seem so bad, but when we take a closer look, without getting into greatly detailed analysis, we find that any gains that were made in the economy and job creation were made in Ontario, in the Toronto area, while in regions like the Atlantic Provinces, the West and even in some parts of Ontario and Quebec, in Montreal East and in remote areas, the results have been negative and instead of job creation we have had a reduction in the number of jobs.

• (1300)

Madam Speaker, I have no idea whether the Government Members are fully aware of the three budgets presented by their Government, its attitude and behaviour with respect to senior citizens, its decisions concerning both youth and consumer programs. My colleague behind me happens to be the official critic when it comes to youth programs, and I must

say we have witnessed a truly sad performance in this field, nothing but cut-backs and more cut-backs. Yet there is a group of people in Canada who are growing richer, but unfortunately they are always the same people. A moment ago the Conservative Member referred to deficit reduction.

We all agree on that, but why is the Government telling us in the same breath that we have to vote for this measure to borrow more money? Yet at the same time, when dealing with family allowances, the Government saw fit to de-index the first slice of the 3 per cent due to inflation, supposedly to give mothers an opportunity to do their share towards deficit reduction, but this did not stop it from giving wealthier people a $500,000 capital gains tax exemption, a move which will drain $800 million from the public treasury in 1987, from the pockets of all Canadian taxpayers, men and women alike.

I referred earlier to the bankruptcy of financial institutions which cost $1.6 billion to Canadian consumers. Then there was the Prime Minister's stupid decision to transfer a penitentiary from Drummondville to Port-Cartier, a project of $41 million which would have been better spent to help Canadian families or young people who cannot find jobs and could have benefitted from programs specially designed for them. Talk about doubling to $15.1 million the expenditures of the Prime Minister's staff. Think about the $2.6 million wasted on organizing the March 1985 Reagan-Mulroney superparty. Remember the trips of the Prime Minister, over $1 million to travel first class all the way at the expense of Canadian taxpayers. Had he acted as a responsible man he would have been the first to set the example instead of urging people to tighten their belts and do without the good things in life. Not this man: he asked others to do what he was not prepared to do himself and, worse still, the Prime Minister and his Government went on a spending spree with the savings of Canadians.

That is something the people simply cannot forgive, and the polls tell the story: 76 per cent have lost faith in this Government. Voters' preferences expressed in polls are particularly significant in Quebec, and the Conservatives can thank their lucky star that the polling firm chose not to put the Rhinoceros Party on the list because they would have gone down ten more points, behind the Rhinos. It is true that the Rhinoceros Party . . . Concerning the Prime Minister, the scandals and everything else that has happened under this Government, I think the Rhinos would have been hard put to come up with funnier jokes, because you got to have an imaginative mind to be able to come up with so many scandals and whatever else the Government has experienced lately. The problem is that Canadians end up paying for the mistakes and blunders of this Government.

I might recall that on Monday this week I attended the seminar of the *Fédération de l'âge d'or du Québec* which includes all senior citizens' groups from each and every provincial riding. The elderly people who were there, men and women president of associations of senior citizens, reminded me about the famous July 26 promises made by the Conservative Government in the riding of Sherbrooke. All the Conservative Members were there. We all remember that at the time, during the electoral campaign, the Prime Minister and all his colleagues made all sorts of promises. Everyone remembers that, at the time—and I have here the press release of the Conservative Party, which shows that I am not making this up—the first priority was to re-establish full cost of living indexation of old age security pensions as of January 1, 1985. This was just a lie because, immediately afterwards, the Prime Minister, the Minister of Finance and all their Conservative colleagues tried to de-index the first 3 percent of old age security pensions.

Hon. Members will recall what would have happened without the determination, tenacity and energy of senior citizens who said: "Just a minute, Charlie Brown, we have something to tell you; you had better keep your promises." The Prime Minister was forced to admit that he had made a serious mistake and the Conservative Members who had told everyone in their constituencies that the cutbacks were justified realized how wrong they had been, because acting like sheep is never a good idea.

Let us go back to the commitment made on July 26, 1984, in Sherbrooke during the electoral campaign, under Item 4. I can still see the tape showing the Prime Minister with his hand over his heart to show his sincerity and the truth of what he was saying. Item 4 says that the Conservative Government is committed to maintaining the New Horizons Program and to allocating sufficient funds to this program.

That is the promise which the people who were present at the seminar of the *Fédération de l'âge d'or* recalled for me. Then, Mrs. Denis, who took the Prime Minister to task on Parliament Hill about the de-indexation of old age security pensions, showed me, with the facts to prove it, that once more, for the umpteenth time, this Prime Minister and this Government had misled senior citizens. After saying that they would allocate sufficient funds, they cut back $4.5 million from the budget of the New Horizons Program.

I trust that the Conservative Members who are here now and all senior citizens clubs in every constituency in Canada, and there is one in each, will remember this deception and the fact that the budget of this program was reduced to $12,127,000 in 1985-86, to $10 million in 1986-87 and to $8.8 million in 1987-88. This adds up to a cutback of $4.5 million after a solemn promise made by all Conservative Members and this Prime Minister to our senior citizens.

I can assure you that people will remember these cutbacks and this behaviour. People will remember. During the next electoral campaign, you will knock on their doors and say: "How are you, I am Mr. so and so, I was your Conservative Member of Parliament". They will reply: "Thank you, but no. You did nothing about the de-indexation of old age security pensions. You were not there to defend our rights when we needed money to organize our cultural, social, recreational or educational activities. You refused to do it and you misled us."

They will say: "As for us, we shall not follow the example of the Prime Minister; we shall not mislead you; we can tell you to your face that we shall vote against you." This is the attitude of the public. This is how people are reacting. I have the opportunity to travel to many constituencies in Quebec and the rest of Canada and this has been the reaction of the Canadian population, whether we are speaking about senior citizens, young people, workers or even employers' associations. They are totally dissatisfied with this Government, especially because of its lack of honesty and its failure to achieve anything or to put together a coherent policy to meet the needs of Canadians.

• (1310)

I would also like to touch upon another matter that directly affects Quebecers, and again we know what commitment the Prime Minister and this Government made during the last elections and in the Speeches from the Throne that were delivered here. In all cases it was the same scenario—with one hand on his heart and the other on the Bible, the Prime Minister said he was going to do all that was needed for Quebec to agree to the Canadian Constitution in an honourable and dignified way. So much for the rhetoric. But what are the facts? The proposals put on the table by this Government, Madam Speaker, intended to take away existing rights, important powers that confirm Quebec's distinctive nature and specificity— that of selecting immigrants and managing human resources, immigration-wise.

That was the first time the proposal was put on the table, this Government's proposal not to enshrine in the Constitution, as proposed by the Liberal Party, the Cullen-Couture Agreement which granted powers to Quebec and the right of veto in respect of immigrant selection. But the same may be said about spending powers—the relevant legislation is of great concern to us—borrowing, spending powers. Again this Government, contrary to its commitments, has laid on the table a proposal such that the Quebec Government has not only to turn it down but also to refuse to take part in further constitutional negotiations, including those on native people that will be held over the coming weeks, because the Government will not recognize financial compensation for new social programs.

Here again we have another example of this Prime Minister's and this Government's attitude towards our senior citizens, the sick with respect to whom all Hon. Members will remember the 10 per cent tax on drugs, the young who had some of their programs slashed without added monies to help youth, workers, Quebecers—this Government acted contrary to its commitments, let alone honouring them.

With respect to Quebec matters, I have before me two letters sent to all Members here by the Hon. Marc-Yvan Côté, the Quebec Minister of Transport, concerning those bills. Concerning those two bills, my colleague the transportation critic, the Hon. Member for Papineau (Mr. Ouellet), has tried to convince this Tory Government and make it aware, to wake up the caucus of Quebec Tory Member and tell them that those bills will have a negative impact on Quebec as a whole, whether in the area of rail transportation, air transportation or trucking, those proposals . . . And I am convinced the Tory Members again will not respond to that invitation from the Quebec Minister of Transport.

In Quebec, and I will conclude on that, Madam Speaker, there are 17 unsettled issues either because there has been no response or the response has not been satisfactory.

Now let me list them to conclude: the Montreal East end issues, the shipyards, the Matane pulp and paper mill, the Desbiens plant, the GM plant in Boisbriand, the Melchers' employees, the banking centre, the aerospace agency, equalization payments, grants, immigration assistance, the refugees, the rail system in Quebec, the footwear, textile and clothing industries, also the question of discrimination against potato producers and the denial of grants to help Quebec clean up the St. Lawrence River. And I could go on, Madam Speaker. My time has expired, but it is my hope, because I do not despair, that some day we will find at least one—I am not asking for 10 or 40, but at least one—Tory Member from Quebec who will wake up and roll up his sleeves, before he looses his seat, and save Quebec's interests.

The Acting Speaker (Mrs. Champagne): Questions or comments. Debate. The Hon. Member for Trois-Rivières (Mr. Vincent) has the floor.

Mr. Pierre H. Vincent (Parliamentary Secretary to Minister of Finance): Thank you. I should like to comment briefly on the remarks made by my colleague the Hon. Member for Montreal—Sainte-Marie (Mr. Malépart). I wonder if he is afraid, Madam Speaker, for he is leaving . . . May I begin by saying that good management is good government. And to govern means—

Mr. Malépart: Madam Speaker, I rise on a point of order.

The Acting Speaker (Mrs. Champagne): The Hon. Member for Montreal—Sainte-Marie rises on a point of order.

Mr. Malépart: Madam Speaker, it is to tell the stupid Member who has just risen that he cannot mention whether someone is absent or present. But just to prove to him that I am not afraid of a nincompoop, I will stay and listen to his nonsense.

The Acting Speaker (Mrs. Champagne): I am sure that the Hon. Member for Montreal—Sainte-Marie (Mr. Malépart) did not really mean to use these epithets in the case of the Hon. Member for Trois-Rivières (Mr. Vincent). I am sure he is sorry and apologizes to the House. The Hon. Member for Trois-Rivières (Mr. Vincent) has the floor.

Mr. Vincent: Is he apologizing, Madam Speaker?

Mr. Della Noce: Madam Speaker, I rise on a point of order.

The Acting Speaker (Mrs. Champagne): The Hon. Member for Duvernay (Mr. Della Noce) has the floor.

Mr. Della Noce: I am afraid my hon. friend misunderstood the question. He is very busy with his notes and I suggest that he probably does not remember using as usual such highly colourful terms. However, I too should like to ask the House whether the Hon. Member should not be called to order because I do not think he should use such language when addressing one of his colleague, whether a Conservative, a Liberal or an NDP—

The Acting Speaker (Mrs. Champagne): The Chair suggests that there have been procedural infringements on both sides. I do not think it was in order for the Hon. Member for Trois-Rivières (Mr. Vincent) to mention the presence or absence of one of his colleagues in the House, nor was it in order for the Hon. Member for Montreal—Sainte-Marie (Mr. Malépart) to use unparliamentary language when addressing one of his colleagues. I think that now we should simply continue with the debate. The Hon. Member for Trois-Rivières (Mr. Vincent).

Mr. Vincent: Madam Speaker, you are an outstanding politician and a great Speaker. We will gladly abide by your decision.

I should like to begin by quoting a phrase: Good management makes for good government which means that the Government, instead of being part of the economic problem, is now part of its solution. In this context, Madam Speaker, I will tell the Hon. Member for Montreal—Sainte Marie who stated that the funds sought today through this borrowing authority legislation will be spent to help the affluent, that I am quite disappointed with him. I thought he knew how the Parliament of this country worked, Madam Speaker. I was under the impression that, having sat here from 1979-80 to 1987, he would know about the workings of the Canadian Parliament. Unfortunately, I find out that he does not. The reason may be that before 1984, he did not rise in the House too often—

Mr. Tardif (Richmond—Wolfe): Two years from now, we will not see you here any longer either.

Mr. Vincent: —and did not participate in debates quite as often as he does now.

• (1320)

You know, Madam Speaker, that the authority granted under the legislation enables the Government to borrow, but you also know that the authority to spend those funds requires that another legislation be passed by this Parliament. Now, when I am told that this borrowing authority enables the Government to spend for the rich, it fails to make any sense, Madam Speaker, and I know that you understand that as well as my colleagues on this side of the House. This information will help the Hon. Member for Montreal-Sainte-Marie (Mr. Malépart) understand the Canadian parliamentary system.

Then, unfortunately, he was dishonest to some extent when he dealt with the problem of Western banks and said again that the money was paid out to the rich. You know quite well, Madam Speaker, that the serious problem experienced by some Western banks had an impact at the national and international levels and we had to show that our Canadian banking system was sound as is widely recognized. You know that the depositors were credit unions, municipalities, hospitals and charitable organizations. Those were the kinds of institutions which could not afford to incur such losses and which afterwards would have applied for assistance to the provincial governments. The latter would then have turned to the federal Government which would have been forced to help those organizations. I think that on the one hand, we have shown that the Canadian banking system was sound and on the other hand, that the Government of Canada has taken up its responsibilities.

If there are people talking about immoderate spending, about mismanagement of the affairs of the state, as the Hon. Member from Montreal—Sainte-Marie has suggested, I would have liked him to recall the scientific research tax credit that was established in 1984, and because of which billions of dollars—not a few bucks, not thousands of bucks, not millions, and I see the Hon. Member for Richmond—Wolfe (M. Tardif) is laughing. He laughs at their spending billions of dollars to help rich companies on the backs—

Mr. Champagne (Champlain): On the backs of the poor!

Mr. Vincent: —not only the poor, as the Hon. Member for Champlain (Mr. Champagne) is suggesting, but on the backs of our Canadian researchers, who did not get that money. They have nothing, and we have to stand by with empty coffers in 1984, in 1985, in 1986, in 1987. And why empty coffers? Because this Hon. Member, who was there before 1984 and who today is laughing about those billions of dollars, that Hon. Member voted so that companies could make passes, pick up research tax credits and put the money in their pockets. And this Hon. Member who laughs at it today—on top of that, Madam Speaker, he finds courage to laugh at it. I would be ashamed, I would rather be eating sandwiches rather than laugh in this House where you voted and supported that.

Madam Speaker, you are right, that same Member for Montreal—Sainte-Marie talks about the Prime Minister. The Prime Minister came here in 1984 and immediately cut his own salary, the salaries of his Ministers . . .

An Hon. Member: Because they have envelopes!

Mr. Vincent: There are no envelopes, and that you know, Madam Speaker. He cut his own salary three years in a row. It is interesting to know that the Right Hon. Leader of the Opposition (Mr. Turner) has refused to have his salary cut.

Mr. Tardif (Richmond—Wolfe): There are no envelopes on this side of the House.

Mr. Vincent: He refused that, and the Hon. Leader of the Opposition enjoys benefits that are just as large and interesting financially as those of the Ministers. If the Hon. Member for Richmond—Wolfe wants to be honest he will recognize that the leader of the Opposition refused to have his salary cut. That is interesting, Madam Speaker. There has been no mention of this.

He referred to surveys. I would have liked him to have been here, too bad he has gone. But anyway we will see him comes the next election, and I am inviting him to come to the constituency of Trois-Rivières and have a look around, either now or later. We will see him when he does his door-to-door calls.

Allow me, Madam Speaker, to quote a few newspaper headlines: "Business and labour are disappointed". "The non-budget". "The budget . . . opens the door to another recession". And the last one, Madam Speaker: "Lalonde forgets the unemployed". These headlines appeared in *La Presse* and *Le Droit* on February 16, 1984, the day after Mr. Lalonde's budget speech.

Today, they are trying to take us to task, arguing that our management of the country is not sound. If I may, Madam Speaker, I should like to quote another headline: "Inversely proportional to the Government's popularity" "Canadian economy doing quite well, thank you!" These, Madam Speaker, appeared on the front page of the February 17, 1987, issue of *Le Devoir*. And this article appears under the byline of the noted Michel Vastel, a newpaperman friend of ours whom you know quite well.

Mr. Riis: You should go out West.

Mr. Vincent: If I may, I should like to quote a few excerpts . . . I should like to indicate to my hon. friend that I had the opportunity to visit Nanaimo and Victoria last week-end, Sunday and Monday, and that I was very warmly received in that region where the standing of the Conservative Party is excellent.

Let me read an excerpt from this article:

> But businessmen have been living a true honeymoon with the Government for the past two years. Three weeks ago, in Paris, Tomas d'Aquino, the President of the Business Council on National Issues stated: "The Mulroney Government is progressing slowly but surely in its reduction of the Government's deficit. As a whole . . .

Here, Madam Speaker, is the important part.

> —and compared with other members of the OECD, Canada's economic situation can be said to be relatively good."

And he added:

> "One week later, Mr. Antony Pell, the Chairman and Managing Director of Dominion Securities told his shareholders: "We are more optimistic about the general climate for investment and business then we had been over the past ten years. This is due to a large extent to the major political initiatives taken by the Federal Government over the past two years." And the very serious *Financial Times* noted that the Canadian dollar, which exchange dealers considered a year ago as the "peso of the North", is becoming a refuge currency for speculators." The Canadian dollar closed at 74.83 cents U.S. yesterday in Toronto.

Madam Speaker, that is exactly what the Conservative Government promised in 1984. We had promised to create jobs and I have some figures here. The Opposition quoted some figures to us and it is now my turn to do so. In Quebec, in December, 1982, there was 14.7 per cent unemployment. In August, 1982, the rate was 15.5 per cent. You know, Madam Speaker, we are now in Ottawa and we are bilingual. In September, 1984, unemployment in Quebec was 12.9 per cent. In January, 1987, it was 10.8 per cent. I could give you the figures for every province in Canada. Unemployment is going down. Since September, 1984, 675,000 jobs have been created. Why is this? Because business people in your constituency, in Trois-Rivières, have confidence in the economic policies of the Conservative Government. They voted for us and they understand that Canada is not a welfare state, that it is the private sector which creates jobs and that the Canadian Government is only the rudder which helps businesses to invest and to create jobs. This is what Canadians voted for in 1984. Since then, we have delivered the goods.

As you know, Madam Speaker, the deficit is being reduced. Inflation is now at 4 per cent, which is very reasonable and acceptable. Canada now has the second best real economic growth in the world. Only Japan has done better. These are facts, Madam Speaker. This is how we are keeping the electoral promises made in 1984. Interest rates have reached their lowest level in ten years. In 1982, Madam Speaker, and I remember this because I had just opened my law office in Trois-Rivières—

Mr. Tardif (Richmond—Wolfe): You will be going back to it.

Mr. Vincent: —interest rates were going up. Who says that I shall go back? I can tell the Hon. Member that he can certainly purchase his own one-way ticket to Richmond—Wolfe.

As I was saying, Madam Speaker, we now have the lowest interest rates in ten years. People in Trois-Rivières and Richmond—Wolfe are now paying $1,500 less each year on a $50,000 mortgage. Maybe you can understand that. The people understand because they have more money in their pockets. Small businessmen understand that they are paying $1,000 less each year in interests. People understand this in Trois-Rivières and they are proud of what this Conservative Government is doing, as are the people of Richmond—Wolfe. This is the problem.

Mr. Tardif (Richmond—Wolfe): The polls make it clear.

Mr. Vincent: You should take polls in Trois-Rivières. Come whenever you want. Come to Trois-Rivières and look at the polls. I am not embarrassed or nervous. I can give you the results of my own polls.

Housing starts have increased by 25 per cent. This is the highest rate in ten years. Someone was speaking about the poor a while ago. It is true that there are poor people and we recognize it. However, we are working on that problem. I hope that the Hon. Member for Montreal—Sainte-Marie (Mr. Malépart) knows at least that the number of families under the poverty line has gone down in 1986 for the first time in five years.

Mr. Della Noce: He did not say so.

Mr. Vincent: Perhaps he did not say so because he did not know, but one thing for sure is that he did not say anything about it. So this can only mean one thing, Madam Speaker, that indeed we have dealt with this issue. Family income in Canada is going up for the first time in six years. Madam Speaker, this is 1987, we were elected in 1984, three years ago. In three years we have managed to turn around the slumping economy which the media commented about in these terms back in 1984: "Lalonde's Budget is paving the way for a new recessison in 1985". These are not my words, Madam Speaker.

Let them tell me about Quebec specifically, the F-18 contract. We have not heard anything about that. I can tell you that in Trois-Rivières . . . I went to Val-d'Or, I went to the riding of Bellechasse, I went to the riding of Champlain, I went to the riding of my colleague from Duvernay who is here.

Mr. Tardif (Richmond—Wolfe): You sure get around.

Mr. Vincent: Everywhere I went people were talking about the CF-18s. They are proud of the decision made by the Conservative Government and they said: Strange that you in the Quebec Conservative caucus took position on that and got the contract. Strange, because when the Liberals were in office the Quebec caucus would not take position.

Mr. Champagne (Champlain): There were 74 of them.

Mr. Vincent: Indeed, 74 and they did not take position. There are other contracts we should have had in Quebec, but we did not. The Hon. Member for Richmond—Wolfe (Mr. Tardif) is not saying much, yet the Hyundai plant is not all that far from his region.

Mr. Tardif (Richmond—Wolfe): Domtar.

Mr. Vincent: Domtar, sure. The case was mishandled, I suppose, you are unhappy about the way it turned out. Next you will be telling me that you settled the matter, that the Member for Richmond—Wolfe settled the matter.

Mr. Tardif (Richmond—Wolfe): And the mapping centre, is that going to be in the Eastern Townships?

Mr. Vincent: Let's talk about agriculture, Madam Speaker.

Mr. Tardif (Richmond—Wolfe): And about mapping.

Mr. Vincent: One billion and a half in 1985, over five years. And for five years, Quebec's dairy farmers had been waiting for this measure. Madam Speaker, you yourself come from a riding with a number of excellent dairy farms. They had been waiting for this measure for five years. And we did it. More federal-provincial agreements have been signed with Quebec and the other provinces than ever before. These agreements are sound and they have made a difference. Madam Speaker, that is what we have accomplished so far and I am of course referring to this Government.

I would like to spend a few moments on the Budget, because it is of course directly—

Mr. Gagliano: What Budget?

Mr. Vincent: —the 1987 Budget which is of course directly connected with the Bill before the House today.

Mr. Gagliano: That is a Budget?

Mr. Vincent: It is really too bad, Madam Speaker. The Hon. Member opposite is supposed to be a chartered accountant and know about figures, and it is really too bad he is criticizing Canada's fiscal plan—

Mr. Gagliano: Just what is a Budget? Tell us.

Mr. Vincent: He should know what a Budget is. A Budget consists of the country's financial statements on a given date. Let them tell us what happened in the past, what the present situation is and what the future holds.

Mr. Gagliano: It contains nothing. And what is a financial statement? There is nothing at all there.

Mr. Vincent: Let me tell you what happened before: In 1983-84, a deficit of $32.3; in 1984-85, a deficit of $38.3.

Mr. Gagliano: How much in 1986-87?

Mr. Vincent: Madam Speaker, what happened to the $6 billion during election year? In September 1984, we battened down the hatches. Which means that they spent $6 billion just before the election, because the deficit increased by $6 billion and we didn't do it. And if we didn't, it was the previous Government. And who knows how they spent it? In any case, all of a sudden it jumped to $6 billion. We were given a deficit of $38 billion and in 1985-86 we cut it back to $34 billion; in 1986-87 to $32 billion and this year, 1987-88, to $29.3 billion. This means a reduction of 23 per cent over three years.

For the first time in 30 years, the federal Government has reduced its deficit for the third consecutive year. Have we mismanaged the country, Madam Speaker, when we created jobs, reduced the inflation rate, promoted economic expansion and became the second best country in the world at the economic level? However, Madam Speaker, when one hears such statements, one wonders whether those Members are entirely honest, if they do not play around with the truth.

Mr. Champagne (Champlain): They do not know how to count.

Mr. Vincent: We know that. They were in power for 20 years and we have seen that they have never known how to count.

The 1987 Budget, Madam Speaker, is an exercice in continuity: first we had the economic statement of November

1984, then the May 1985 Budget, the February 1986 Budget and now the February 1987 Budget.

Let me also recall what I would consider large figures in the Budget. They are important for the understanding of what this Government has been doing: $10.5 billion for the unemployment insurance program in this year's budget; $13.5 billion for old age security, and those are billions, Madam Speaker; $6.6 billion for tax transfers; $6.5 billion for the public assistance and family allowance plans; $8.9 billion for established program funding for a total of $48.3 billion. For our national debt—their national debt, the money they borrowed and which we have to pay back—$27.3 billion in interest payments this year. The total shows that 50 per cent of our expenditures are going to social programs, and 25 per cent to interest payments. We manage to administer the country, the departments, the House of Commons, and extend grants with 25 per cent of government expenditures. That, Madam Speaker, is called sound administration. You are signalling that my time has almost expired. Thank you very much.

The Acting Speaker (Mrs. Champagne): Questions, comments. The Hon. Member for Kamploops—Shuswap (M. Riis)

• (1330)

[*English*]

Mr. Riis: I have two questions for my hon. friend. He began his speech by talking about the excellent management that he alleges the Government has provided.

The Prime Minister's Office is very symbolic to Canadians in terms of what the Government believes in. Does the Hon. Member think it is a good idea that the Prime Minister's Office was expanded from a staff of 60, under Prime Minister Trudeau, to 120, under the present Prime Minister (Mr. Mulroney)?

The Hon. Member will know that the 10 per cent tariff on English language books brought into the federal Government $11 million from such countries as the United Kingdom, Hong Kong, Japan, Italy, Belgium, Luxembourg, Spain, West Germany, Switzerland, France, Ireland, and many others. Does the Hon. Member believe that it was an example of good management to impose this tax, and then to remove it a few months later?

[*Translation*]

Mr. Vincent: Madam Speaker, my heartfelt thanks to the Hon. Member for allowing me to clarify a few points. On the one hand, I have no idea of the number of people who were in the previous Prime Minister's office. I must admit that there were not very many of my friends there. On the other hand, Madam Speaker, regarding our Prime Minister who is doing a tremendous job and who, as I said, has cutback his own salary for several consecutive years, I think he proved to Canadians the importance of good management. In the 1986 budget, the Minister of Finance and the Prime Minister imposed a $1 000 salary reduction to each and every Member of this House. We were unable to impose the reduction to the Leader of the Opposition, so we did it through the Members' account.

As far as tarifs are concerned, I had the opportunity last year, following their imposition, to meet with representatives of the Western Publishers Association during their convention in Lake Louise, and I explained to them what we had done. When they understood the context of the decision, they supported it. They were not happy about it, but they agreed with it. And the rationale was that, as the Canadian Government, we had to send a clear and definite message to the United States about what they had done. Neither the Hon. Member for Kamloops—Shuswap (Mr. Riis) nor the Government were to blame, but when we looked at the list of things on which a tarif could be imposed under the GATT agreement negotiated by the former administration, the choice was limited. Once the signal had been sent and this tarif had been imposed, I think that, in view of the fact that the free trade negotiations are progressing rather well, the Minister of Finance was justified in removing this tarif; however it was important to let the United States know that we were not going to let them walk all over us. That was the message, Madam Speaker.

Mr. Tardif (Richmond—Wolfe): Having listened with a great deal of attention to the Hon. Member for Trois-Rivières (Mr. Vincent), Madam Speaker, I can summarize his remarks in this way: Inflation is down, and so are interest rates. In my opinion, however, Canadian people understand that if such is the situation, it is the result of the very good policies implemented in 1983-84; however, since the Hon. Member for Trois-Rivières loves quoting major newspapers to brag about this Government's so-called good and healthy administration, I will quote from an article which appeared this morning in the newspaper *Le Droit*. I will dispense with excerpts and limit myself to the conclusion:

> All those scandals that have shaken the Cabinet seem to have persuaded the people that the "boss" has no control over the "business". That is why we must ask ourselves today whether marketing experts can confer on a politician an intellectual dimension which does not seem to fit his real nature.

The article concludes with those words, Madam Speaker:

> In short, Prime Minister Mulroney may change political advisers as often as he wants, he may reshuffle his Cabinet to his heart's content, but will the real Brian Mulroney not always remain the man the people—

The Acting Speaker (Mrs. Champagne): Order, please. It is very difficult for the Chair to relate the comments of the Hon. Member for Richmond—Wolfe (Mr. Tardif) to the bill now under discussion. The Hon. Member for Trois-Rivières (Mr. Vincent) might still want to reply.

Mr. Vincent: Madam Speaker, once again, I commend you for your judgment. It is saddening to hear a Member talk about scandals when commenting on the good and healthy economy of Canada. Even more so, Madam Speaker, when we know there have not been that many scandals, in the sense of what Canadians mean by scandals. Presumptions, allegations of scandals by that party. True, Madam Speaker, there have been a lot of those. It is regrettable, and I think even the Hon.

Member's leader would be disappointed because he himself recognized it was time to stop talking about those things.

The Acting Speaker (Mrs. Champagne): I just want to point out to the Hon. Member that in fact he carried on in exactly the same vein. His comments were therefore no more acceptable than those of the other Hon. Member.

• (1340)

[*English*]

Mr. Binns: Madam Speaker, I was very interested in the remarks made by the Hon. Member for Trois-Rivières (Mr. Vincent) in this debate. He pointed out the tremendous recovery being made in Canada because of the fiscal measures of the Government.

Mr. Riis: Where?

Mr. Binns: The Hon. Member for Kamloops—Shuswap (Mr. Riis) asks where. Let me point out quickly that, for example, last year in my Province of Prince Edward Island housing starts were up by 77 per cent.

Mr. Riis: Unemployment is up.

Mr. Binns: Madam Speaker, I should qualify the point just raised by the Hon. Member for Kamloops—Shuswap. He has suggested that unemployment is up. That is not the whole story. In Prince Edward Island this year over last year we had 5,000 more jobs. That is an increase in the number of people working of about 10 per cent to 12 per cent.

The Member used selective information in his remarks. Let me ask the Hon. Member for Trois-Rivières how he would interpret that. The Member for Kamloops—Shuswap suggested that the unemployment rate in the province was up over a year ago. That is true, but it is very selective. If the Member had used the figures for September, 1986 versus September, 1984 he would find that the unemployment rate actually dropped by 1.5 percentage points. The unemployment rate is decreasing. More people are in the workforce, and generally conditions have improved. Perhaps the Hon. Member for Trois-Rivières could give his opinion of how the selective information provided by the Opposition differs from mine.

[*Translation*]

Mr. Vincent: Madam Speaker, the Hon. Member for Prince Edward Island knows probably the rates of unemployment better that any Member from another province, and they are, indeed, the right figures.

I would like to stress that in Prince Edward Island, as in any other province, there is a feeling that the economy is improving, that things are going well, that we are progressing, that Hon. Members from all provinces are doing an excellent job, and that the Prime Minister and the ministers are dealing equitably with each region in the country.

By the way, I want to underline the excellent work done by my colleague in that regard.

Mr. Gagliano: Madam Speaker, I would like to ask a question to my colleague from Trois-Rivières. Since we are speaking of good management by his Government, I would like to refer to the Budget Papers. On page 28, we note that between 1984-85 and 1985-86 there is an increase in personal income tax of $3.7 billion, as well as an increase in federal sales tax, also paid by individuals, of $2.4 billion, for a total of about $6 billion.

If we look at the deficit, we see that it was $32 billion in 1983-84, and also $32 billion in 1986-87. There was no increase in the deficit, but no decrease either despite an extra $6 billion in taxes paid by individuals alone.

Where is the good management? Do you reduce the deficit by overloading people with taxes? That is in your own document.

The Acting Speaker (Mrs. Champagne): The Hon. Member for Trois-Rivières has 30 seconds to answer.

Mr. Vincent: Madam Speaker, it would take at least two years to explain that to him. He does not understand. I have been trying to explain for two years and he still does not understand.

Mr. Gagliano: That is your own paper.

Mr. Vincent: Madam Speaker, 50 per cent of the money spent by the Government is returned to Canadians in social programs. It is a lot more than the increase of billions of dollars which the Hon. Member is referring to.

And I want to ask him this: Where did the $6 billion go which were spent immediately before the election campaign? Where did those $6 billion of deficit increase go? I would like an answer about this, Madam Speaker.

Mr. Tardif (Richmond—Wolfe): You sent them to the banks.

• (1350)

[*English*]

Mrs. Sheila Finestone (Mount Royal): Madam Speaker, it gives me great pleasure to speak to Bill C-40, an Act to provide borrowing authority. Bill C-40 is a very thin Bill. It is like the policy of the present Government in that it is very thin and contains lots of promises but no action. The Bill asks the House to give to the Tories across the way $3,600 million as may be required for public works and general purposes. Money and plenty of it is looking more and more like the key to everything the Conservative Government hopes to do to recover its popularity.

How can we in the Official Opposition support this Bill when its purpose is to enable the Government to borrow money in order to have the Government carry out its budgetary and general economic policies? As the months go by, it is becoming increasingly and painfully obvious what is wrong with these policies. During the last general election campaign, the Conservatives made a number of promises and in fact over 347

carefully articulated promises containing lots of bombast. These promises were made to win the support of Canadians.

The Economic Statement of November, 1984 and the three subsequent Budgets have not in any positive way reflected the promises made by the Conservatives in order to win the support of Canadians. For example, during the last election campaign, the present Minister of Finance (Mr. Wilson) made an explicit commitment not to increase income taxes. The Prime Minister (Mr. Mulroney) pledged to reform the personal income tax system and said he wanted to make it fairer, more progressive and more productive. I could use the mellifluous tones and the exaggerated and elaborated phrases the Prime Minister used. However, I would suggest that he read the very important admonition of Thomas Paine who said: "Moderation in temper is always a virtue, but moderation in principle is always a vice".

It is clear that in spite of the promises made by the Minister of Finance and the Prime Minister, middle and lower-income Canadians have become the victims of the most unfair, regressive and economically stifling tax increases on record brought about by the Budgets of 1985, 1986 and 1987. The Leader of the Opposition (Mr. Turner) spoke most forcefully, as did our finance critic, in the debate just a few weeks ago. They highlighted a number of issues. They said that the third Budget represents phase 3 of an all-out attack on low and middle-income Canadians. It widens the gap between rich and poor and between the have and the have not regions of the country. These three Budgets with their economic approach to Government gave us the largest tax increase in modern Canadian history. They have gouged $22.8 billion more out of individual taxpayers. This is an average of $2,000 per taxpayer during the tenure of the Government. Compared to that, over the same period of time, corporations are being taxed $2 billion less than they were when the Government took office. Is that what the Minister calls fiscal fairness?

I would like to deal particularly with the cultural sector. It would appear as though the cultural sector has been reaping benefits over the past few months, but when one examines more closely the record of the Government one finds that the picture is not quite so bright. I suggest that we have been duped by the triptych effect that has been used. It has been a real *trompe-l'oeil*. The masters have been at work creating the kinds of illusions that would make us feel that we have had a great buffet at the arts and cultural table.

Yes, moneys have been allocated to culture from the Department of Communications as they should be since it is the responsibility and role of the Department to build on what has occurred in the past. Let us look to see what exactly has happened and let us examine the dramatic impact the cultural sector has had upon the Canadian economy.

I call to the attention of the House the words of Henry Robertson Luce who said: "The business of business is to take part in the great society", and if I may add, the great Canadian society as long as it will last. Are we being allowed to take part in that great society to the extent that we can and should, particularly when we are being threatened by the Americanization of Canadian society as we live next door to our all-pervasive friends on the American side of the border?

In attempting to measure the contributions of culture to the economy, we must naturally rely on pragmatic definitions of culture. Unfortunately, this ignores all the intangible characteristics which define us as a people. When we think of culture, we often forget to include its economic contributions. We must measure the economic impact of cultural industries on our economy in terms of employment, wages paid, revenues generated and some of the other economic variables. Then we must compare this cultural aggregate with a similar total for the entire economy.

According to the analysis of Statistics Canada, the direct impact of the arts and cultural sector as measured by the Gross Domestic Product, the value of production arising within the geographical boundaries of Canada, was valued at $5.2 billion or 1.7 per cent of the GDP of the entire economy in 1981. It has grown rapidly since then. Arts industry revenues increased by 64 per cent at an average annual rate of 13 per cent between 1977 and 1981. Revenues went from $4.7 billion to $7.7 billion. I point out that it was under a Liberal Government that Canadians flourished and grew in this vital sector of the economy.

With the rapid changes in technology, cultural industries have been able to impact on our lives in considerable measure and with increasing force over the past years. A census of manufacturers' comparison of the 20 largest Canadian manufacturing industries and the arts industry in 1981 revealed that the arts industry was the largest, with employment of 234,280; the sixth largest with salaries and wages of $2.5 billion; and the eleventh largest with revenues of $7.7 billion, equal to the Canadian telecommunications industry.

Let us also look at the impact of certain actions which were taken. Bill C-58 provided revenues of $58 million for Canadian t.v. broadcasters. This has allowed the field of television and broadcasting to grow and benefit. There is a very important program of substituting Canadian advertising for American advertising. For example, when one turns on either an American channel or a Canadian channel showing the same program at 8 p.m. any evening, one sees Canadian advertising. That kind of protection represents 40 per cent of the revenues of a t.v. station. It is very important that that money is staying in Canada. This has been effective in enabling us to be good corporate citizens while at the same time allowing us to promote our own industries.

I could go on and on about the things that have been done to enable the Canadian Gross Domestic Product to grow substantially through the arts and cultural industries. In the Budget of February, 1986, the Minister of Finance announced an allocation of $75 million per year for the next five years for a number of cultural initiatives. Madam Speaker, do you wish me to continue later?

S. O. 21

[*Translation*]

The Acting Speaker (Mrs. Champagne): Order. It being 2 o'clock and pursuant to our Standing Orders, the House must proceed to other business. The remaining eleven minutes of extended time due to the Minister's statement will be added to Government Orders today. Consequently, the hour provided for Private Members' Business will begin at 5.11 p.m.

• (1400)

STATEMENTS PURSUANT TO S. O. 21

[*English*]

ENVIRONMENTAL AFFAIRS

POLLUTION OF ST. LAWRENCE RIVER BY TOXIC CHEMICALS

Hon. Chas. L. Caccia (Davenport): Madam Speaker, loaded with raw sewage and toxic chemicals, the St. Lawrence is a river gasping to survive. An indicator of that is the beluga whale, the numbers of which have dropped from 5,000 to 500 in the last 80 years. The milk of the mother beluga contains so many toxic chemicals that the babies are being poisoned as they nurse, zoologists inform us. The Quebec Minister of the Environment has said: "Like spoiled brats we ignored it, abused it, raped it, poured acid and human wastes into it".

Having realized the error of past practices the Quebec Government promised in November, 1986, to spend $6 billion building over 400 sewage treatment plants in communities along the St. Lawrence River. Can Quebec cope with this problem alone? Some of the poisons dumped in the Great Lakes end up in the St. Lawrence. Ottawa has some responsibilities upstream. Therefore the federal Minister of the Environment (Mr. McMillan) would do well to help restore this magnificent and historic river by matching his words with tangible help instead of just pointing his finger at polluters.

* * *

[*Translation*]

JOB PLANNING

COMMUNITY DEVELOPMENT PROGRAM—SENNETERRE REGION—REVIVAL OF ECONOMY

Mr. Guy St. Julien (Abitibi): Since March 6 last, Mr. Speaker, the Senneterre region has been receiving federal assistance under one of the six employment programs of the Community Development Program.

The purpose of this program is to help the residents of Senneterre and neighbouring regions cope with massive layoffs resulting from the closure of the radar base and other layoffs by the CN.

A committee has been set up under the chairmanship of Senneterre municipal councillor Jean Roy.

I attended several meetings with the residents of Senneterre to give them a hand, and I want to underscore the competence of Department of Employment and Immigration Alain Darveau of Hull whose professional advice was of great help, and of Minister Benoît Bouchard who showed willingness to listen to the people.

The committee may recommend one or several options available under the program with a view to helping workers create their own company, acquire new skills, and get $200,000 over the next two years to carry out a realistic study on local economy development and diversification future prospects.

Mr. Speaker, the Senneterre region has real potential for economic recovery.

* * *

[*English*]

TAX REFORM

SKEPTICISM ABOUT RESULTS

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, Canadians have become very skeptical about the Government's intention to change Canada's tax laws because they fear tax reform will not be in their interests since the Government is the only one in the world to allow capital gains from any source to be totally tax-free. Canadians also remember their federal taxes have increased by $1,350 per family per year as a result of taxes imposed by the present Minister of Finance (Mr. Wilson).

We now hear the federal Government intends to impose a food tax on Canadian families. Yes, the Government, through the business transfer tax, a hidden sales tax, will be taxing milk, bread, eggs, vegetables, fruit, indeed all groceries. No wonder Canadians are skeptical. What kind of Government would tax the food on our kitchen table? Only a Government that cares not a whit about the people of Canada. Any Government that imposes such a punitive, regressive, and hidden tax on food will be a Government removed from office as soon as the voters have a chance.

* * *

SPORTS

EARLY BLUE JAYS CATCH IRE OF CINCINNATI CITY COUNCIL

Mr. Reginald Stackhouse (Scarborough West): Mr. Speaker, America feels threatened. We know many Americans have faced the danger of invasion from Nicaragua for several years, but now we discover others fear their national identity is threatened because major league baseball will open outside their country for the first time in history. The first major league baseball game this year will open in Toronto, one hour

before the first game in Cincinnati. No one has yet alerted the Marines, but the Cincinnati City Council has called Washington.

I can understand why the Burghers of Cincinnati have seen red, but these good neighbours will just have to get used to Canada showing continental leadership, be it in baseball or trade. The Blue Jays will be first at the start of the season and first at the end. I hope all Members will join me in foreseeing a time when the World Series will be played entirely in Toronto, Montreal, and other cities of this great land.

* * *

AIRPORTS

PEARSON INTERNATIONAL AIRPORT—TREATMENT OF LATE NIGHT ARRIVALS

Hon. André Ouellet (Papineau): Mr. Speaker, what will it take for the Minister of Transport (Mr. Crosbie) to do something about the absolute chaos at Pearson International Airport when hundreds of tired vacationers arrive late at night all at the same time? Indeed, anyone who has had to experience the cramped arrivals area at Toronto Terminal 1 late at night now knows how ineffective is the Government. Hundreds of people suffer, some waiting as long as 90 minutes, unable to find transportation to their homes.

• (1405)

That, in fact, is the key to the problem. Indeed, as late charters land it becomes obvious that the number of taxis and limousines serving the terminal is terribly inadequate. A recent *Toronto Star* article quotes airport operation manager, Jim Mattock, as saying that airport officials have been aware of the problem for at least two years. Mr. Mattick goes on to say that it may take several months before a solution is in place. This is unacceptable. The Minister of Transport must immediately address a situation which is intolerable for travellers and a disgrace to Canadian airports.

* * *

UNEMPLOYMENT INSURANCE

ELIGIBILITY OF FORMER ARMED FORCES PERSONNEL

Mr. George Henderson (Egmont): Mr. Speaker, I once again want to raise a matter in this House on behalf of those Canadians, including many retired servicemen who, since January 5, 1986, have had their UIC benefits drastically reduced or eliminated altogether because they had to declare as income their pensions from previous employment.

On December 5, 1986, the Minister of Employment and Immigration (Mr. Bouchard) said that those who found subsequent employment and were laid off would be reimbursed for lost benefits. For almost a year before that statement, those people were told to wait for the report of the Forget Commission. We have had this report but people have still been kept waiting. These people are fed up with waiting for the Government to act. No one at the Employment Centres can tell them when they will receive their money. The Government's treatment of these people is unfair and intolerable.

I call upon the Minister to act now to ensure that those citizens receive their rightful benefits which should never have been taken from them in the first place.

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PUBLISHING INDUSTRY

CALL FOR ENFORCEMENT OF GOVERNMENT POLICY

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, in July, 1985, the previous Minister of Communications announced a policy of Canadianization of our book-publishing industry, a policy welcomed across the country. The Government, in particular decisions regarding publishing takeovers, has not enforced its own policy. The most spectacular exemption permitted was the Prentice Hall acquisition by Gulf and Western, the company with the scorched earth policy. The Conservative Government excused its dereliction of duty on the grounds that it could not implement its new policy retroactively. Or perhaps the Government was scared of forest fires.

It has now been nearly two years since the policy was announced. One case, GLC, has been under review at Investment Canada for over a year. In another sorry example, Gulf and Western was ordered to sell Ginn and Company to Canadian owners which it has not done. It is time the Government threw some cold water on Gulf and Western's scorched earth policy. It should implement its Canadianization policy beginning with disallowing the GLC takeover by Gulf and Western.

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ENVIRONMENTAL AFFAIRS

ACID RAIN—SIGNING OF AGREEMENT BETWEEN FEDERAL GOVERNMENT AND ONTARIO

Mr. Joe Reid (St. Catharines): Mr. Speaker, the signing of a federal-Ontario agreement this last week is a real breakthrough in our national battle against acid rain. This latest agreement will provide funding of up to $85 million from each level of government to assist in Ontario's Countdown Acid Rain Program and reinforce Canada's commitment to cut our sulphur dioxide emissions in half by 1994.

This acid rain agreement, along with the Niagara River clean-up declaration signed earlier this year, demonstrates the

federal Government's "get on with it" approach to cleaning up the environment. More progress has been made by this Government in attacking the problems of the environment within the last two and one-half years than was made in a decade of Liberal administration. The Minister of the Environment (Mr. McMillan) should be commended accordingly.

* * *

ABORIGINAL RIGHTS

CALL FOR ENTRENCHMENT IN CONSTITUTION

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Mr. Speaker, some Canadians are asking what aboriginal rights are and why they should be recognized. Simply put, aboriginal rights are all those rights held by Indians, Inuit, and Métis which they possessed and exercised for centuries in this land before the Europeans came to this continent.

Aboriginal rights include not only certain lands and resources, but also social and cultural institutions, laws, and forms of self-government. If these rights existed before the Europeans came and they were never given up by the aboriginal peoples, then they still exist and, in justice, they must be recognized by all of us. The First Ministers' Conference scheduled for March 26 must also recognize these rights and entrench them in the Canadian Constitution.

* * *

• (1410)

TRADE

CANADA-UNITED STATES NEGOTIATIONS—FIRST MINISTERS' CONFERENCE

Mrs. Mary Collins (Capilano): Mr. Speaker, last evening's meeting of First Ministers about the trade talks with the United States was an important step forward in this historic process, and an outstanding example of how our Prime Minister's (Mr. Mulroney) efforts at consultation and co-operation are bringing about a new era of national reconciliation.

As the Premiers become more involved and aware of the benefits that such an agreement will bring to each region of the country, the safeguards to be included, and the tremendous opportunities and encouragement it will provide for Canada to become world class in the provision of goods and services, they will surely see and share the positive attitude of British Columbia's Premier Bill Vander Zalm.

As Mr. Vander Zalm said last night, he thought the talks were coming along extremely well, and that our chief trade negotiator, Simon Reisman, was very forthright and fantastic. Bill, I agree wholeheartedly with you that we will get an agreement by the end of the year and that it will be great for Canada. You can count on the support of British Columbia Members of Parliament to ensure that it will be particularly great for British Columbia. And, Bill, you are fantastic too.

* * *

PEACE

GIRL GUIDES' ANTI-WAR PLEA

Mr. Simon de Jong (Regina East): Mr. Speaker, recently I received 30 letters from the Sixty-Sixth Girl Guide Group in Regina. I received pictures of smiling suns and flowers. I received pictures of bombs with large Xs through them, on which was written: "No more war. Peace, please". The children were asking me not to drop a bomb on them and not to start a war.

The message is very clear. The children of our country want to live in peace. They do not want Governments to endanger their lives and the lives of their loved ones.

On their behalf I urge the Government not to be timid in the pursuit of peace and to seize this historic opportunity to initiate an independent policy that gives peace a chance. They want to live their lives in a world of peace. I urge the Government to take heed of the voices of the children not only of this country but of the world. Indeed, give peace a chance.

* * *

MEDICAL CARE

OPPOSITION TO PROPOSED ALBERTA LEGISLATION

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I am holding a copy of Bill 14 from the Legislative Assembly of Alberta which is an insidious attempt to break down medicare. I want the federal Minister of National Health and Welfare (Mr. Epp) who is in the House today to send a direct message to the Minister of Health in Alberta telling him that we will not sell out our medicare system.

Bill 14 violates the principle of universality and the principle of comprehensiveness, the principles that the previous Liberal Government fought for to make sure that the Canada Health Act was available to all Canadians. Every medical procedure should be available for every Canadian at no cost, with no private insurance.

I urge the Minister to send a very clear message to the Legislature of Alberta that Bill 14 is a violation of the Canada Health Act and must be withdrawn immediately, or there should be penalties against the Province of Alberta.

NUCLEAR ENERGY

DISPOSAL OF NUCLEAR WASTES—CONCERNS OF MANITOBANS

Mr. George Minaker (Winnipeg—St. James): Mr. Speaker, an issue of primary concern to my constituents in Manitoba is the disposal of nuclear waste. With the approval of the provincial Government, a research project has been going on in Manitoba for several years. It is being carried out by Atomic Energy Canada Limited with financial support from its American counterparts. The end result will hopefully be the discovery of ways to store nuclear waste safely. This research will benefit not only Manitobans but all Canadians and North Americans.

However, my position, and what I believe the position of the Government of Canada should be, is that any nuclear waste not generated within the borders of Manitoba should not be disposed of in Manitoba. By extension, I believe any province or area that receives the benefits of nuclear power should be responsible for disposal of its own nuclear waste within its own boundaries.

No one denies that the research being undertaken is beneficial, but we must make it clear that once the research is completed Manitoba will not become Canada's dumping ground for nuclear waste.

* * *

RAILWAYS

DERAILMENTS—PUBLIC SAFETY

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, once again we see evidence that the Government is willing to sacrifice public safety, jobs, and the interests of the poorer regions on the altar of fiscal responsibility. In the past two months six trains have gone off CN tracks in Nova Scotia and New Brunswick, raising concerns about public safety on our railways. Yesterday a railway spokesperson blamed most of these problems on bad winter weather. However, his explanation is not convincing.

• (1415)

A recent task force report on CN operations indicated that CN tracks are steadily deteriorating. Furthermore, I have been informed that in the town of Capreol in my riding, certified car inspectors will no longer be doing roll-by train inspections as of April 6, 1987. Instead, they will be handled by Department of Transport employees who do not have the proper training or expertise.

It is simply unacceptable that the CNR and the Government compromise the safety of Canadians by cutting financial corners. Moreover, given that two of these recent derailments cut Nova Scotia's only rail link with the rest of Canada, it is irresponsible for the Government to neglect a crucial part of the Atlantic region's economic and transportation infrastructure.

I demand that the—

Mr. Speaker: I regret that the Hon. Member's time has expired.

* * *

NATIONAL DEFENCE

OPPOSITION TO ACQUISITION OF RANCH LAND

Mr. Gordon Taylor (Bow River): Mr. Speaker, the good productive soil given to us here in Canada by an omnipotent God is a sacred trust. We have a responsibility to ensure it is here to grow food for future generations. For too long we have been carelessly placing subdivisions, factories, army bases, and so on, on productive land. If we continue, we will leave a barren Canada for our children. That is why the hundreds of people in the area of the OH Ranch in the Kananaskis country are opposed to the army acquiring prime agricultural land for military purposes, especially when there is an alternative only an hour and half out of Calgary.

Prime agricultural land, a provincial park, the eastern slopes of the Rockies, a habitat for birds and animals, a quiet spot for hundreds of tourists to meditate amidst a beautiful countryside, are all reasons why the Government should refuse even to negotiate for this land.

If the Government is still considering this proposition, I suggest that the Minister refer the matter to the Standing Committee on Agriculture so that witnesses may show in no uncertain way that this beautiful area should be retained for ranching, tourism, and recreation.

* * *

NATIONAL CAPITAL COMMISSION

SUPPORT FOR CEREMONIAL ROUTE PROJECT

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, over the last few months Canadians have become aware of the plans of the National Capital Commission to improve certain streets in the downtown area of Ottawa and to convert this area into a ceremonial route. This project will cost some $15 million and, of course, includes $3 million worth of major repairs to the Alexandria Bridge between Ottawa and Hull.

Canadians have always been proud of the national capital of our country. If we want to continue with this pride, we must continue to invest in our capital. We must do our very best. My purpose in making this statement today is to support the initiatives of the National Capital Commission and its

Chairman, Mrs. Jean Pigott, in establishing a ceremonial route for our capital in consultation with the local community.

I have not always agreed with Mrs. Pigott in the past. We have disagreed on such issues as the Mile Circle Park and many others. However, on this issue she certainly has my support.

ORAL QUESTION PERIOD

[*English*]

TRADE

CANADA-UNITED STATES NEGOTIATIONS—ISSUES AFFECTING PROVINCES

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, in the absence of the Prime Minister I would like to pose a question to the Deputy Prime Minister. Contrary to previous commitments, last night the Prime Minister in his meeting with the provincial Premiers refused to put forward any meaningful ratification process for the Canada—U.S. free trade deal, even though, as we well know, the provinces constitutionally are not required to accept any requirement under the international treaty which affects their own jurisdictions. How can the Government continue to negotiate with Americans on matters affecting provincial jurisdictions when it does not have in place a proper ratification scheme affecting those jurisdictions? How can one, in effect, negotiate away something when one has not even received it yet?

Hon. Pat Carney (Minister for International Trade): I think the Hon. Member is overlooking the fact that the success of last night's meeting showed that the process we have in place is working and there is no need to try to find an alternative mechanism at this time. The subject was discussed, but the fact is that many of the Premiers said the system was working well, that it was a way of drawing out consensus, and no one could think of any way of doing it which would achieve any better results.

I might also point out that during the negotiation of the Auto Pact, when the Hon. Leader of the Opposition sat on this side of the House, that Auto Pact was negotiated without any reference at all to the province most concerned, Ontario.

REQUEST THAT PROVINCES HAVE APPROVAL AUTHORITY

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, we know the Hon. Minister has a somewhat curious definition of what success is. After the meeting last night eight of the ten Premiers said that the Prime Minister had failed to live up to his pledge, and that the Government must have a ratification scheme in place before the negotiations continue. Because of the importance of those types of commitments, what steps is the Government taking at the present time to ensure that the provinces will have total and complete approval of any measures taken under a free trade deal that affect their jurisdiction?

• (1420)

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, the steps the Government is taking are with respect to involving the provinces in the most extensive consultative process that the country has ever seen. This is the fourth time that the First Ministers have met. I was present at the meeting. It was very amiable. All these subjects were discussed at length in very amiable terms. The general consensus was that the process is working. I do not know whether the Hon. Member is simply reading *The Toronto Star* again or not, but the Ministers around the table were united in the position that the consultative process is working. If the deal which emerges is not satisfactory to all concerned then there will be no deal, as the Prime Minister has said.

STATEMENT ATTRIBUTED TO CHAIRMAN OF CANADIAN RADIO-TELEVISION AND TELECOMMUNICATIONS COMMISSION

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, I would like to ask a third question of the Minister. This morning the Chairman of the Canadian Radio-Television and Telecommunications Commission, a federal agency, stated very clearly in proceedings before a committee that the questions concerning Bill C-58, simulcasting, income tax rules and copyright are essential to the integrity of the Canadian cultural industries. Considering the importance that the chief regulator of Canadian culture puts on these matters, will the Minister guarantee us now that these very specific items will not be included as part of any free trade deal with the United States?

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, no one has expressed more clearly than has the Prime Minister that Canada's cultural identity and the instruments of achieving it are not the subject of discussion in the free trade talks. I do not know why the Hon. Member and the Liberal Party keep dragging culture, the Auto Pact, and marketing boards on to the negotiating table. The Conservative Government is not discussing those subjects at the negotiating table.

* * *

ENVIRONMENTAL AFFAIRS

ACID RAIN—FORTHCOMING MEETING BETWEEN PRIME MINISTER AND UNITED STATES PRESIDENT

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, I welcome the Secretary of State for External Affairs back from his trip to Washington. In light of polls which indicate that 60 per cent of Canadians see acid rain as the number one issue between Canada and the U.S., can the Minister give the House an

assurance that as a result of his trip to Washington transboundary emission levels will be reduced at the upcoming summit?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, it is certainly our hope and our expectation that transboundary emissions will be reduced as a result of actions taken by the Government of the United States and pressure brought by this Government.

I must comment that it is an unusual commentary on party discipline that the two lead questioners for the Liberal Party today were the Hon. Member for Winnipeg—Fort Garry and the Hon. Member for Davenport.

Mr. Riis: Keep up the statesmanlike approach, Joe.

Mr. Clark (Yellowhead): It is an interesting question as to who speaks for the Liberals.

Mr. Caccia: It goes to show that the Liberal Party is liberal.

Some Hon. Members: Hear, hear!

Mr. Axworthy: Something you wouldn't understand, Joe.

Mr. Ouellet: That is why he was not Prime Minister for very long.

NEED FOR UNITED STATES COMMITMENT

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, this is my supplementary question. On the eve of the third acid rain summit under the new administration of the Government elected in 1984 does the Secretary of State for External Affairs agree that unless the Prime Minister gets a commitment with respect to specific emission cuts Canada will have lost three valuable years by pursuing research instead of emission cuts?

Some Hon. Members: Hear, hear!

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, what it shows is that the Liberal Party is all over the lot. It is divided on the Cruise, divided on trade, and probably divided on acid rain.

Mr. Ouellet: Answer the question!

Mr. Crosbie: Where is Turner today?

Mr. Nunziata: Joe, your caucus was behind you.

Mr. Axworthy: Who lost his job, Joe?

• (1425)

Mr. Speaker: I am sure that all Hon. Members will certainly agree that the issue being raised by the Hon. Member for Davenport is a serious one on which there is a great deal of unanimity in the Chamber. I am sure that Hon. Members would wish to hear the answer of the Minister.

Mr. Clark (Yellowhead): In Washington I had the opportunity to speak to administration officials, and to make clear our expectation that there will be progress on the United States' side that results in a reduction in transboundary acid rain emissions. I also had the opportunity to speak to several members of both Parties in the Senate and the House of Representatives. All of them interested in acid rain, whatever their Party, unanimously made the point that the position that has been taken by the Government of Canada—particularly because under the leadership of my colleague, the Minister of the Environment, Canada has put its own house in order—is far more compelling than it was in former times. Consequently, our chances of making progress are better. We will wait and see if the Americans respond as we hope they will.

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TRADE

CANADA-UNITED STATES NEGOTIATIONS—FIRST MINISTERS' MEETING

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, my question is directed to the Minister for International Trade. The Minister has told the House that at the meeting last night no one could suggest a better way to proceed. In fact is it not true that various Premiers suggested that a subcommittee be established to work out an agreement process, and this was rejected? Therefore, will the Minister confirm that no approval process exists because of the decision of her Government to turn that proposal down flat?

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, the point that I made, and the point that I am making, is that while the subject was discussed in very reasonable tones, no one could suggest a better way to proceed than the one which we presently have of extensive consultation. There were some suggestions made by some of the Premiers, but they did not enjoy the support of other Premiers. The only system that enjoyed the support of every Premier, and every participant in the room—and I was there, the Hon. Member wasn't—was the fact that this process that we have in place of consultation, discussion, and the identification of regional and national concerns, is working. I do not understand why the NDP continues to knock a consultative process which is working, and which will produce a free trade deal that is in the interest of all Canadians in all parts of the country.

PREMIERS' POSITION

Mr. Steven W. Langdon (Essex—Windsor): The Minister keeps trying to tell us that everything is proceeding wonderfully, just as in the softwood lumber case, and we know what happened there.

Will the Minister admit that last night maritime Premiers expressed grave concern about the constraints on regional development efforts, which an agreement would include, and

about proposals to block off future supply-management agreements for our farmers?

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, there is a reason that First Ministers' meetings are held behind closed doors without even a recording secretary. They are supposed to be confidential. The only people present were the First Ministers, the Prime Minister, myself, and for parts of the meeting, Simon Reisman. I can only suggest that the Hon. Member is receiving this material from the NDP Premier of Manitoba. There is no one else who would breach that type of security.

To answer the question of the Hon. Member, I have already stated that the meeting discussed how we can maintain our goal of regional development, which is not on the table, within the framework of a free trade agreement. The meeting discussed agriculture, and the concerns of agriculture. The meeting discussed employment, jobs, economic growth, and the potential for the country. There was general consensus that the manner in which we are proceeding will lead to a good trade deal with the United States. The meeting also concluded, and the Prime Minister is the leading exponent of this, that if it is not a good deal, there will be no deal.

• (1430)

Mr. Langdon: Mr. Speaker, if this Government had taken an open, honest approach with the Canadian people right from the start, there would be no need for sleazy accusations.

Mr. Speaker: Order, please. Argumentative questions lead to argumentative answers. I would ask the Hon. Member to put the question.

INVESTMENT RULES QUERY

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, will the Minister also admit, contrary to her answer yesterday, that the Prime Minister has now expanded the mandate of these talks to include investment rules with the United States and that the whole picture coming clear to Canadians is one sell-out after another as the talks go on?

Mr. McCurdy: Down the river.

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, the only picture becoming clear to Canadians is the fact that the Government's free trade initiative is working and is going to lead to a job creating, economic growth-creating trade treaty with the U.S. at a time of mounting protectionism. I am sorry the Hon. Member cannot understand that.

In terms of his comments about open approaches, the Minister of Agriculture and I just left a meeting this morning with representatives of all the agricultural and food processing industries in Canada in which we discussed at length the measures of our agreement that impact on them. This has been the most extensive consultative system ever seen in the history of the country.

REFUGEES

CHILEAN REFUGEE STATUS CLAIMANTS

Mr. Sergio Marchi (York West): Mr. Speaker, my question is for the Minister of Immigration. I welcome his decision yesterday to allow three Chilean women refugees and their children to come to Canada.

Some Hon. Members: Hear, hear!

Mr. Marchi: The Minister will also know that a Montreal delegation of yet unresolved refugee claimants is in Ottawa seeking an audience with the Minister. Given that he was prepared to exercise a sense of compassion in family reunification to the three families yesterday, will the Minister meet with the delegation and assure this House that he will extend that same expression of humanitarianism to the other 85 women and children who are waiting to meet their families in Canada and who are seeking the compassion of this Government?

[*Translation*]

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, yesterday I explained at length that my decision regarding three women and children who were coming to join their families here in Canada was a very special decision made on compassionate grounds. Today I received a report on the people who are still in Buenos Aires from our officials down there. Each case was very carefully assessed. A representative of the Quebec Government is now in Argentina, and today I can inform the House that none of the cases that were assessed in Argentina could in Canada be considered a refugee case. In the circumstances, if these people wish to apply for admission to Canada, they will have to go through the same channels as everybody else, according to the law of the land. This means they will have to do so with a view to obtaining immigrant status, and their application will have to be considered on the same basis as all other applications of this kind. However, if the representative—

Some Hon. Members: Order!

Mr. Bouchard: I am sorry, Mr. Speaker, but this is very important. If the representative for the United Nations High Commissioner for Refugees, who has yet to comment on this question, were to recommend that our Government consider a certain number of cases, we would be delighted to do so. Meanwhile, we intend to act according to the laws of this country.

[*English*]

EFFECT OF REGULATION CHANGE ON PERSONS IN TRANSIT

Mr. Sergio Marchi (York West): Mr. Speaker, the Minister refused to answer the question as to whether he will today at least give them the time of day. I have a supplementary question for the Minister.

[*Translation*]

I would like to know, considering the fact that these families were held in transit when the changes were made on February 20, and also considering that a period of grace was not allowed and that the United Nations High Commissioner for Refugees declared them to be *bona fide* refugees, why wouldn't the Minister be prepared to make up for the Prime Minister's announcement and authorize these people to enter Canada and join their families?

[*English*]

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, I have just answered the Member's question. I said on February 20, and I repeat it, that we have to apply regulations. That is what we did.

People from around the world who want to come to Canada have to respect the regulations and the laws of Canada. People have a chance to apply as immigrants. If they want to do that, we will consider their applications. There are a lot of people in Canada who want to be reunited with their families. They are waiting for decisions under the Immigration Act. We apply the Immigration Act to all Canadians.

Some Hon. Members: Hear, hear!

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TRADE

ALLEGED DUMPING OF STEEL IMPORTS

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, my question is for the Minister of International Trade. In light of the recent imposition of import restrictions on steel in the United States, the Western Canada Steel plant in Richmond, British Columbia, is being forced to compete with cheap foreign steel that is being dumped in Canada.

Due to the seriousness of this situation, why does the Minister refuse to meet with the joint union-management committee which is working hard to avoid a job disaster for Canadian steelworkers? Why will she not meet with this committee and protect the jobs of Canadian workers?

Hon. Pat Carney (Minister for International Trade): Possibly the reason I have not met with this committee is that I have not personally received an invitation to meet with them, Mr. Speaker.

I can only assure the Hon. Member that we are developing a steel policy to deal with the question of imports. Should the company feel that steel is being dumped in its market, it is perfectly free to take an anti-dumping action against the offender.

Mr. Robinson: Mr. Speaker, the Minister's office has received repeated requests for a meeting which she has refused completely.

MINISTER'S POSITION

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, Canada's position has been undercut by unscrupulous brokers who ship cheap offshore steel into Canada and then re-export it to the United States, thus escaping American quotas. When will the Minister introduce strong measures to stop this offshore steel from being dumped into the U.S. via Canada and help save the jobs not just of Western Canada Steel but other steel producers in Canada, including those in the Hamilton region?

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, I can only say that I cannot refuse an invitation that I was unaware I received. I will certainly try to meet with this committee on my next visit to Vancouver. In terms of our steel policy, it will be announced at the appropriate time.

* * *

[*Translation*]

FEDERAL-PROVINCIAL RELATIONS

THE CONSTITUTION—IMMIGRATION AND FINANCIAL COMPENSATION—INQUIRY WHY GOVERNMENT TABLED PROPOSALS UNACCEPTABLE TO QUEBEC

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, I would have preferred to put my question to the Minister responsible for the Constitution but he is sitting in the other place, or to the Prime Minister who is not in the House. My question is therefore directed to the Deputy Prime Minister and concerns the constitutional talks with Quebec, aimed at enabling this province to ratify the Canadian Constitution with honour and enthusiasm, to quote the Prime Minister.

Could the Deputy Prime Minister inform the House why his Government put on the table a number of proposals that are clearly unacceptable to Quebec, since what it is offering in terms of immigration and financial compensation in the case of new programs represents a step backwards for Quebec and Quebecers?

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I am advised that the federal Government did not table a counter-offer to Quebec's proposals during last week's federal-provincial officials' meeting.

[*Translation*]

INQUIRY WHETHER GOVERNMENT WILLING TO INCLUDE CULLEN-COUTURE AGREEMENT IN CONSTITUTION

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, I have a supplementary. According to my information that is not so, and we all know how truthful this Government is.

Some Hon. Members: Oh, oh!

Mr. Malépart: Is the Deputy Prime Minister prepared to make a commitment that his Government will provide for enshrining in the Constitution the Cullen-Couture agreement which gives Quebec authority over the selection and administration of immigrants within its territory? Is he prepared to commit himself to tabling that formula?

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, perhaps the Hon. Member should abide by the strict rules of conduct that were issued by his Leader which say that before you ask a question or make an allegation you should know the facts—point number one.

* * *

• (1440)

SCIENCE AND TECHNOLOGY

IMPLEMENTATION OF GOVERNMENT POLICY

Mrs. Suzanne Duplessis (Louis-Hébert): Mr. Speaker, my question is for the Deputy Prime Minister in the absence of the Minister of State for Science and Technology. What has the Government done to formalize our recent commitment to ensure excellence in the area of science and technology?

Some Hon. Members: Oh, oh!

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, it is always gratifying to hear important questions asked in the House. Of course, I am pleased to respond to the Hon. Member's question. I am sure she knows that the Prime Minister has placed a very great emphasis on science and technology.

Just recently an advisory board on science and technology, composed of distinguished Canadians, has been put together to provide advice on how the $4 billion the federal Government provides in research and development funds can be used to improve competitiveness. Secondly, just today, my colleague, the Minister of State for Science and Technology, signed in Vancouver with his provincial counterparts the first ever Canadian national science policy.

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HEALTH

AIDS DISEASE—BROADCASTING OF PUBLIC SERVICE ADVERTISEMENTS

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. What is the Government's response to the latest outrageous asininity of the CTC which just rejected public service advertisements to be used in the battle against AIDS, advertisements which would save lives, but has now approved paid condom ads from American condom companies that cannot even advertise in the United States, on the basis that those condoms will not be used for casual sex?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, when the Hon. Member mentioned the CTC, I take it he was talking about the Canadian Telecast Committee. If that is the case, I would say to the Hon. Member, as I said in the House yesterday, that I hope second opinion would prevail and that people will reconsider the positions they have taken. The first television station that said it would accept those ads was MTX in Brandon, Manitoba, and they have been accepted by CJOH here in Ottawa. I understand that the CBC has given verbal approval but I do not know if all the conditions have been finalized yet. I also understand that the Canadian Association of Broadcasters is taking this issue before its next meeting.

I think people who have had to reconsider the entire public response to the AIDS question are doing so. I am of the mind that I will let them form that opinion themselves as they look at the issue more carefully.

URGENCY OF SITUATION

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, is it not about time that the Government recognized that this kind of response to the anti-AIDS program is at least in large measure a result of an overly casual, cautious, half-hearted, under-funded and poorly co-ordinated program which lacks the kind of urgency we see in Australia and Great Britain? The need for such urgency was recognized by the House committee which demanded a far more intensive and better funded program than the one we have now. Is it not time the Government recognized the urgency of the AIDS situation and behaved accordingly?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, we have recognized the AIDS crisis in Canada. We have put money into it, we have an advertising program, and we have a national advisory committee composed of health care workers from all the provinces. We will be hosting the conference this week to which the Hon. Member has referred. We are involved internationally with the World Health Organization. We are doing research and supporting AIDS support groups in various cities. I know you will not give me the time to do so, Mr. Speaker, but I could go on. Obviously we are not casual about the issue.

AGRICULTURE

GRAIN PRICES—REQUEST FOR GOVERNMENT COMMITMENT

Mr. Maurice Foster (Algoma): Mr. Speaker, my question is directed to the Minister of Agriculture. Last week farmers learned that grain prices would be 20 per cent lower in the upcoming crop year. Farm groups like the Southern Alberta Agriculture Stability Action Committee say that farmers will not be able even to get credit to plant a crop this year unless the Government acts. Will the Minister give a commitment today that farmers will get at least the same returns this year as they got in the past crop year so that they may plant a crop, stay on the land, and keep their families together?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I do not know whether the Hon. Member was in the House yesterday or not but that very same question was posed to me by the Hon. Member for Prince Albert. To save the time of the House, I will refer my hon. friend to my answer of yesterday.

REQUEST FOR AGRI-BOND PROGRAM

Mr. Maurice Foster (Algoma): Mr. Speaker, it is clear that the Minister is not giving a commitment in this regard. The Minister boasts of his $46 million program designed to take farmers off the land. I wonder if the Minister can say when he will bring in a low-interest rate agri-bond program designed to keep farmers on the land like the one the Prime Minister promised during the last General Election campaign. I wonder if the Minister could do that before he lifts the moratorium on Farm Credit Corporation foreclosures.

Hon. John Wise (Minister of Agriculture): Mr. Speaker, at no time did I ever boast about the Canadian Rural Transition Program. The Government simply responded as it has in the past to the wishes and needs of Canadian farmers. I think the program is working extremely well and I think we can take some satisfaction in the fact that the number of applications is much lower, perhaps even 50 per cent lower at this time than was expected.

As to interest rates, I would remind the Hon. Member that when he sat on this side of the House, the Government of which he was a part allowed interest rates to go from 9 per cent to 24 per cent and added an additional 2 per cent—

Mr. Speaker: Order.

* * *

FARM CREDIT CORPORATION

STUDY OF EQUITY FINANCING

Mr. Bill Gottselig (Moose Jaw): Mr. Speaker, my question is directed to the Minister of Agriculture. The Minister is aware that the scope of business decisions farmers can take to manage their agricultural resources properly is constrained by the long-term debt they carry. The Farm Credit Corporation has been studying for two years now the possibility of equity financing as one solution to this problem. Would the Minister indicate to the House whether or not the Farm Credit Corporation, by itself or with another institution, will offer equity financing as one solution to farmers' long-term debt problems?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, that is an excellent question and I would like to acknowledge it. I fully understand and appreciate the Hon. Member's continuing interest in the farm finance problem. In addition to what we have already done, I am sure the Hon. Member will take some satisfaction in the fact that a federal, provincial and FCC task force is directing its attention to the very option of equity financing. It is my information that this task force will report to me by the end of this month. Personally, I would like to see that information made available not only to the farm leaders but also to the—

Mr. Speaker: Order.

* * *

REFUGEES

AMENDMENT OF REGULATIONS

Mr. Dan Heap (Spadina): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. As the Minister knows, 19 years ago Canada signed the United Nations Convention for Protection of Refugees, binding Canada to protect any person who comes to Canada claiming to be a refugee, and after we have examined him and found that he is a refugee, we must not cause him to be returned to the country he has fled, directly or indirectly. How then can the Minister justify the decision of the cabinet committee on social development that met on January 21 to amend the Immigration Act so that when a refugee comes to Canada he will be sent away without a chance to state his refugee claim?

[*Translation*]

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, the Hon. Member is referring to Cabinet documents and decisions. I do not think I have to respond because these are hypothetical questions.

• (1450)

[*English*]

Mr. Heap: Mr. Speaker, the signed report of that cabinet committee meeting, which I have in my hand, is not hypothetical. It is a recommendation by the Minister to that cabinet meeting.

ALLEGED CABINET COMMITTEE RECOMMENDATION

Mr. Dan Heap (Spadina): Mr. Speaker, since that cabinet committee recommended removing those people in order to deny them access to the refugee claims system, and those are

the words of the January 21 committee decision, how does the Minister dare put forward a law which also violates a Supreme Court of Canada ruling two years ago that anyone in Canada has a right to a fair hearing in Canada of his claim to be a refugee?

[*Translation*]

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, I said before in this House and elsewhere that I would introduce a Bill on the revision of refugee status at the appropriate time. I would urge the Hon. Member to wait until the Bill is introduced.

* * *

[*English*]

ROYAL CANADIAN MOUNTED POLICE

FEMALE POSTINGS

Mr. John Nunziata (York South—Weston): Mr. Speaker, my question is directed to the Deputy Prime Minister. It concerns the ridiculous RCMP policy concerning married couples in the Force. We learned today that the RCMP allowed an officer who is the daughter of a former Conservative cabinet Minister to be transferred closer to her husband while at the same time refusing similar transfer requests from five other female RCMP officers. Can the Minister explain this apparent double standard?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I am advised that Constable Temple, along with five other members of the RCMP, was transferred to headquarters financial duties to meet an urgent operational need. Coincidentally, Constable Temple and one other female member's marriage plans were accommodated in meeting this situation and I am advised that this is fully consistent with RCMP guidelines.

REQUEST THAT POLICY BE CHANGED

Mr. John Nunziata (York South—Weston): Mr. Speaker, I hate to disagree with the Minister but, according to the RCMP, the daughter of the former cabinet Minister was transferred to Ottawa in conjunction with her forthcoming marriage. We agree with the decision to allow the wife of another officer to live with her husband. It was the right decision. What we disagree with is the fact that the same consideration of fairness and compassion was not applied to the other individuals involved.

Will the Deputy Prime Minister instruct the RCMP Commissioner to change its internal policy concerning married couples to ensure that fairness applies to all officers so as to ensure that where a request is made for married couples to live in the same locale, the request is met?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, in the case of the specific incident the Hon. Member has raised I think I have answered that on the basis of the information provided to me by the RCMP. When the question was put to the Government the other day the President of the Treasury Board undertook to look into that particular policy issue and he is doing so. The Solicitor General is out of the country at the present time. I am sure that, consistent with the views of the Hon. Member, it will be looked at very seriously in that light.

* * *

CORPORATE AFFAIRS

HIGH INTEREST RATES CHARGED TO CREDIT CARD USERS

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I would like to direct my question to the Minister of Consumer and Corporate Affairs. Today the Bank of Canada set the prime rate at 7.28 per cent.

Some Hon. Members: Hear, hear!

Mr. Orlikow: That is exactly 5 per cent lower than it was when the Government took office.

Some Hon. Members: More!

Mr. Orlikow: Holders of department store credit cards are required to pay interest on their unpaid balance at a rate in excess of 28 per cent. Holders of gasoline credit cards are required to pay interest on their unpaid balance at a rate of 21 per cent. Will the Minister call in the management of these companies and instruct them it is time to stop ripping off their customers and reduce interest rates as their own interest rates have been reduced?

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, I am very pleased to rise and remind the House that this is the lowest interest rate since 1974.

Some Hon. Members: Hear, hear!

Mr. Hockin: The Hon. Member raises an important point concerning credit card interest rates. We are looking forward to the standing committee report. I also raised this question today with members of the Canadian Bankers Association and they will be responding shortly.

INTERVENTION BY ILLINOIS STATE TREASURER

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I point out to the Minister that the interest rates I have talked about are still unacceptably high. Will he look at the action taken by the Treasurer of the State of Illinois who, in January, was able to get interest rates on VISA and MasterCard dropped from 19 per cent to less than 14 per cent by threatening to remove state funds from banks which were overcharging on credit

cards? Will the Minister consider taking similar action with our banks which are overcharging their customers?

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, I gather that is one of many suggestions which the standing committee is looking at and I will respond when the committee reports.

* * *

TRANSPORT

OPERATIONS OF CANADIAN TRUCKING FIRMS IN UNITED STATES—EFFECT OF PROPOSED U.S. LEGISLATION

Hon. André Ouellet (Papineau): Mr. Speaker, my question is directed to the Minister of Transport. As he knows, there is now before the U.S. Senate a Bill which will allow the President to restrict operations of Canadian trucking firms in the U.S. This is an incredible action at a time when the Conservative Government has introduced Bill C-18 and Bill C-19 which will give U.S. truckers favourable entry to and operating privileges in the Canadian market. What does the Minister intend to do to redress this most prejudicial situation for Canadian trucking firms?

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, we have no power to control what legislation is introduced into the U.S. Congress. That is a matter for members of the U.S. Congress, either Representatives in the House of Representatives or Senators in the Senate. They can introduce what legislation they like. However, we would naturally oppose, and put forward strong arguments to the U.S. administration asking them to oppose, any such legislation because we expect to have reciprocal rights there. We would then send into action our Secretary of State for External Affairs if that became necessary. I would even accompany him myself if I thought that might be of any help, and I hope it would.

Some Hon. Members: Oh, oh!

Mr. Crosbie: Do you want the answer to this question or not? In the meantime I wrote—

Mr. Speaker: The Hon. Minister will—

Mr. Crosbie: I will just tell you about my letter, Mr. Speaker.

Mr. Speaker: The Hon. Member for Papineau.

CANADA-U.S. MOTOR CARRIER CONSULTATIVE COMMITTEE

Hon. André Ouellet (Papineau): Mr. Speaker, it is clear from the answer that the Government should have done its homework before introducing Bill C-18 and Bill C-19 to make sure that the U.S. Congress did not introduce that kind of legislation. The Government did not do its job.

I can suggest a solution. Is the Minister ready to upgrade the role of the Canada-U.S. Motor Carrier Consultative Committee to that of a body which could formally make policy recommendations to both national Governments as well as the states and provinces?

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, I will certainly take that suggestion under advisement, as well as any other suggestions the Hon. Member has which will be helpful. I would certainly be pleased to have them. Surprised but pleased.

I have already written Mrs. Dole, the Transportation Secretary, in connection with legislation which I think was introduced in the Senate with an amendment which has to do with trucking fees which they are attempting to increase. I made a strong protest. She has protested to those in charge of the Bill. I hope that provision will be changed.

• (1500)

However, if the United States of America does not treat our truckers in a manner that we consider fair and equitable, we will do unto them as they have done to us, plus.

* * *

ABORIGINAL RIGHTS

LYELL ISLAND—HAIDA CLAIM

Mr. Jim Fulton (Skeena): Mr. Speaker, my question is directed to the Minister of Indian Affairs and Northern Development. In a recent judgment regarding Meares Island, Mr. Justice Peter Seaton concluded that there are few imaginable aboriginal rights left in an area that is clear-cut. Would the Minister, who is the only Minister in this House with direct responsibility, tell the House what steps he is now prepared to take in support of the Haida people in their quest for recognition and affirmation of their aboriginal title and rights to Lyell Island?

Hon. Bill McKnight (Minister of Indian Affairs and Northern Development): Mr. Speaker, the rights have been recognized. The comprehensive claim of the people has been recognized. We cannot, as the Hon. Member is fully aware, act unilaterally in providing those rights unless we have the Province of British Columbia with us. I hope, through discussions which I and my colleague, the Minister of the Environment, have had, to assist in the Lyell Island and Meares Island issue. However, we cannot act unilaterally. There is a recognized claim, but it cannot be fulfilled by the Canadian Government alone.

REQUEST FOR ACTION TO STOP LOGGING OPERATION

Mr. Jim Fulton (Skeena): Mr. Speaker, as the Minister is aware, the Prime Minister personally contacted Premier Vander Zalm in recent days and requested an end to the

dispute on Lyell Island. Since the only way that this can come about is for Ottawa and Victoria jointly to support a buy-out of the present logging interests, will the Minister commit himself today to use the tools at his disposal to stop the violation of the rights of the Haida nation on Lyell Island?

Hon. Bill McKnight (Minister of Indian Affairs and Northern Development): Mr. Speaker, my colleague, the Minister of the Environment, has had discussions with the Province of British Columbia. I have pursued discussions with the former Minister responsible for the Committee on Aboriginal Affairs. If the Province of British Columbia is interested and will participate with the federal Government, we will certainly sit down.

Mr. Fulton: All we want is some money.

Mr. McKnight: The Hon. Member says that all they want is money. We hope that the Province of British Columbia would make an appropriate contribution to the purchase because it is also a responsibility of the provincial Government.

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[*Translation*]

PRIVATIZATION

INQUIRY ABOUT SERVICES TO BE PRIVATIZED IN MINISTRY OF FORESTRY AND MINES

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I should like to get back to mapping and the possible privatization of certain federal services. In a release made public by Lavalin we learn that the president—indeed he confirms this in a release, and I quote—has begun discussions with Treasury Board and Bell officials to examine the terms under which certain federal services might be privatized. Yet the Government issued a press release last night denying any intention of privitazing the mapping services. Could the Minister of State for Forestry and Mines tell us what federal services of the Ministry of Forestry and Mines will be privatized?

[*English*]

Hon. Gerald S. Merrithew (Minister of State (Forestry and Mines)): Mr. Speaker, starting last Friday and with a media release last night we have made it very, very clear that none of those three agencies of the Government are for sale. They have not been for sale and they will not be put up for sale.

GOVERNMENT POSITION

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I will direct my supplementary question to the Minister of State for Privatization. Will the Minister of State stand in her place today and tell the House clearly that the Surveys and Mapping Services, the Canada Centre for Remote Sensing, and the Canadian Hydrographic Survey are not on her agenda, that they are no longer on her department's agenda Department, and that there is no intention to privatize them?

Hon. Barbara McDougall (Minister of State (Privatization)): Mr. Speaker, the division referred to was never on my agenda or that of the Government.

* * *

CROWN CORPORATIONS

PRIVATIZATION OF FISHERIES PRODUCTS INTERNATIONAL

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, my question is directed to the Minister responsible for privatization. If the federal Government is determined to privatize Fisheries Products International, why does it not do something innovative instead of simply dumping the company in the laps of people who want to make a quick buck? Will the Government consider innovative methods by which ownership and control of this company could be put in the hands of the fisheries workers and the fishing communities of Newfoundland, the people who are most interested in having stability in that industry?

Hon. Barbara McDougall (Minister of State (Privatization)): Mr. Speaker, this is an example of the ancient ideology which we hear from across the House. That is exactly what we have done. We have put this into the hands of the private sector. It is being offered to individuals. There is an employee share ownership plan within the context of the offering. The people of Newfoundland are quite welcome to participate in this issue. That is exactly why we did it this way.

* * *

ENVIRONMENTAL AFFAIRS

ACID RAIN—POSITION OF NOVA SCOTIA

Mr. Stan Darling (Parry Sound—Muskoka): Mr. Speaker, I understand that the Minister of the Environment had a meeting this morning with the Premier of Nova Scotia with regard to acid rain and the commitment of that province. How successful was he?

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, needless to say, my meeting with Premier Buchanan was full and frank. I am glad to report to the Hon. Member and to the House as a whole that the Premier indicated to me a very strong predisposition on the part of his province to sign an agreement on acid rain with the federal Government. There are some technical ways in which he would hope the federal Government might assist the province to achieve its objectives. With that in mind, I will be working with my colleagues in the Cabinet in hopes that a resolution can be found.

Mr. Speaker: I advise Hon. Members that this will be the last question in Question Period. A senior Member has asked for the right to have the floor. I recognize the Hon. Member for Bow River.

Ms. Copps: A senior Member?

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NATIONAL DEFENCE

PROPOSAL TO ACQUIRE ALBERTA RANCH LAND

Mr. Gordon Taylor (Bow River): Mr. Speaker, my question is directed to the Hon. Associate Minister of National Defence. Does the Hon. Minister have anything to report on the matter of the Canadian Army and the O/H ranch land in the Kananaskis country west of Longview?

Ms. Copps: What is this about senior Members?

Mr. McKnight: He has 37 years of service to the Canadian people as an elected Member, Sheila.

Hon. Paul Dick (Associate Minister of National Defence): Mr. Speaker, shortly before Question Period a statement was issued jointly by the owners of the O/H Ranch and the Canadian Forces Base in Calgary announcing that they had discontinued their discussions on the acquisition of that ranch and thanking the people who had come forward. However, they announced that they are looking for 8,000 to 10,000 acres in a 50-mile radius of Calgary so that the Canadian Forces Base will have some place to train in the future. They do not want to have to pull out of Calgary.

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BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Hon. Herb Gray (Windsor West): Mr. Speaker, I would like to ask the Government House Leader to give us a statement of the business the Government intends to propose to the House during Government Orders for the coming week.

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I will gladly do that. Consistent with the meetings of the House Leaders and the agreement that was reached, we will proceed with Bill C-40 and Bill C-3 to be completed in all stages, as per the order.

On Monday we will have the trade debate. Next week we will have three opposition days and one government day. There have been some discussions with House Leaders with respect to the timing of the government order. However, I understand that we will be meeting this afternoon when we can perhaps firm up that order of business.

POINTS OF ORDER

CORRECTION OF EARLIER STATEMENT

Hon. Bill McKnight (Minister of Indian Affairs and Northern Development): Madam Speaker, I rise on a point of order. I would like to correct something I said. In referring to the Hon. Member for Bow River (Mr. Taylor) I said he had served the Canadian people for 37 years as an elected Member. I believe it has been from 1940 to 1987. I apologize for my inaccuracy.

WORDS OF THANKS

Mr. Gordon Taylor (Bow River): Madam Speaker, I rise on a point of order. I would like to take this opportunity to thank the Minister and to thank the Army for withdrawing from Kananaskis. It is wonderful to belong to a Government that listens to the people.

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Madam Speaker, I rise on a real point of order. This is an abuse of the rules of the House. It is strictly an abuse of the rules of the House. I object to that. That is just baloney.

• (1510)

GOVERNMENT ORDERS

[*English*]

BORROWING AUTHORITY ACT, 1986-87 (NO. 2)

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Wilson (Etobicoke Centre) that Bill C-40, an Act to provide borrowing authority, be read the second time and referred to a legislative committee.

The Acting Speaker (Mrs. Champagne): The Hon. Member for Mount Royal (Mrs. Finestone) had ten minutes remaining in her speech.

Mrs. Sheila Finestone (Mount Royal): Madam Speaker, I had outlined a number of initiatives which the Minister of Finance (Mr. Wilson) announced in the Budget. There is an allocation of $75 million per year for the next five years for cultural industries. I and the cultural industries were very pleased with these initiatives because they support policies and programs that we considered important.

However, these increases do not make up for the cuts made in 1985-86. These cut-backs include $75 million in the CBC; $10 million in CBC high-tech equipment; $1.5 million to the National Film Board; $1 million to the National Arts Centre; and $3.5 million for the Canada Council. Budgetary cut-backs for different cultural projects and programs amounted to $7 million. There are increased radio licence fees and other charges amounting to $22 million. These cut-backs total $121.5 million.

In addition, in 1987-88, the Government will place licence fees on telecommunications carriers through the CRTC. As well, in 1987-88, the Government will levy radio frequency fees on government agencies at the federal, provincial and eventually the municipal level. We are told that the Government expects to obtain $10 million from the latter and $6 million from the former. This has left the cultural and communications industry in Canada with losses of $137.5 million.

Let us examine the task force studies, the book tariff and the Budget for 1987. I was quite surprised that the Budget began with the elimination of the book tariff and the Christmas tree tax. A number of task forces and papers were initiated by the former Minister of Communications. They include the Task Force on Broadcasting at a cost of $2.8 million; the Task Force on the National Museums at a cost of $425,000; the Task Force on Funding of the Arts at a cost of $833,000; the Task Force on the Film Industry at a cost of $134,000; the Task Force on the National Arts Centre for $319,000; the Task Force on the Status of the Artist at a cost of $50,000. After we, the taxpayers, have laid out in excess of $4.5 million for all these task forces, what is the result? There has been no action. Added to these expenditures were the millions of dollars spent by the Nielsen task force which, according to the cultural community, were ineffectively, inefficiently and poorly spent. The very meagre consultative process that took place was a non-credible effort.

As well, the Standing Committee on Communications and Culture has tabled its studies and recommendations on federal museum policy and taxation and the arts. That committee recently had its forty-sixth meeting since November.

After spending that $4.5 million and using the committee's time, there has been absolutely no action taken from all of these studies, recommendations and consultations. There is nothing in the Budget of the Minister of Finance respecting the cultural industry. He even failed to indicate that there were representations on the upcoming tax reform. Why were these reports ignored by the Minister of Finance in his Budget Speech? The Government does not believe in delivering on its promises.

Let us examine the book tariff. On June 6, 1986, a customs duty on certain English language books was imposed. Consequently, novels, works of fiction, some periodicals, publications to encourage enrolment in educational institutions outside Canada, and books of printed music reverted to being subject to the legislated duty at the rate of 10 per cent *ad valorem* under the most favoured nation tariff and the United Kingdom and Ireland tariff.

The amount of duty collected from June 6, 1986, to November 30, 1986, which is the date of the latest available statistics, was $11.142 million. Of the $11 million collected in duty, $9.741 million was collected from the United States; $979,000 was collected from the United Kingdom, which has nothing to do with shakes and shingles; $109,000 from Hong Kong; $85,000 from Japan; $47,000 from Italy, $44,000 from Belgium and Luxembourg; $37,000 from Spain; $14,000 from West Germany; $14,000 from Switzerland; $2,000 from France; and $1,000 from Ireland. The remaining $69,000 was collected from other countries. This shows the effectiveness of the reprisal against the American action on shakes and shingles.

Finally, after nine months and losses of up to $15 million to the fragile Canadian book publishing industry, the Tories have recognized the errors of their ways and in his February Budget the Minister of Finance removed the ill-conceived, regressive tax on reading. Certainly, the credit for the removal of this tariff must go to Canadian publishers, book sellers and readers who protested long and hard for the tariff's removal. I want to take this opportunity to thank the thousands of Canadians who wrote petitions to me and the House concerning this issue. I want to thank my colleagues for standing up day after day and reading those petitions into the record. The Minister finally saw the light, and I sincerely hope that the removal of this tariff is a clear message by the Government that Canadian cultural industries are not at risk in free trade negotiations.

It is interesting to consider what the Minister will do with the $11 million in new-found money? I am sure he expects to reduce his deficit, but I suggest that he find a way to repay the publishing industry and those who suffered as a result of this ill-conceived measure.

The Minister also found another $1.2 million in his Budget as a result of changing the procedure in reporting the taxes. The new requirement imposed by the Budget for businesses to remit source deductions on a twice-monthly basis will have a negative impact upon large theatres, museums, dance companies, orchestras, and publishing houses. This results in very poor business practice, with more administrative hassles for business, causing much more paperwork. In addition, this measure will squeeze some cultural industries which have uneven or seasonal revenue.

Let us consider the 1987 Estimates. The Minister of Communications (Miss MacDonald), in a news release on March 2, 1987, set out the increased amounts of resources to cultural agencies funded by the Government of Canada. The Minister demonstrated creative sleight of hand as the figures she uses are not limited to increases in parliamentary appropriations but include anticipated operating revenues of the individual cultural agencies, leading to the perception of great largess going to these key Canadian cultural agencies. The fact is that most will not even be covered by the inflation rate. It will mean cuts in staff and programs for many.

Let us examine the situation. The Minister's stated amount of increase for the CBC is $50 million, but the actual parliamentary appropriation is $11.6 million. The stated amount of increase for the Canada Council is $5 million, but the actual appropriation is $3.1 million. The stated amount of increase for Telefilm Canada is $3 million, but the actual parliamentary appropriation is $1.522 million. The stated amount of increase for the CRTC is $2 million, but the actual appropriation shows an increase to $2.276 million. The stated amount of

increase for the National Film Board is $1 million, but the actual appropriation is $307,000. The stated amount of increase for the National Library is $1 million, but the actual appropriation is $159,000. The stated increase for the National Museums is $19 million, but the actual appropriation is $16.588 million. There was a stated increase of $2 million for the National Arts Centre, but there was actually a loss of $73,000 in the appropriations. The stated amount of increase for the Public Archives is $1 million, but the actual appropriation is $624,000. I hope the Minister found a new abacus to work out these figures.

I believe these figures show the reality of what the cultural agencies will receive.

• (1520)

Since you have signalled that my time has almost expired, let me conclude by saying that I have the deepest conviction that Canadians want to enjoy their environment and express themselves as Canadians. We have lots to say to the rest of the world through our own cultural and creative experiences. I would hope that we would find a way to ensure that those cultural industries would not be put in jeopardy by any action of the House, and every measure taken by the Minister of Finance (Mr. Wilson) and the Minister of Communications (Miss MacDonald) to add to the increased protection and growth of these agencies, will be well received by all.

[*Translation*]

The Acting Speaker (Mrs. Champagne): Questions and comments. Resuming debate. The Hon. Member for Lévis (Mr. Fontaine).

Mr. Gabriel Fontaine (Lévis): Madam Speaker, I appreciate this opportunity to speak to Bill C-40, an Act to provide borrowing authority, under which the Government is seeking an additional $3.6 billion borrowing authority for the 1986-87 budget and $24.3 billion for fiscal year 1988-89.

The first comment I want to make is that, thanks to our sound and well-advised administration, we did manage to reduce the Government's annual need to borrow. When the 1984-85 Budget was tabled the deficit stood at $38.3 billion. I refer you to page 19 of the February Budget of the Minister of Finance (Mr. Wilson). The following year, 1985-86, again as a result of our sound administration, the annual deficit dropped from $38.3 billion to $34.4 billion. With the Budget closing at the end of this month we will again post a deficit, but this time down to $32 billion. Next year, due to the elimination of a number of useless expenditures rather than through huge tax increases, we expect to table a Budget of $29.3 billion. A comparison indicates that the financial requirements of the Government over the four years ending in 1987-88 have declined sharply. By financial requirements I mean borrowing needs which are not necessarily the same figures and which do not tally with the deficit figures because the Government has access to certain pension funds and collects money which was owing. This accounts for the gap between the financial requirements and the deficit of the Government.

The financial requirements amounted to $29.8 billion in 1984-85, and to $30.3 billion the following year. In 1986-87, the year about to end, the financial requirements were reduced by $6 billion through sound administration, and we expect they will continue to decline next year, down to $21.3 billion, the lowest level of Government financial requirements in the past six years.

Canadian taxpayers must be made to understand that the effect of Government decreasing financial requirements is a significant drop in interest levels, to the extent that the Hon. Member for Winnipeg North (Mr. Orlikow) has acknowledged this achievement by the Government which every Canadian man or woman who has to borrow can appreciate. Earlier this afternoon the Hon. Member for Winnipeg North told the House that the Bank of Canada prime rate was down to 7.28 per cent, lowest ever since 1974. I want to thank my colleague from Winnipeg North because, even though he is a socialist, in some cases he can read figures when they are not too complicated.

Madam Speaker, for the benefit of all Canadians, it might be a good idea to explain what we intend to do with the borrowed money. This morning the Hon. Member for Montreal—Sainte-Marie (Mr. Malépart) raked us over the coals about the use of these funds. Out of budgetary appropriations totalling $122 billion, $57 billion of the expenditures will be in the form of small cut-backs for poorer Canadians. We are going to allocate $57 billion to social affairs, unemployment insurance, youth, the elderly, and needy Canadians. And another, in fact the greater part of our Budget, thanks to the poor management of the previous Liberal Government, will be allocated, all $28 billion, to servicing the national debt, a cumulative deficit of about $300 billion.

Meanwhile, Madam Speaker, the Liberal Party's big guns have been criticizing our fiscal policy and the message we gave Canadians in February, and today they are criticizing our borrowing requirements. One minute they ask us to send cheques to the neediest in this country and the next, they are up in arms about our borrowing authority Bill and the $24 billion involved.

I was listening to the Official Opposition's finance critic, a colleague from Quebec, the Hon. Member for Laval-des-Rapides (Mr. Garneau). I would like to ask him why his assessment of our Budget is so different from the standards he should be applying, as a former director and president of one of Quebec's major banks. It seems to me that he of all people should be far more perceptive in his reactions to the Budget and Budget speech. He is clearly reacting in a very partisan manner. That seems to be his style since he came back to politics. The Hon. Member was always very good at making a profit for his employers when he was in the private sector, but when he entered politics and became a member of provincial and federal cabinets, he became an expert at making deficits. We saw this when he was with the Quebec Government and we

see it today. He has been consistently negative about this Budget.

I would like to ask the Hon. Member, since he is criticizing our message, why, as a Quebecer, he did not rise in the House when we debated the plan to set up an international banking centre in Montreal? I was sitting on the same committee as the Hon. Member, and I did not see him intervene in any significant way to urge that an international banking centre be established in Montreal. His silence was heard across the country. Perhaps his political ambition extends beyond the job of lieutenant to the present Leader of the Liberal Party. Who knows, Madam Speaker.

I also would like to know why the Hon. Member for Laval-des-Rapides was so careful to say nothing about the F-18, a one-billion-dollar contract that is to be administered in the province of Quebec. We never got a clear and straightforward statement from him on this question.

• (1530)

And since he is such a good critic of our Budget, I would also like to ask him why, except when he had some specific question in mind, he never referred to our policy to provide, on a long-term basis, for a viable shipbuilding industry in the province of Quebec.

Notwithstanding a number of problems which many experts thought it would be impossible to resolve, our Government has been able to revive the shipbuilding industry in the province of Quebec and I am referring to the shipyards of Versatile Vickers, those in Sorel and those in my own riding in Lauzon, the former Davie shipyards now being managed by Marine Industries. Why did we never hear the Hon. Member from Laval-des-Rapides on a project that is having an economic impact worth over one billion dollars on the three shipyards I referred to?

I would have liked to have heard the Hon. Member comment on the appropriateness of the Government's decision to award a $135 billion contract to Marine Industries for the construction of a second ferry, to award two contracts for refitting some of our destroyers and to award a $196 billion contract to Lauzon for building one and a half frigates, which adds up to $471 billion in federal contracts for Quebec. I would have liked to have heard him voice his support for the two additional $70-billion contracts for repairs to two other Canadian Navy ships. I would have liked to have heard him give his opinion also on the recent financial implication, to the tune of $35 million, of the Canadian Government, the Department of Regional Industrial Expansion, to allow for the transaction between Marine Industries and the Lévis shipyards. I would also have liked to have heard his comments on the approval by the Canadian Government of a $50-million dollar investment, $30 million for the development of additional capital investments and $20 million for specialization. Also, $50 million were given by the Quebec Government to modernize the three shipyards I just mentioned.

I would also have liked to have heard him express concern for the finalization of the transaction between Marine Industries and the Government of Canada and the former Versatile shipyards, for which the two governments, Quebec and Ottawa, decided to guarantee $50 million each with respect to the deficit over the next two years.

And, finally, I would have liked him to get involved on the awarding of another $196-million contract for an additional frigate and a half to the Sorel yards, for a grand total of $1.22 billion. But the senior Liberal spokesman for the Province of Quebec never showed any concern for those matters.

I would also have liked the Hon. Member for Laval-des-Rapides (Mr. Garneau) to share his views with us, since he can hardly express the views of his party, because he would have had one opinion, that of the Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy) who is against bilateral talks with the United States. He would also have had another opinion, that of the Hon. Member for Saint-Henri—Westmount (Mr. Johnston), who is for bilateral talks with the Americans, while the critic, who sits to the right of the Leader of the Liberal Party, has not yet committed himself on a matter of such significance for this country and for the Province of Quebec. I say for this country because we export $95 billion worth of goods to the United States, Madam Speaker. This accounts for 30 per cent of our jobs. And the talks are aimed, first at keeping that market, and second at developing it so that we can sell more Canadian goods and services to those 240 million Americans. We have not heard him. The Hon. Member for Laval-des-Rapides has remained silent on that matter.

I will hurry. I would have liked to have heard him, Madam Speaker, on the lumber issue. He remained silent.

I would have liked to have heard him about Bill C-22, which deals with the drug industry and the location in Montreal of high-technology industries, industries that create plenty of jobs, industries that, since the announcement of our Bill, have decided to invest $700 million in the City of Montreal, Madam Speaker. Fifty per cent of the pharmaceutical companies' new investments will be in the City of Montreal, in the Province of Quebec, but we never heard anything from the Hon. Member for Laval-des-Rapides, who is currently dabbling at launching the Quebec federal organization for the next election. He would do better to make representations here in this House and do his share to improve the lot of Canadians.

Madam Speaker, I will also add a few comments on the position taken by the Leader of the Opposition and perhaps even on his statements. It is not by accident that I began with the Hon. Member for Laval-des-Rapides. The Leader of the Opposition has tried to voice a few comments on the budget speech and our borrowing needs. I should say to the Liberal Leader that before taking position on a budget of so many billions, that is $122 billion, and before giving us some advice on the matter, I wonder if it would not be advisable for him to look after the $5 million deficit which his party is unable to pay back week after week, month after month. I think that would be more important. And when the Liberal Leader is telling us that we are overburdening Canadian taxpayers, he should realize he is living in a democratic system and ask

himself how it will be if ever he returns to power 40 years from now? What would be the situation if we listened to his philosophy because today, two years or maybe two years and a half before the next federal election, he is already bearing down on his candidates asking them to collect funds and send 50 per cent to the national organization, something which has never been done before within the Liberal Party. If he is now taxing his own candidates, how will he be taxing the Canadian people later?

Finally, before I hear him give us some further advice, he who was elected to this House in 1962 and appointed minister in 1965, I am still referring to the current leader of the Liberal Party, who was a member of a Government responsible for the $240 billion debt with which Canadian are faced, I will tell him that it is to pay this debt and the interests on this debt that today we have to adopt a legislation calling for $24 billion in borrowing authority. This is partly due to the incompetence of this Liberal Leader who sat in the House for 20 years and did absolutely nothing except increase our indebtedness year after year.

Finally, Madam Speaker, before listening to the negative comments of the Leader of the Liberal Party on our legislation, I think he would be well advised to check the position of the rank and file of his own Party concerning the cruise missile issue and the stand taken at its last convention in November 1986. At that convention, his Party proposed an extraordinary child care project which would cost Canadian taxpayers $11.2 billion a year, Madam Speaker.

Before he starts commenting on our budget, I should like him to tell us how he is planning to finance his own Party's proposal of a child care system which would cost Canadians $11.2 billion a year; I should like him also to explain to the House how he is planning to set up a guaranteed income program for all Canadians. Such programs are good—socialists are experts at that—but I think it is a good idea first to find out how much they will cost. I should like, therefore, the Leader of the Liberal Party to explain to us how he is planning to finance this new guaranteed income concept. I should like him to tell us in his masterly fashion what costs are associated with the recommendations made at the November 1986 Liberal convention.

Finally, Madam Speaker, I should like to comment on some of the statements made by the Leader of the Socialist Party concerning our legislative program and our economic message of February 1987. First of all, before speaking of a country's finance, the leader of the Socialist Party should explain to us why the financing of his own Party is questioned in a decision rendered in July 1986 by Hon. Justice John White, of the Supreme Court of Ontario, indicating that the fund obtained by the unions under the Rand Formula—the Rand Formula compels employers to collect money every week from the pay cheques of unionized and non-unionized employees alike. But all these contributions received from the union are used to enrich the Socialist Party. But Mr. Justice White ruled that the union could not use for purposes other than those of the union the amounts thus collected by the unions by payroll deductions of non-unionized employees.

I mentioned this in the House on a number of occasions, Madam Speaker, and Socialists sitting on opposite benches should listen to me first and tell me where they stand on this particular issue, and if they want to enlighten us about the budget of our Government, they should explain first to the Canadian public why they use these funds illegally obtained to finance their own Party.

Since they keep bragging about the honesty and the openness of their Party, I should like them to tell me why—and here I quote the Minister of Justice who directed in vain this question to the Leader of the Socialist Party—they are using stamps provided by Parliament, meaning Canadian taxpayers' money, to send their political literature to the St-John-East Riding in Newfoundland. On this issue, again, the Leader of the Socialist Party did not know what to say. Therefore, before he starts questioning our budget, I should like him to explain his position on this issue.

Finally, I would like to say something to socialists throughout the world and ask them whether they are aware of the fact that the leader of the socialist party in this House gets $101,700 a year and that he has not only refused to accept the pay cut agreed to by the Prime Minister of Canada and the Cabinet Ministers of this Conservative Government but he has also negotiated for a chauffeur and a car.

Before trying to tell us what to do, and I understand that my time is running short, Madam Speaker, they should think about those matters and about how they use Government services improperly. They are very silent today, which is surprising. They should explain their position to us and think about the White ruling and about Professor Lavigne, who discovered the NDP financing scandal. Then, they can comment on our budget. For all these reasons, Madam Speaker, I hope that the Members of this House will support this borrowing authority bill so that the neediest people in Canada, whom we are always trying to protect, will be able to receive their money in good time.

• (1540)

[*English*]

Mr. Orlikow: I wish to correct an impression which the Hon. Member may have left with anybody who happens to read a copy of his speech. The decision of Mr. Justice White that the Member talks about was not a decision regarding the use of union dues for political contributions, it was a decision which strikes at the ability of unions to do almost anything for their members. If that decision is carried to its logical conclusion, unions would be precluded from urging their members to support a better pension plan, or from urging their members to defend the universal medicare or hospital insurance plan. That is what that decision would result in. The unions are appealing that decision. They are quite hopeful, as are we, that if the

decision reaches the Supreme Court, it will reject that decision.

Insofar as unions contributing to political Parties are concerned, whether it be our Party or any other, I wish to make it clear to the Hon. Member, in case he is not aware, that every union which makes a contribution on the part of its members to the New Democratic Party gives every member the opportunity to notify the treasurer of the union that he or she does not wish a contribution made to our Party on his or her behalf. That is a great deal more than offered the shareholders of banks, insurance companies, or any of the large corporations which contribute to the Liberal or Conservative Parties. They do not ask their shareholders whether they wish to make a contribution, they just do it. If the Hon. Member wishes to look for justice, that is where he should look.

I rose because during the course of his speech, the Hon. Member referred to a question I asked the Hon. Minister of Consumer and Corporate Affairs (Mr. Andre) during Question Period. I pointed out, and I would not wish to hide it even if I could, that the prime rate of interest as established by the Bank of Canada has come down 5 percentage points from the day that this Government took office until today.

An Hon. Member: Hear, hear!

Mr. Orlikow: Someone says "hear, hear", and I think it is great. I hope that the Hon. Member who spoke would join with me in asking the Minister to call in the management of the department stores that are charging their customers over 28 per cent interest on the unpaid balance of their credit cards, and to call in the management of the gasoline companies—

The Acting Speaker (Mrs. Champagne): The Hon. Member may wish to leave the 30 seconds that are left to the Hon. Member for Lévis (Mr. Fontaine) to conclude.

[*Translation*]

Mr. Fontaine: Madam Speaker, first, I must congratulate my colleague for Winnipeg North (Mr. Orlikow) for his intervention as concerns the cost of credit for Canadian consumers. He has shown a lot of interest in this matter. Indeed, it is one of his few successes, but we have to give him credit for it. I would like to congratulate him for having recognized a second time in this House that, under our Government, since September, 1984, interest rates have gone down by 5 per cent. Third, I also want to congratulate him on being the first Member of the socialist party to speak publicly in this House of the ruling made by Judge White about the use of payroll deductions under the Rand formula for employees who are not members of a union, and I did say to the House—

The Acting Speaker (Mrs. Champagne): I very much regret that I must interrupt the Hon. Member.

It being 3:45 p.m., pursuant to the order made Tuesday, March 10, 1987, it is my duty to interrupt the proceedings on the matter now before the House.

The debate on Bill C-40 is therefore adjourned.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mrs. Champagne): It is my duty, pursuant to Standing Order 66, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: The Hon. Member for Winnipeg—Birds Hill (Mr. Blaikie)—Disasters—Chernobyl nuclear accident—(a) Effect on caribou in Labrador and Quebec (b) Ability to monitor radioactive contamination; the Hon. Member for Ottawa—Vanier (Mr. Gauthier)—Department of Energy, Mines and Resources—(a) Request that Minister be more precise (b) Future of public servants and families; the Hon. Member for Broadview—Greenwood (Ms. McDonald)—The administration—(a) Public tenders—Opportunity to amend law and regulations to eliminate possible conflict of interest and corruption—Government position (b) Canada Elections Act—Request for amendments to ban corporate donations to political parties.

* * *

[*English*]

RADIO ACT

MEASURE TO AMEND

The House resumed, from Thursday, March 5, consideration of the motion of Miss MacDonald that Bill C-3, an Act to amend the Radio Act, be read a third time and passed.

Mr. Riis: Madam Speaker, I rise on a point of order. It is my understanding that Bill C-3 would come to an end at this time and that there would be an opportunity later this day to call for a vote. I want it to be clear that there will be a vote on this Bill today.

The Acting Speaker (Mrs. Champagne): The Hon. Member is correct. The question will be put at 4.45 p.m. on Bill C-40, and on Bill C-3, as per unanimous consent earlier this week.

Mrs. Sheila Finestone (Mount Royal): Madam Speaker, I rise for the third time to address Bill C-3, an Act to amend the Radio Act. I have attempted to bring to the attention of the House some of the serious concerns that are found in this not too well conceived piece of legislation.

To return to the issue and reset the stage, it would be useful to set the context of the administrative actions which take place under the Radio Act and relate to this amendment. We are talking about an amendment to the question of charging fees for radio licences, that is, the licences which are authorized and given to users of various types of radio and dispatch services for police, ambulance, fire, taxis, cement trucks, et cetera. It also includes paging services, cellular radio,

microwave radio, that is, transmission of data and broadcasting information from city to city, satellites, and radio locations. In other words, radar, and all those things.

Mr. Gordon of the Department of Communications outlined to the Senate committee the issues covered by this particular Bill. He notes that the costs of spectrum management are recovered from users through licence fees.

In 1984, and subsequently in the spring of 1985, the Government announced that it intended that the cost of these services be recovered from the licence users. Accordingly, in the fall of 1984, the fees for licences were significantly increased, and they are now at a level where they cover all of the costs including departmental overhead for these activities of the spectrum. It is important to note that all the activities presently are covered. There is no cost to the Government. Therefore, what we are looking at is a new way to tax the users of radio services, and to find offsetting funds that go to the general consolidated revenues of the Government. It is another way for the Minister to take tax money out of the pockets of users of this service, who for many years have not had to pay this fee.

• (1550)

There is one concern, with which I would agree, in the thinking of the ministry and the Minister in the placing of this tax, and that is with respect to competition in the private sector. By placing private users and Government users on the same footing, Bill C-3 will reduce one advantage previously enjoyed by Government, namely, the exemption from radio licence fees. For example, when a Crown corporation like Petro-Canada communicates through radio frequencies with its drilling rigs, the corporation will not be assessed licence fees on the same basis as would a private oil company, such as Texaco or Shell. I think that is only fair. Our legislative committee was told by Cantel Inc. that the Crown corporation known as AGT, Alberta Government Telephones, has been exempt to date from paying licence fees with respect to its cellular telephone operation. Yet private firms competing with the Alberta Government Telephones in the same cellular telephone market have been paying radio licence fees. Bill C-3 will eliminate this particular cost advantage enjoyed by Crown companies like AGT. I think that is significant.

The other aspect is that there are no caps on the fees to be charged. As I said, we have just found a new way to tax and pay off the deficit. I do not think this is the fairest way of doing that. The Government tells us that the purpose of Bill C-3 is to allow full recovery of the costs incurred by the Department of Communications in monitoring the spectrum. There is nothing in this Bill which provides that the Government is limited to the recovery of those costs, and no more. Given the track record of this Government for charging fees at every opportunity, it remains to be seen if this Bill will prove to be more than a cost recovery vehicle.

Further, although the Government indicates that the fees to be charged Government users under this Bill will be calculated on the same basis as the fees already assessed to private users, I wish to point out that Bill C-3 does not so provide. Rather, the drafters of Bill C-3 seem content to allow the regulations to stipulate that the fee assessment will be the same. This means that even if Bill C-3 is passed, there is no absolute assurance that Government and private sector users of the spectrum will be assessed licence fees calculated on the same basis, for the Government could still amend the regulations to require one class of user, be it Government or private sector, to pay higher fees. I think that is a real conundrum. Shame. I can only hope, therefore, that the Government will ensure that the regulations are consistent to ensure this equality of treatment of which it is so proud. The Government seems also, to want to use this as a theory for the Bill.

Let us see what the provincial Governments have to say. We are talking about a Government that has wonderful relations with all the provinces, with a new wonderful dialogue going. Do provincial Governments agree with the federal Government on this cost recovery equal payment procedure? I am glad that the Parliamentary Secretary to the Minister is listening so carefully. Maybe she would like to propose an amendment before I get through.

Mrs. Mailly: I cannot speak again.

Mrs. Finestone: Listen carefully to what provincial counterparts have had to say. Of the provinces which have written to the legislative committee on Bill C-3, virtually all are opposed to the enactment of this Bill. They are opposed. They do not like it and they do not think the Government should do this. By way of an example, permit me to quote from a letter dated January 29, 1987—I think that is a recent enough date to shake Hon. Members' memories—forwarded by the Hon. Richard French, Minister of Communications of Quebec, my own province. Mr. French makes known his objection to Bill C-3 in the following terms. He writes to the Minister of Communications (Miss MacDonald).

[*Translation*]

"Dear Madam:

This is further to my letter of September 19 of this year in which I acknowledged your letter stating your Government's intention to recover the cost of spectrum management by imposing fees on all licence holders. I would now like to inform you of my position on this question.

To Quebec, the proposed legislation means basically a transfer of the federal tax burden to the provinces, without any improvement in the services offered to users. The Quebec Minister of Communications estimates that radio licence fees will cost Government agencies and Hydro-Québec approximately one million dollars.

For this reason we ask that the status quo be maintained and that the provinces remain exempted from radio licence fees.

I remain, Yours very truly, . . . "

The letter is signed by the Minister, Mr. French.

It is a fact that licence fees will have quite a substantial impact on Quebec, and I think all Quebecers should be aware that this new legislation will impose an additional tax burden on the people of that province. For Government departments such as the Department of Public Works, the cost will be

$7,000; for the Department of Energy, Mines and Resources, $119,666; for the Department of the Environment, $12,691; for Hydro-Québec, $437,352; for the Department of Justice, $100,000; for the Department of Recreation, Fish and Game, $80,913; for the Department of Communications, $15,000; for the Civil Defence Board,—and isn't that an essential service, Madam Speaker?—$103,710; the Highways Board, $5,600; the Department of Transport, $77,000; the Olympic Facilities Board, $8,000; the Department of Agriculture, Fisheries and Food, $9,000; the Montreal Convention Centre Corporation, $2,200, and others, $3,666, which adds up to a little under one million dollars. Don't you think that is a bit much? And it means they will have to find a way to get the money out of their own budget. With the cutbacks in transfer payments and all other kinds of restrictions, I think it is going to be very hard for the Minister of Finance, Mr. Gérard-D. Lévesque, to make ends meet. But what can we do? It is a federal decision.

[*English*]

The Province of Saskatchewan objects to the passage of Bill C-3 on the grounds that it would amount to the federal Government taxing the provincial Governments. In a letter to the current Minister of Communications for Canada dated November 3, 1986, the Hon. Gary Lane, Minister of Communications for Saskatchewan wrote:

Dear Ms. MacDonald:

I am writing in response to your letter of August 13, 1986, in which you confirm the intention to eliminate radio license fee exemptions for Provincial Governments and Crown agents.

While I do appreciate advance notice of your Department's intention, I must respond by stating that the Government of Saskatchewan is opposed to such a gesture by the Federal Government, a gesture which nets approximately $1 million from Saskatchewan.

Isn't the province having some financial problems? This will certainly help.

As you are aware, Saskatchewan is not a participant in the Reciprocal Taxation Agreements. Our non-participation stems from the debate surrounding the taxation of Governments by other Governments. While radio license fees are not taxes, similar arguments about Governments charging fees to each other can be invoked.

I hope the Government resolves that problem when it talks to the province.

While deficit reduction is an important endeavour, shifting the deficit onto a different level of Government is not a true solution to the problem. This is especially true when the intended solution will likely lead to an increased administrative effort for both levels of Government. Surely it would be better to reduce the bureaucracy in this country rather than find yet another way to add to it.

I would like to say that your Department's intention seems contrary to the spirit that has led to many instances of the provinces and the federal Government working in harmony together. Removing the established Provincial fee exemptions is hardly in keeping with the spirit of federal-provincial co-operation.

With this letter, I wish to put the Government of Saskatchewan on record as being opposed to your stated intentions on this matter.

I cannot lend support nor comply with any plan to collect radio licence fees from this or any other province.

• (1600)

Let us see what the figures are, and I would hope that there has been no over-expectation reflected in the Minister's calculations for Saskatchewan. I would say that the Minister's figures are in line because the major amounts will be collected from the department of northern Saskatchewan which will pay $2,705. The Departments of Parks, Tourism and Renewal Resources will pay $142,728, Energy and Mines will pay $1,606, Highways and Transportation will pay $60,944; the Department of Education will pay $7,262 and Government Services will pay $1,661. I see that the Department of Education will be paying as well. Today's youth have so many problems that we need every cent possible for education at the provincial level. I do not like to see additional moneys taken from the educational envelope of any Government. The Department of Justice will pay $4,282, the Highway Traffic Board will pay $4,155; Supply and Services will pay $1,012; Communications will pay $1,276 and others will pay $4,690 for a grand total of $232,321. The Saskatchewan Power Corporation will pay $59,445; forest products will pay $1,662 and the telecommunications network will pay $645,522. I hope the people of Saskatchewan will not have their rates raised but it looks like they will.

Let us go on to see what Prince Edward Island had to say. Everyone from coast to coast loves the Tories. The Minister responsible for communications for the Province of Prince Edward Island made the same point in his letter of December 16, 1986, to Mr. Andre Reny, Clerk of the Senate Committee on Transportation and Communications. The letter reads:

Your telex to Premier Ghiz regarding provincial representation on Bill C-3 "An Act to Amend the Radio Act" has been passed to me for reply.

The provincial government will not be making representation in person to the Standing Committee; however, I wish to place on record the contents of a letter I earlier sent to the Minister of Communications, Hon. Flora MacDonald, on the proposal of the Government of Canada to remove radio license fee exemptions for provincial governments and Crown Agencies and the preferential fee treatment currently afforded municipalities.

We have now heard the word "municipalities" for the first time. I know the Minister has promised faithfully that municipalities will not be charged for now. The letter to which the Minister referred reads as follows:

"I am in receipt of your letter dated August 13, 1986, advising me of your government's intention to remove the radio license fee exemptions for provincial government and Crown Agencies and the preferential fee treatment currently afforded municipalities effective April 1, 1987.

Since receiving your letter, officials in my Department have held discussions with both their counterparts in the other Atlantic Provinces and officials in your Department in an attempt to determine the full impact to this Province and Region of this proposed action by your government. The financial impact of the policy change on this Province appears to be substantial—i.e. $22,874 for Provincial Government departments and $2,169 for Municipalities annually.

I suppose they do not know that municipalities will not be taxed, according to the Minister.

Mrs. Mailly: They are being taxed, though, they just won't be increased.

Mrs. Finestone: There will be no increases? I see. They still fall under preferential treatment. The letter goes on:

I appreciate the desire of the Federal Government to introduce deficit reducing measures; however, control of the frequency spectrum is clearly a federal responsibility and the costs of managing it are a federal responsibility as well.

The Federal Government chose to exempt provincial governments for paying fees and municipal governments from paying full fees and, in so doing, it accepted those costs as its responsibility. As Minister Responsible for Communications, I object to the federal proposal to impose them now on provincial and municipal tax payers.

I accept the need for licensing; however, provincial and municipal governments provide an essential service to their respective citizens through the radio communications systems. I do not accept, therefore, that the proposed fees should be imposed thus transferring a financial burden from the Federal Government to provincial and municipal governments.

On behalf of the Government of Prince Edward Island, I urge you to reconsider your proposal respecting radio license fees."

In conclusion, I want to stress in the strongest terms the concern of the Government of Prince Edward Island over this latest intention of the Government of Canada to transfer financial burden from the federal government to the Regions or Provinces.

I think that theme is consistent across the land.

I have here another letter, from the Government of Newfoundland which has added its objection to the passage of Bill C-3. It is dated December 12. The Government of Newfoundland and Labrador has stated the following:

While we do not wish to appear before the Committee, on behalf of the Government of Newfoundland I wish to express my objection, in principle, to Bill C-3, "An Act to Amend the Radio Act".

By itself this initiative has relatively little financial impact on our Province. However, coupled with other Federal initiatives which have also transferred some degree of financial burden to the Province, the impact is significant.

That letter is signed by James Russell, a Minister in the Government of Newfoundland.

In both Newfoundland and Prince Edward Island, the impact of this Bill will be important because these are the regions of Canada with economic and unemployment problems. The Government's promise of jobs, jobs, jobs has not been kept in that part of our land. It is strange that our actions do not always follow the intent of our words.

In the Province of Newfoundland, the Department of Justice will be paying $12,498; the Government of Newfoundland and Labrador will be paying $15,036; the Department of Education will be paying $1,064; Transportation will be paying $10,026; Mines and Energy will be paying $2,217; Culture and Recreation will be paying $6,458 and others will be paying $606, for a total of $47,905. The hydro company will pay an additional cost of $25,296. We are talking about a fair amount of money.

In Prince Edward Island, the Department of Highways and Public Works will be paying $9,484; Community Affairs will be paying $2,008; the Department of Agriculture will be paying $2,720 and the Department of Education will be paying $7,000. I would like to know why that fee is so high. I would strongly recommend that the Minister of Education in Prince Edward Island re-check that figure. It seems to be way out of line compared to all the other charges to provincial education departments. I alert the Minister, the Parliamentary Secretary and the Government of Prince Edward Island to that figure and would ask them to check it out.

Representatives of the Department of Transportation of the Province of New Brunswick appeared before the House legislative committee on Bill C-3 with a very interesting and different complaint. The Hon. Robert McCready, Minister of Communications for New Brunswick, appeared before the Senate Committee on the same matter. New Brunswick advised that it has recently constructed a province-wide communications network which would be in part used for emergency communications. This was done at the federal Government's suggestion and the federal Government made significant capital contributions to its construction. Bill C-3 would require New Brunswick to pay radio licence fees to operate this service. New Brunswick views this as being a penalty for having responded to the important federal initiative of setting up emergency-measure operations. It is strange that when the Government asked them to set these operations up it did not indicate that it would tax them in this way.

New Brunswick also makes the point that the greatest part of the radio licences required by the province are used to ensure the safety and well-being of its residents. New Brunswick advises that radio licences used by its Department of Justice are for the provincial highway patrol. Its Department of Transportation uses radio frequencies for highway construction and maintenance. Its Department of Natural Resources needs radio frequencies for the maintenance of forests and wildlife.

• (1610)

The point is that the Province of New Brunswick, as an entity, is not the user which benefits from the use of radio frequencies. It is the residents of the province who are the beneficiaries. Those people already pay taxes and the cost of the radio spectrum management is already covered in those taxes. This is their major complaint. They say this is a shift of the tax burden from the federal Government to the provincial Government and it is unacceptable. They are echoing once again what I have read into the record from all other provinces.

They say the co-operation of the Department of Communications in providing detailed information is appreciated. The Minister of Communications confirmed the Government's intentions concerning this matter in a letter to the provincial Minister. That Minister is very concerned with the increasing trend by Government towards cost recovery as a budget control measure. He feels this is governed in general by the rationale that if a service exists for the benefit of a particular user, then the appropriateness of having that user pay in part or in whole for the cost of providing the service can be considered. If a particular user cannot be identified, efforts are directed towards controlling increases in the cost of providing the service. It is at times difficult to determine the particular user for whom a service exists, therefore you cannot target

where the fee is going. That Minister feels very strongly that we should not be asking his province to pay a licence fee.

The federal Department of Communications apparently identified the provincial Government as the user of the service represented by the radio licence. However, the greatest part of the radio licences required by the province are used to ensure the safety and well-being of its residents. He refers to emergency systems which are in the interests of all Canadians. He feels the imposition of a user-fee reflecting this rationale amounts to an unacceptable tax transfer from the federal Government to the provincial Government. The province feels this is unfair and it cannot support Bill C-3. The provincial Government urges the Minister to exercise every effort to have this Bill withdrawn.

Mr. Caldwell: Point of order, Madam Speaker. I do not want to interrupt the Hon. Member's speech but she is reading from a lot of letters and I know she is running out of time. I hope she has the opportunity to read into the record letters from CNCP, Bell Canada, and the radio operators. I was afraid she might run out of time before she got to those.

Mrs. Finestone: I would like to assure my hon. friend that I intend to refer to the joy of the private sector over this particular Bill. I just thought I should point to the contrast between the federal and provincial Governments, given the great friendship which is manifested between them.

I would like to point out why I am going to read these figures into the record. In the course of our debate on this Bill there has been some question concerning the figures and the fact that they are different depending on their source. Once the figures are available they can be quickly and easily verified in this public forum of Parliament. The figures for New Brunswick are as follows. The Department of Natural Resources, $35,000; the Department of Transportation, $119,440; Department of Agriculture, $3,400; Tourism, $3,787; Health, $12,805; Justice, $24,016; Municipal Affairs, $6,027; Supply and Services, $1,138; and "Other", $838, for a total of $206,785. In addition, the New Brunswick Electric Power Commission will pay $26,108, for a grand total of $232,888.

The same holds true for the other provinces. The passage of Bill C-3 will result in almost $1 million in extra expense for the Province of Quebec. The provincial Minister of Justice will be assessed $100,000. Asking provincial taxpayers to pay for radio licence fees is like robbing Peter to pay Paul. The federal Government is simply shifting the tax burden to the provinces, but it is the taxpayer who will pay the burden of the new fee.

I would like to look at Ontario. The Hon. Ed Fulton, Minister of Communications, also opposes passage of the Bill. He wrote his federal counterpart on February 9, 1987, and said that he urges the Government to reconsider removal of the radio licence fee exemption for provincial Governments and Crown agencies. He says if the Bill is passed in its present form steps should be taken to minimize its adverse effect on public services. While he understands the Government's desire to place such services on a user-pay basis, the use of the radio spectrum by Ontario government users is not revenue-producing. It is used to provide essential services to the public, including emergency services. The reasoning which has led the Government to support the exemption of municipalities from the fee requirement is fully applicable to those similar services provided by provincial Governments. He recognizes there is a need to address the anomalies created when operations in one jurisdiction pay for services while similar operations in another do not, when Crown corporations offering services in competition with the private sector are exempt from fees paid by their competitors. Even Ontario feels that where there is competition it is not a bad idea, which is what I said earlier. I felt that was fair in that instance. Mr. Fulton points out that it should be possible to deal with those few major anomalies without affecting the whole spectrum of public service.

The proposed fees will have a substantial impact on the telecommunication budgets of provincial government programs providing important services. In some cases this will amount to 10 per cent of the budget. Total cost to the Government of Ontario is expected to amount to nearly $1.4 million. If the Bill is passed in its present form he urges ministry officials to meet with their opposite numbers in the provinces to discuss issues raised by the current fee structure and consider alterations. He also urges that implementation of the Act be delayed until such discussions have taken place. We are not doing that because we do not need any more dialogue. We have had plenty. However, Mr. Fulton feels that federal-provincial co-operation should serve to minimize the impact of these changes to the public benefit if that dialogue is entered into.

Mr. Caldwell: CNCP.

Mrs. Finestone: I did it and you were not here.

Mr. Caldwell: No, you did not.

Mrs. Finestone: I did not do that? Well, they are in here somewhere, Jim, don't worry.

[*Translation*]

Mrs. Mailly: Madam Speaker, on a point of order.

The Acting Speaker (Mrs. Champagne): The Hon. Member for Gatineau (Mrs. Mailly), on a point of order.

Mrs. Mailly: Madam Speaker, I simply want to say to the Hon. Member that pay as you go is not such a bad idea.

Mrs. Finestone: Madam Speaker, that is a good point. Thank you.

And now for the Government of Manitoba.

[*English*]

Is it not nice? We are going right across the country and no one agrees with the Government. That is normal.

In a letter dated February 10, 1987, that Government pointed out it is concerned with the public emergency support

services, such as those related to fire fighting and emergency preparations, and that it is required to restrict access to the radio spectrum or strain its limited budgets in order to pay the new radio licence fees. That is very serious. If they are going to put people's lives in jeopardy or cause serious concerns, I suggest that a good look and more conversation might be in order.

• (1620)

According to the Manitoba Government, Canada will be less well prepared in times of need if agents of Her Majesty, which are using the radio spectrum for safety, emergency preparedness or rescue services, are charged licence fees on the same basis as commercial undertakings.

I have a fairly lengthy letter to Russell MacLellan, M.P., Chairman of the Legislative Committee, from the Hon. Gary Doer. It reads:

I would like to bring to your attention this Government's concerns with respect to the amendment to the Radio Act proposed in Bill C-3.

This Bill will have the effect of imposing new costs on taxpayers and telecommunications users in this Province. We estimate the total impact to be in the neighbourhood of three-quarters of a million dollars, based on current rate schedules.

There has been no consultation with provincial governments before tabling this bill, even though its purpose is to effect a cost transfer to provincial agencies for services previously provided cost-free by the federal Department of Communications.

The imposition of radio license fees on Crown agencies will create financial barriers to the installation of the most effective and flexible communications facilities for public services operated by government departments and Crown agencies.

The safety of any number of public services could be compromised by the need to limit the use of radio services in order to keep expenditures for access to the radio spectrum within budgetary limits. Of greatest concern is the fact that public emergency support services, particularly those related to fire fighting and emergency preparedness will be required to restrict access to the radio spectrum and/or tax their limited budgets to pay license fees.

The federal Minister of Communications has made temporary commitments to limit the application of license fee regulations to municipal services.

However, this exemption is not permanent, and does not cover a number of public safety and emergency services such as fire and rescue services operated by northern communities too small to have municipal status, forest fire fighting equipment operated by provincial departments of Natural Resources, or services used by provincial Emergency Measures Organizations. Canada will be less well prepared in times of need if agents of Her Majesty which are using the radio spectrum for safety, emergency preparedness, or rescue services are charged license fees on the same basis as commercial undertakings.

Mr. Riis: Madam Speaker, I rise on a point of order to seek clarification. With all due respect to my colleague, the House Leaders had an understanding that, because there is a very restrictive time period for debate on this Bill, the time would be shared. I am watching the clock and notice that we only have 21 minutes left. The Hon. Member is making an excellent speech, but has gone on quite beyond the understanding with regard to time. Through you, Madam Speaker, I would like to ask the Member to co-operate in terms of the arrangement we had agreed upon.

The Acting Speaker (Mrs. Champagne): As you can well appreciate, the Chair cannot interrupt the Member for Mount Royal (Mrs. Finestone) who, according to the rules, has unlimited time. However, now that you have reminded the Hon. Member of the understanding among the Parties, I am sure that at the first possible opportunity she will give the floor to her colleague from Broadview—Greenwood.

Mrs. Finestone: Madam Speaker, I, too, would like to raise a point of information or point of order. I have some additional information I wish to put before the House. This is a debate. If I use all the time allocated, does that not mean that this Bill will come back before the House for further debate?

The Acting Speaker (Mrs. Champagne): There was an understanding on Tuesday, March 10, that both Bill C-40 and Bill C-3 would be put through all stages today. Therefore, at 4.45 p.m. the question will be put on both Bills.

Mrs. Finestone: Madam Speaker, I will, therefore, be pleased to accommodate. I will just note a few other points and then will relinquish the floor.

The Government of Manitoba is very concerned and I think we should take its concerns very seriously. I think the Minister should meet with that provincial Minister for Telecommunications. I would like to have read the complete letter but, as time is pressing, I will not.

I have a letter as well from the Minister of Transportation of Nova Scotia, Maxine Cochran, which takes great exception to this Bill for the same reasons.

During the hearings conducted by the House legislative committee the Government was pressed for exemptions. There will be increased fees to major government users which I think is too bad. I believe it would have been much better to have found a way to have the fee paid by those who are in competition in the private sector. I believe that that would have been fair. As one of the Ministers pointed out, although it might be a bit cumbersome, there certainly should have been a way for the Government to find the mechanism to tax only those who are in competition in the private sector and to have left the provincial and municipal governments out of it. The potential effect on the municipalities, which have only had a promise for the coming year, is just not fair.

In conclusion, I am not supporting this Bill which I believe is incorrectly conceived and a poor piece of legislation.

Ms. Lynn McDonald (Broadview—Greenwood): Madam Speaker, I rise today to speak at third reading stage of Bill C-3, an Act to amend the Radio Act. This Bill will enable the Government to collect roughly $10 million more a year for the regulation of the radio spectrum. Fees are already being collected from municipalities. This will enable the Government to collect fees from provinces and provincial Crown agencies as well. Municipalities are not covered because they are already being charged fees, albeit lower than those charged commercial enterprises. Those fees are increasing and municipalities will be concerned that they will be in for further fee increases

when this Bill is passed. Last year the fees charged to municipalities for radio spectrum were more than doubled from $400,000 to $900,000. We are told that if the full fees were charged they would amount to $3.3 million. There are 3,200 municipalities which pay and have to be worried about what they will be charged in the future.

There is one good argument for this Bill that private corporations which came before us pointed out. There are some instances in which they are competing with a service provided through a provincial Crown agency which is exempt from radio fees. The radio fees are not a significant amount of their business expenses but, nevertheless, one can understand the worry of unfair competition when one company providing a service has to pay a fee which another company does not have to pay. However, I remind the House that these are very, very small exceptions. In the vast majority of cases in which the Government intends to charge these fees, they are not for commercial enterprises but, instead, for a service being provided by a provincial government or provincial Crown agencies which are, in some cases, extremely essential services.

This is a proposition for the federal Crown to impose a tax on the provincial Crown. In the end the taxpayer pays. The amount of money saved by the federal taxpayer will have to be paid by someone, which means that the provincial governments will have to increase the taxes they charge. They, of course, have at least as many financial difficulties as has the federal Government. The poor ordinary taxpayer wonders what we are up to. While the Government is making a very laudatory attempt to collect $10 million more in order to bring spending under reasonable control, it means that taxes must be increased at the provincial level. We are hardly any further ahead.

• (1630)

In some of these cases the services provided are very essential and the amounts involved in some jurisdictions are not great. For example, in Yukon, it is $27,000 for government departments and $2,000 for government agencies. In the Northwest Territories it is $42,000. However, when we consider other provinces, the amounts are very substantial. In British Columbia it is $800,000 for government departments and $220,000 for the agencies. In Alberta it is $508,000 and more than $1 million for the agencies, which effectively represent substantial tax increases. In Saskatchewan, it is $232,000 for the departments and over $700,000 for the agencies. In Ontario it is $1.2 million for departments and an insignificant amount for government agencies. In Manitoba it is $220,000 for government departments and nearly $600,000 for government agencies. In Quebec it is $983,000 for government departments. In Nova Scotia it is $94,000 for government departments and $43,000 for agencies. In New Brunswick it is $200,000 for government departments and $26,000 for agencies. There are substantial amounts for small provinces. While it is $22,000 in Prince Edward Island, I can assure the House that they are objecting to that. In Newfoundland it is $47,000 and $27,000 respectively. Federal departments are nearly $3 million and government agencies are $300,000. We are seeing one government department charging another government department within the same jurisdiction.

The provinces know that they will have to pay these increased fees and have responded to this proposition. Let me quote some of the objections that were brought to the committee by the various departments. I will begin with the Hon. Gary Dewar of Manitoba who says:

> This Bill will have the effect of imposing new costs on taxpayers and telecommunications users in this Province. We estimate the total impact to be in the neighbourhood of three quarters of a million dollars—
>
> There has been no consultation with provincial governments before tabling this bill, even though its purpose is to effect a cost transfer to provincial agencies for services previously provided cost-free by the federal Department of Communications.
>
> The imposition of radio licence fees on Crown agencies will create financial barriers to the installation of the most effective and flexible communications facilities for public services operated by government departments and Crown agencies.
>
> The safety of any number of public services could be compromised by the need to limit the use of radio services in order to keep expenditures for access to the radio spectrum within budgetary limits.

Certainly, we do not want to see that. He goes on:

> Of greatest concern is the fact that public emergency support services, particularly those related to fire fighting and emergency preparedness will be required to restrict access to the radio spectrum and/or tax their limited budgets to pay licence fees.
>
> The federal Minister of Communications has made temporary commitments to limit the application of licence fee regulations to municipal services. However, this exemption is not permanent, and does not cover a number of public safety and emergency services such as fire and rescue services operated by northern communities too small to have municipal status, forest fire fighting equipment operated by provincial departments of Natural Resources, or services used by provincial Emergency Measures Organizations.
>
> Canada will be less well prepared in times of need if agents of Her Majesty which are using the radio spectrum for safety, emergency preparedness, or rescue services are charged licence fees on the same basis as commercial undertakings.

The Minister urges reconsideration of this Bill.

There are similar letters raising similar concerns about emergency services from across the country. British Columbia noted that it is not in favour of applying the licence fees broadly across the board to government departments, agencies or municipalities where they are being used for government services or for services to the general public. They say very clearly that the fees should not apply.

Saskatchewan is also very clear on this point. They point out that subsidization in the case of telephone communications in the sparsely populated northern parts of that province will be a terrific burden in the provision of radio services.

The Associate Deputy Minister in Saskatchewan points out that while deficit reduction is an important endeavour, shifting the federal deficit onto a different level of government is not a true solution to the problem. This is particularly true when the intended solution will increase the administrative effort of both Governments. That undoubtedly will be the case.

Mr. Russell, the Minister from Newfoundland and Labrador stated:

> While the financial impact of the proposed legislative amendment appears relatively small at present, I anticipate that the cost of radio licences to the Provincial Government will increase, for whatever reason, in the future.

He stated that the over-all impact of the amendment means an increased financial burden to the province.

Prince Edward Island rejects the suggestion that any part of this responsibility should be transferred to provincial Governments. They state:

> The desire of the Government of Canada to reduce its deficit is understandable and fully appreciated. However, the current trend of the central government to attempt to burden the provincial governments with its financial responsibilities, whether it be through the process of rail line abandonment, innovative airport management schemes, or others, is alarming and unacceptable.

Representatives from New Brunswick appeared before the committee to state a number of concerns. They state in their brief:

> The increasing trend by governments toward cost recovery of a service as a budget control measure is, in general, governed by the rationale that if a service exists for the benefit of a particular user, then the appropriateness of having that user pay in part or in whole for the cost of providing the service can be considered.

However, they point out that the user is not the Government but the people of the province, who are also taxpayers federally.

They go on to state:

> In asking the province to pay radio licence fees, the federal Department of Communications has apparently identified the Government as the user of the service—
>
> However, the greatest part of the radio licences required by the province are used to ensure the safety and well-being of its residents.

They go on to give examples of radio licences used by provincial highway patrol, the Department of Transport for highway construction and maintenance, for emergency measures and for the maintenance of forests and wildlife. They state that the Province of New Brunswick as an entity is not the particular user who benefits from the services; the residents of New Brunswick are the beneficiaries. I believe that argument is eminently reasonable.

There is strong opposition to this from my Province of Ontario. The Minister from that province states:

> While I understand the government's desire to place such services on a user-pay basis, the use of radio spectrum by Ontario government users is not revenue producing. It is used to provide essential services to the public, including emergency services. The reasoning which has led you to support the exemption of municipalities from the fee requirement is fully applicable to the case of similar services provided by provincial governments.

However, they will also be in trouble because the municipal exemption is only partial and is also slipping away. He goes on to say that if the Bill is passed in its present form he would urge meetings to discuss the issues raised by the current fee schedule. He asks for delays.

In the committee I proposed an amendment which would at least partially alleviate the problems posed by this Bill. The amendment I moved but was not accepted stated that there be an amendment to the Bill, that notwithstanding subsection (2):

> Nothing herein provided shall be deemed to impose or authorize the imposition by regulation of a fee for any licence or certificate issued to public safety or emergency response services within Canada.

Such a provision would have lessened the impact of the Bill by saying that there would be a fee for certain of these crucial emergency services. Regrettably, however, that amendment which I believe was reasonable was ruled out of order. Therefore, the full impact of this Bill will be felt by the provinces and provincial Crown agencies.

I want to deal with what the Government will do with the extra $10 million it wishes to collect if and when this Bill is passed. If I thought the money would be used for improving post-secondary education, public broadcasting, research and development or job-creation, I suppose I might be more in favour of a tax increase, which this is essentially. However, we see that money is being spent so that companies will make profits. There is an elaborate prison for the Prime Minister's (Mr. Mulroney) riding. Other examples such as that mean we cannot expect that any additional money collected through this new tax will be put to good use for the country.

• (1640)

The Government has a majority and undoubtedly Bill C-3 will pass. I regret that. It means an increased burden on the provinces and, of course, no relief to the taxpayer. The $10 million the federal taxpayer does not have to pay will have to be paid by those same people who are provincial and municipal taxpayers. suggest that finding new revenues of this order and in this fashion are not, in any event, going to solve the real problems of revenue collection and the deficit. Without significant tax reform, this sort of measure is very small and is not going to remotely have the kind of impact we need. I think the Government should get on with the real problems of government. We need fair taxes and prudent use of resources for the best long-term interests of the country.

This Bill is another example of poor government and my colleagues and I intend to vote against it.

Mr. Riis: Madam Speaker, I have a short question for my hon. colleague. I wonder if she would be kind enough to simply elaborate a moment or two on her last point in terms of our taxation system. It seems to be an appropriate point on which to say a few more words.

Ms. McDonald: Madam Speaker, this is indeed the crux of the issue and I am very pleased to be asked to elaborate on this question. We have a very fundamental question, increased revenues for the Government, and we are all in favour of increased revenues for the Government, providing those funds will be spent wisely.

Somewhat earlier in the day in debate on the Borrowing Authority Bill we addressed the question of how money ought to be raised and how it ought to be spent. The Government is increasing its revenue collection by increasing taxes on

individuals and families. There is an enormous increase. There is an increase of billions of dollars.

Mr. Lewis: I rise on a point of order, Madam Speaker. I wonder if the Chair would be able to assist the House and advise us as to whether or not there are any questions or comments on third reading?

The Acting Speaker (Mrs. Champagne): The Hon. Member was the first person to speak for the 20 minutes. After the 20 minute speech, there is a 10-minute question and comment period.

Ms. McDonald: Madam Speaker, in what is just about one minute remaining, I would like to attempt to answer the rather complex question raised by my colleague.

The question as to the wisest use of our resources is a very fundamental question. As I said earlier, I do not have confidence that these increased revenues to be collected under Bill C-3 are going to be put to very good use. We have a Government committed to increasing revenues from many sources, such as personal income tax, sales tax and from all sorts of hidden taxes. This is a most unfortunate approach to tax reform, if one can even honour it with the name of "tax reform". We need a fundamental change in the taxation system, one which will be fair and will mean greater collection of direct taxes. We should not be relying on these hidden taxes, taxes for services, sales taxes, customs and excise taxes, and these sorts of taxes which consumers and taxpayers do not know they are paying. These taxes fall on all users regardless of ability to pay. That is an unfair approach to tax reform. That, so far, is all we have received from the Government.

We have a Government committed to increasing its revenues but it is doing it in the wrong way. In this particular Bill, the Government is increasing taxes, although not by a very large amount given the enormous number of loopholes and escape hatches for corporations which result in massive tax losses. We are going to collect $10 million more from the taxpayers of the provinces when in fact billions and billions of dollars escape because of the 79,000 profitable corporations which do not pay a dime in taxes. I say the Government has its priorities wrong and for that reason I intend to vote against this Bill.

[*Translation*]

The Acting Speaker (Mrs. Champagne): It being 4.45 p.m., pursuant to the order made on Tuesday, March 10, 1987, it is my duty to interrupt the proceedings now before the House and to put every question necessary to dispose of all stages of Bill C-40, an Act to provide borrowing authority, and Bill C-3, an Act to amend the Radio Act.

Is the House ready for the question?

Some Hon. Members: Agreed.

The Acting Speaker (Mrs. Champagne): The question is as follows:

[*English*]

BORROWING AUTHORITY ACT, 1986-87 (NO. 2)

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Wilson (Etobicoke Centre) that Bill C-40, an Act to provide borrowing authority, be read the second time and, by unanimous consent, referred to a Committee of the Whole.

The Acting Speaker (Mrs. Champagne): Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mrs. Champagne): All those in favour will please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mrs. Champagne): All those opposed will please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mrs. Champagne): In my opinion the yeas have it.

And more than five Members having risen:

The Acting Speaker (Mrs. Champagne): Call in the Members.

The House divided on the motion which was agreed to on the following division:

(Division No. 70)

YEAS

Members

Bertrand	Dantzer	Horner
Binns	Daubney	Jacques
Bourgault	de Cotret	James
Boyer	Della Noce	Kempling
Brightwell	Dorin	Lesick
Brisco	Duplessis	Lewis
Browes	Edwards	MacKay
Cadieux	Epp	Mailly
Caldwell	(Provencher)	Marin
Carney	Fennell	Martin
Champagne	Ferland	Mayer
(Champlain)	Fontaine	Mazankowski
Clark	Forrestall	McCain
(Yellowhead)	Friesen	McCrossan
Clark	Gass	McCuish
(Brandon—Souris)	Girard	McKnight
Cochrane	Gottselig	McMillan
Collins	Graham	Minaker
Comeau	Gray	Moore
Cooper	(Bonaventure—Îles-de-la-Madeleine)	Nowlan
Corbett	Hamilton	O'Neil
Cossitt	Hicks	Peterson
Crosbie	Hnatyshyn	Pietz
(St. John's West)	Holtmann	Plourde
Crouse		Ravis

Reid	Thacker	Wilson
Schellenberg	Towers	(Swift Current—
(Nanaimo—Alberni)	Tupper	Maple Creek)
Scott	Turner	Winegard
(Hamilton—Wentworth)	(Ottawa—Carleton)	Wise—88
Scowen	Vankoughnet	
Siddon	Vézina	
Sparrow	Vincent	
Stackhouse	Warner	
Taylor	Weiner	

NAYS

Members

Allmand	Gray	Nicholson
Althouse	(Windsor West)	(Trinity)
Axworthy	Grondin	Nunziata
Baker	Henderson	Orlikow
Benjamin	Hopkins	Ouellet
Blaikie	Hovdebo	Pépin
Boudria	Killens	Prud'homme
Caccia	Langdon	Riis
Copps	Manly	Robichaud
de Jong	McCurdy	Rodriguez
Finestone	McDonald	Rossi—33
Fulton	(Broadview—	
Gauthier	Greenwood)	

• (1710)

The Acting Speaker (Mrs. Champagne): I declare the motion agreed to.

Bill read the second time.

The Acting Speaker (Mrs. Champagne): Pursuant to Standing Order 78, I do now leave the Chair for the House to go into Committee of the Whole.

House in Committee of the Whole on Bill C-40, an Act to provide borrowing authority—Mr. Wilson (Etobicoke Centre)—Mrs. Champagne in the Chair.

The Assistant Deputy Chairman: Shall Clause 2 carry?

Some Hon. Members: Agreed.

Mr. Gauthier: On division.

Clause 2 agreed to.

The Assistant Deputy Chairman: Shall Clause 3 carry?

Some Hon. Members: Agreed.

Mr. Gauthier: On division.

Clause 3 agreed to.

The Assistant Deputy Chairman: Shall Clause 4 carry?

Some Hon. Members: Agreed.

Mr. Gauthier: On division.

Clause 4 agreed to.

The Assistant Deputy Chairman: Shall Clause 1 carry?

Some Hon. Members: Agreed.

Mr. Gauthier: On division.

Clause 1 agreed to.

Title agreed to.

Bill reported.

The Acting Speaker (Mrs. Champagne): When shall the Bill be read the third time? By leave, now?

Some Hon. Members: Agreed.

Hon. Robert de Cotret (for the Minister of Finance) moved that Bill C-40, an Act to provide borrowing authority, be read the third time and do pass.

The Acting Speaker (Mrs. Champagne): Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mrs. Champagne): All those in favour please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mrs. Champagne): All those opposed please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mrs. Champagne): In my opinion the yeas have it.

And more than five Members having risen:

Mr. Gray (Windsor West): Madam Speaker, I rise on a point of order. If you would seek the views of the House, you might find a disposition to have the vote taken on second reading of this Bill apply to third reading.

Some Hon. Members: Agreed.

[*Translation*]

Mr. Prud'homme: Madam Speaker, perhaps the name of the Minister of Employment and Immigration (Mr. Bouchard) should be added.

Some Hon. Members: Oh, oh!

Mr. Prud'homme: Well, that is normal.

[*English*]

The Acting Speaker (Mrs. Champagne): I do appreciate the help of the Hon. Member for Saint-Denis (Mr. Prud'homme). I would imagine the Hon. Minister can speak for himself should he decide to do so.

[*Translation*]

Mr. Bouchard: I would like my name to be added for the second vote, Madam Speaker.

Mr. Valcourt: I too would like to have my name appear for the second vote, Madam Speaker.

[*English*]

Mr. Young: Madam Speaker, unfortunately I was absent for the first vote, but I certainly I want to be included with the vote for my Party in opposing the motion on this vote.

[*Translation*]

Mr. Tremblay (Québec East): Madam speaker, I was not here for the previous vote. I would like to have my vote included with those of my party for this one.

[*English*]

Mr. Epp (Thunder Bay—Nipigon): Madam Speaker, unfortunately I was unable to arrive here for the first vote. I would like to be included with my colleagues in opposition to the Bill on the second vote.

The House divided on the motion which was agreed to on the following division:

(*Division No. 71*)

YEAS

Members

Binns
Bouchard
Bourgault
Boyer
Brightwell
Brisco
Browes
Cadieux
Caldwell
Carney
Champagne
(Champlain)
Clark
(Yellowhead)
Clark
(Brandon—Souris)
Cochrane
Collins
Comeau
Cooper
Corbett
Cossitt
Crosbie
(St. John's West)
Crouse
Dantzer
Daubney
de Cotret
Della Noce
Dorin
Duplessis
Edwards
Epp
(Provencher)
Fennell
Ferland
Fontaine
Forrestall
Friesen
Gass
Girard
Gottselig
Graham
Gray
(Bonaventure—Îles-de-la-Madeleine)
Hamilton
Hicks
Hnatyshyn
Holtmann
Horner
Jacques
James
Kempling
Lesick
Lewis
MacKay
Mailly
Marin
Martin
Mayer
Mazankowski
McCain
McCrossan
McCuish
McKnight
McMillan
Minaker
Moore
Nowlan
O'Neil
Peterson
Pietz
Plourde
Ravis
Reid
Schellenberg
(Nanaimo—Alberni)
Scott
(Hamilton—Wentworth)
Scowen
Siddon
Sparrow
Stackhouse
Taylor
Thacker
Towers
Tremblay
(Québec-Est)
Tupper
Turner
(Ottawa—Carleton)
Valcourt
Vankoughnet
Vézina
Vincent
Warner
Weiner
Wilson
(Swift Current—Maple Creek)
Winegard
Wise—91

NAYS

Members

Allmand
Althouse
Axworthy
Baker
Benjamin
Blaikie
Boudria
Caccia
Copps
de Jong
Epp
(Thunder Bay—Nipigon)
Finestone
Fulton
Gauthier
Gray
(Windsor West)
Grondin
Henderson
Hopkins
Hovdebo
Killens
Langdon
Manly
McCurdy
McDonald
(Broadview—Greenwood)
Nicholson
(Trinity)
Nunziata
Orlikow
Ouellet
Pépin
Prud'homme
Riis
Robichaud
Rodriguez
Rossi
Young —35

Bill read the third time and passed.

* * *

RADIO ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Miss MacDonald that Bill C-3, an Act to amend the Radio Act, be read the third time and do pass.

The Acting Speaker (Mrs. Champagne): Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mrs. Champagne): All those in favour please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mrs. Champagne): All those opposed please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mrs. Champagne): In my opinion the nays have it.

And more than five Members having risen:

Mr. Gray (Windsor West): Madam Speaker, I rise on a point of order. Madam Speaker, if you would seek the views of the House you might find a disposition to apply to the vote on third reading of this Bill the vote that was taken on third reading on Bill C-40, the borrowing authority Bill.

The Acting Speaker (Mrs. Champagne): The House has heard the suggestion of the Hon. Member. Is there unanimous consent?

Some Hon. Members: Agreed.

The House divided on the motion which was agreed to on the following division:

(*Division No. 72*)

YEAS

Members

Bertrand
Binns
Bouchard
Bourgault
Boyer
Brightwell
Brisco
Browes
Cadieux
Caldwell
Carney
Champagne
(Champlain)
Clark
(Yellowhead)
Clark
(Brandon—Souris)
Cochrane
Collins
Comeau
Cooper
Corbett
Cossitt
Crosbie
(St. John's West)
Crouse
Dantzer
Daubney
de Cotret
Della Noce
Dorin
Duplessis
Edwards
Epp
(Provencher)
Fennell
Ferland
Fontaine
Forrestall
Friesen
Gass
Girard
Gottselig
Graham
Gray
(Bonaventure—Îles-de-la-Madeleine)
Hamilton
Hicks
Hnatyshyn
Holtmann
Horner
Jacques
James
Kempling
Lesick
Lewis
MacKay
Mailly
Marin
Martin
Mayer
Mazankowski
McCain
McCrossan
McCuish
McKnight
McMillan
Minaker
Moore
Nowlan
O'Neil
Peterson
Pietz
Plourde
Ravis
Reid
Schellenberg
(Nanaimo—Alberni)
Scott
(Hamilton—Wentworth)
Scowen
Siddon
Sparrow
Stackhouse
Taylor
Thacker
Towers
Tremblay
(Québec-Est)
Tupper
Turner
(Ottawa—Carleton)
Valcourt
Vankoughnet
Vézina
Vincent
Warner
Weiner
Wilson
(Swift Current—Maple Creek)
Winegard
Wise—91

NAYS

Members

Allmand
Althouse
Axworthy
Baker
Benjamin
Blaikie
Boudria
Caccia
Copps
de Jong
Epp
(Thunder Bay—Nipigon)
Finestone
Fulton
Gauthier
Gray
(Windsor West)
Grondin
Henderson
Hopkins
Hovdebo
Killens
Langdon
Manly
McCurdy
McDonald
(Broadview—Greenwood)
Nicholson
(Trinity)
Nunziata
Orlikow
Ouellet
Pépin
Prud'homme
Riis
Robichaud
Rodriguez
Rossi
Young —35

The Acting Speaker (Mrs. Champagne): I declare the motion carried.

Motion agreed to and Bill read the third time and passed.

[*Translation*]

The Acting Speaker (Mrs. Champagne): It being 5.18 p.m., the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS--MOTIONS

[*English*]

ORGANIZED CRIME

ESTABLISHMENT OF ROYAL COMMISSION

Miss Nicholson (Trinity) moved:

That, in the opinion of this House, the Government should consider the advisability of appointing a Royal Commission to investigate organized crime in Canada and to include in its report observations and recommendations on:

1. the extent to which organized crime is present and active in Canada, particularly in such activities as drug trafficking and loan-sharking;

2. the extent to which organized crime is connected to the institutions of Canadian society;

3. action taken by the government of other countries to investigate and curtail organized crime activity;

4. legislation to enable the government to identify and appropriate the proceeds of organized crime;

5. effective and appropriate punishment in instances of organized crime murder conspiracy; and

6. possible guidelines for enforcement agencies in dealing with witnesses against organized crime.

She said: Madam Speaker, organized crime has been defined as:

Two or more persons consorting together on a continuing basis to participate in illegal activities, either directly or indirectly for gain.

• (1720)

This deliberate collaboration for illegal gain can develop into a self-perpetuating conspiracy that continues, despite what may happen to its original members, and that uses force and fear in its operations.

Organized crime has no ethnicity. It exists, it is pervasive, it is international in scope, and whether we know it or not, it is a fact of life. There is organized crime activity in loan-sharking, drug trafficking, robbery and extortion, activities that victimize innocent citizens. Organized crime does not exist as a separate subculture. It extends into our daily lives and the institutions of our society. The extent to which it does so is not known, and that is one of the reasons for my motion which proposes a Royal commission to investigate organized crime in Canada.

There has never been a national inquiry of this kind in Canada. There have, however, been provincial investigations. In Ontario in 1974, Judge Harry Waisberg's Royal Commission into certain sectors of the construction industry made some eye-opening revelations about the degree of corruption and organized crime involvement in Ontario's construction industry. Also in the 1970s, the reports of the Quebec crime probes extensively documented organized crime activity in that province.

The obvious conclusion, as I have said, is that organized crime is a fact of life, a force of corruption and a threat to our society. By its intrusion into other aspects of our lives, it is a threat to democracy. The issues it raises are national ones,

which is why in my opinion a national investigation is called for.

Since organized crime exists to make money and buy power for those involved, it is clear that there is a good deal of money involved, many say billions, acquired illegally and outside the mainstream economy. Criminal organizations use modern financial services to conceal the illegal nature of their funds, to launder their money in other words. The increasing sophistication and the internationalization of the financial services industry make it extremely difficult to distinguish legal from illegal funds as transactions are processed in minutes through international financial networks.

In the United States in 1984, the interim report of the President's Commission on Organized Crime noted that the existence of modern financial institutions contributed to the frightening financial successes of organized crime in recent years. Without the means to launder money, organized crime could not flourish as it now does. Canadian financial institutions with their international operations are not exempt from this laundering activity. Since a great deal of the financial services industry is regulated federally, one of the questions that might be studied by a federal Royal commission would be how to remove the financial rewards of organized crime.

For example, Italian law allows for the arrest and imprisonment of organized crime conspirators as well as the confiscation of their assets. In 1970, the United States enacted the so-called RICO statute, the Racketeer-Influenced and Corrupt Organization Act, which also allows for state confiscation of the proceeds of organized crime. As a result of this law, American authorities have been able to lay charges against entire groups of organized crime conspirators as well as leaders and members of ongoing criminal conspiracies.

Last year in the United Kingdom, the British Parliament passed tough new laws to deprive convicted drug traffickers of the benefits of their illegal activities. Earlier court cases had shown that the law as it stood had no capacity to deprive offenders of the massive profits of their crimes. In 1984, the United Kingdom's Hodgson committee completed a study entitled "The Profits of Crime and Their Recovery" and recommended that the power of confiscation be made available. These are all things that a Canadian Royal commission could study to see how they might be applied in Canada.

Since organized crime operates outside the law and outside the mainstream of society, it does not welcome publicity. A Royal commission holding hearings and gathering information would create that unwelcome publicity which could possibly check the growth of organized crime, or at least prevent its operating at full capacity.

The police may become concerned that the publicity generated by a Royal commission could jeopardize their own ongoing investigations. This may be a legitimate concern which must be accommodated, but without public knowledge and support and without the necessary legislative backing, our law enforcement authorities face an uphill battle against organized crime.

Another area of inquiry for a Royal commission might be the treatment of witnesses against organized crime. The United States has an established witness protection program to deal with these individuals who are often themselves criminals but who put themselves at risk to provide information on organized crime operations. I take seriously the argument that law enforcement authorities should not make deals with criminals. Nevertheless, since police rely on informers, we must have an examination of the matter of the ethical and legal considerations and some guidelines about how to proceed.

Another question that might be explored by a Royal commission is the question of the individual who sits at his desk and orders a murder. At this time, the House is very concerned about capital punishment and other kinds of punishment for the persons who actually commit murders but we have not been very successful in finding the kind of conspirator who is in a position to order a murder.

Perhaps the most important and valuable function of a Royal commission on organized crime would be to highlight the extent to which it has pervaded the institutions of our society and to expose its connections to the business community, the political arena, the judiciary and so on. Organized crime grows and prospers through its connections with and corruption of individuals at all levels of society, not just the wealthy and powerful. I believe that a Royal commission can make an assault on organized crime merely by exposing these connections.

The studies undertaken in Canada so far have given hints of what lies below the surface. We know there is organized crime in Canada and we know it is growing. It is a force of corruption, acting completely outside the law, interested only in expanding its own profit-making capacity at the expense of law-abiding citizens. It is a situation that cannot properly be addressed with *ad hoc* solutions. I believe it requires a co-ordinated approach on several fronts. That is why I recommend the formation of a Royal commission which would itself be part of a national response to the problem of organized crime in Canada.

Mr. Blaine A. Thacker (Lethbridge—Foothills): Madam Speaker, I am delighted to rise to speak to the motion of my hon. colleague and friend opposite. I am always surprised and impressed by the breadth of her interest in the various topics that come before the House. As Hon. Members know, the Hon. Member is a recognized expert in financial affairs and I know of her interests in the area of criminal law. The motion she has laid before the House shows her to be thoughtful and is of much credit to her.

• (1730)

There is no doubt that international crime is a very serious problem. Solutions are being addressed at a global level but the question is whether we are doing enough, and whether or

not Parliament should authorize a royal commission. I am looking forward to the debate to learn the advantages and disadvantages. I know several of my colleagues have speeches they want to make on the topic. Under our rules this is fortunately a votable motion after five hours of debate. Parliament will take a collective decision. Therefore I want to commend my friend for bringing the motion forward. I regret the delay in starting today but there will be at least another four days for debate.

I want to say a word or two about what the Government has done and is doing concerning illegal drug trafficking and organized crime. In 1985 the previous Solicitor General led the Canadian delegation to the Seventh UN Congress on the Prevention of Crime and the Treatment of Offenders, held in Milan, Italy. I was fortunate to have been part of that delegation. For the first time in my life I had an opportunity to speak with elected officials and police officers from other countries in order to get a real feel for the extent of the problem. It is a bit like AIDS in that it is far more serious than people realize and has the capacity to explode exponentially. We have to do something and in fact certain things are being done.

Members of this House, and Canadians in general, will be pleased to know that Canada is in the forefront in the development of measures to attack international drug trafficking. We have also played an active role in supporting UN initiatives, including the preparation of a new convention on illicit drug trafficking. As well, we are collaborating with other economic summit countries to combat drug abuse. The Canadian delegation in Milan did an absolutely first-class job and I am sure Members will be very thankful for that contribution.

In April of 1986, Canada ratified a drug control agreement with France, the U.S. and Italy. The agreement grew out of the work done since 1970 by the quadripartite conference involving representatives of the French national police, the U.S. Bureau of Narcotics and Dangerous Drugs, and the RCMP. On March 4, 1986, Canada became a full participant with Italy in the agreement to prevent and suppress trafficking in narcotics and dangerous drugs. The agreement is in effect for five years. I think the House will applaud the fact that Canada will be hosting the next conference to be held here in Ottawa next month.

I mentioned the development of a draft UN convention on illicit drug trafficking. At the thirty-ninth session of the UN Commission on Narcotic Drugs held in February, 1985, Canada co-sponsored a resolution entitled "Initiation of the Preparation of a Draft Convention for Illicit Traffic in Narcotic Drugs and Psychotropic Substances". This new convention is viewed as both a necessary and effective mechanism for implementing new initiatives to deal with illicit drug trafficking. A Canadian delegation, including representatives of the Solicitor General (Mr. Kelleher), attended a special session of the UNCND in February, 1986, where significant progress was made in identifying the specific subjects for inclusion in the draft convention. With the exception of certain concerns relating to control of vessels and extradition, Canada generally supports the proposed measures.

A top priority for Canada for inclusion in the draft convention is a provision which would permit each member state to trace, freeze and confiscate the proceeds of drug trafficking. Canada will be introducing domestic legislation which will strengthen our ability to effectively seize and forfeit the proceeds of crime, particularly those from illicit drug trafficking. To my mind that would be an incredible step forward in controlling drug traffickers. Seizing the proceeds of crime will in itself cause the practice to dry up quickly.

Another provision providing international control of the principal precursors for the manufacture of illicit drugs, for example, those which permit the extraction of heroin from opium and cocaine from coca, would constitute a primary defence in controlling the manufacture of illicit drugs. Still another provision deals with controlled deliveries which involve the transportation of illicit drugs under controlled conditions with the knowledge and consent of the police. The main objective is to allow the offence to continue, permitting the apprehension and successful prosecution of the key principals involved rather than mere seizure of the drugs and apprehension of the couriers. Controlled deliveries represent an efficient technique which, when successful, effectively identifies major conspirators and sources at the highest level of the international drug trade.

With regard to mutual legal assistance, considerable progress has been made in the international exchange of information to combat the illicit drug trade. Emphasis will now focus on the exchange of evidence and information as it relates to the proceeds of drug trafficking. Illegally acquired assets remain virtually untouched due to inconsistencies in international and national legal systems. The UN Division on Narcotic Drugs has decided to examine possible measures to counter bank security which encourages the apparently legitimate accumulation of these illicit assets in so-called tax haven countries. Canada, meanwhile, has ratified a mutual legal assistance treaty with the U.S., and is actively negotiating similar agreements with Switzerland, the Bahamas, and other Commonwealth countries.

A further provision of the proposed convention deals with illicit traffic via commercial carriers. In most cases air carriers and shipping lines are not held accountable for baggage cargo which is being used to secretly conceal illicit drugs for shipment, or for passengers who conceal drugs. However, when it becomes evident that employees or crew are either directly involved in such activities or, because of laxness of security, allow such activity to occur, the onus must rest with the carrier.

Yet another provision deals with co-operation across frontiers. Canada agrees that international intelligence and information support is a vital activity which must be intensified in the coming years, especially concerning the international drug traffic and the conversion of profits to apparently legitimate business enterprises. Enhanced co-operation

between the producing, transit and consumer nation is a priority for this Government.

The UN International Conference on Drug Abuse and Illicit Trafficking will be held in Vienna in June of this year. Members may already be aware that a Canadian, Mrs. Tamar Oppenheimer, head of the UN Division on Narcotic Drugs, is the Secretary-General of the conference. Furthermore, as an indication of the priority this Government gives to the issue, Canada will have ministerial representation at the conference. This multi-disciplinary gathering will consider such matters as the prevention and reduction of the demand for drugs, crop substitution, use of narcotics for medical purposes, forfeiture of illegal drug proceeds, the treatment and rehabilitation of drug addicts, and the enhancement of enforcement resources.

I would be remiss if I did not mention the efforts of the RCMP and other provincial and municipal police forces. The RCMP provides training to police officers for many countries every year at the Canadian police college and sends specialists to assist Commonwealth and other countries develop enforcement skills.

I see my time has expired, Madam Speaker. I will close by saying that Canada and the international community are doing much with regard to this problem. That is not to say that my friend opposite does not have a good idea. We will follow the debate with interest. A Royal commission certainly has a lot of financial and time implications and we need to hear more from Members. Perhaps the Parties would even have a position that would be helpful in coming to a decision. I thank the Hon. Member for her motion and I look forward to hearing the rest of the speakers.

Ms. Lynn McDonald (Broadview—Greenwood): Madam Speaker, when we look at the question of organized crime and how the newspapers deal with it, we see some very startling headlines. For example, "Metro's crime gangs battle for supremacy. A three-month probe reveals organized crime in Ontario is a $2 billion industry". "Organized gangs preparing for war in bitter fight for billion-dollar turf". "Staggering profits". "Organized crime under attack". The amounts of money suggested are really staggering. Officials say that costs limit prosecutions and the police are not able to deal with the intricacies and complexities, the number of stages of laundering, in order to deal with organized crime. Another headline reads, "Unreported tax costing billions". These are unreported taxes from elicit enterprises run by organized crime. Other headlines read, "White collar rings stay out of sight" and "Gross national rip-off". The public is the loser from the failure to pay taxes, to the intimidation of citizens, to all the direct criminal activities. Of course, the proceeds from these activities get into the grey area of so-called legal businesses which are funded and owned by organized criminals.

• (1740)

These are the reasons why I very much support the resolution of the Hon. Member for Trinity (Miss Nicholson), that we have at the federal level a Royal commission to inquire into organized crime. There have been Royal commissions and inquiries of various sorts at the provincial level on a much more limited basis. The Americans are much more actively promoting investigations of organized crime in that country. We would be smug and naive indeed to think that this problem was confined to our friends south of the border, that these activities do not take place in Canada as well. Although we are not paying as much attention to them, I believe we have a 10 per cent prorated reason to be as concerned as they are.

I come to this subject with a certain bit of a bad conscience as a sociologist. I used to study various kinds of criminal behaviour as a sociologist and academic. My own profession never paid a great deal of attention to organized crime. It is not easy to study. You cannot go out with tape recorders and questionnaires. It is not amenable to the usual academic kinds of studies. There have been the occasional book and article, usually from a journalistic approach rather than an academic one. Academics have shied away, not because they are afraid of organized crime, although perhaps we would all have a certain amount of fear if we knew the consequences. However, organized crime is obviously very successfully kept hidden. No criminal advertises in an active sense, but organized crime is kept far more hidden and is much harder to study. Even among those who have been convicted there are not large numbers of subjects for studies in the conventional sense.

Therefore, professional sociologists, psychologists, social historians and so forth have concentrated on other forms of crime. Indeed, those other forms of crime are not nearly as significant in terms of the amount of money they cost society, and probably not as significant in terms of the risk to lives of people who are intimidated and killed for not paying what is required of them in certain forms of organized crime. The fear and intimidation in organized crime is very, very serious. This is an extremely significant part of criminal life which is not being dealt with by the people who normally do conduct studies and alert the public—Parliament, and parliamentary committees—of existing problems. That source of information is not available to us. For that reason, it is even more important that we have a Royal commission which can hire some academics and very high level people who are above reproach. They will probably not be knowledgeable about organized crime, because we do not have many experts on that. Nevertheless, we could hire responsible people who would know how to conduct a commission and hire responsible staff to do the work which would put us in a much better position to address this question.

I would now like to refer to the specific proposals in the motion of the Hon. Member for Trinity which reads:

> That, in the opinion of this House, the government should consider the advisability of appointing a Royal Commission to investigate organized crime in Canada and to include in its report observations and recommendations on:
>
> 1. the extent to which organized crime is present and active in Canada, particularly in such activities as drug trafficking and loan-sharking;
>
> 2. the extent to which organized crime is connected to the institutions of Canadian society;

3. action taken by the governments of other countries to investigate and curtail organized crime activity;

4. legislation to enable the government to identify and appropriate the proceeds of organized crime;

5. effective and appropriate punishment in instances of organized crime murder conspiracy; and

6. possible guidelines for enforcement agencies in dealing with witnesses against organized crime.

I would like to highlight the second point, "the extent to which organized crime is connected to the institutions of Canadian society", which is one of the things we do know. It is certainly clear in other countries that organized criminals like to get protection by infiltrating other social institutions. They move their money into illicit enterprises. Tracing these connections will, of course, be difficult, but it is extremely important to do this.

With regard to measures to identify and appropriate the proceeds of organized crime, some of these have already been mentioned. One suggestion that has been raised as a possible way of preventing some of the laundering of proceeds from organized crime is to make it an offence to hold a numbered bank account in another country. We would assume that anyone who did not want their money traced might be up to no good. Such a measure ought to be considered as a possibility.

The previous speaker referred a great deal to illicit drug trafficking. That is, of course, an important matter. However, I think we would be remiss in our duties if we thought that was even the largest part of organized crime. It is the myriad of activity and a movement into legal businesses which is perhaps the most devastating in terms of its impact on Canadian society.

With regard to possible guidelines for enforcement agencies in dealing with witnesses, this is a long-standing problem whenever there is an inquiry or a police case involving major figures from organized crime. The witnesses may indeed be criminals themselves and we are put in the moral dilemma of whether we want to make a deal to relieve them of their responsibility for their crimes in order to get information which may lead to more important members of the organized conspiracy. Providing adequate protection for witnesses is a very fundamental question if we are to proceed in a serious way in dealing with this issue.

In conclusion, I believe that this is an eminently sensible resolution. I urge Hon. Members in all Parties to give it support. I was pleased that the first Conservative spokesperson on this subject is at least open to the question. I hope all government Members will be open to this. More enthusiastic support may have been desirable. There is no doubt that Royal commissions are expensive. However, when we consider the enormity of the problem, the billions and billions of dollars at stake, and the number of lives which are affected by this, it seems to me that even the cost of a Royal commission could be money very well spent. I urge the Government to consider, aside from the cost of a Royal commission, the cost of not dealing with this extremely important social question. I think we must address those issues. I believe that the right thing to do is to support this resolution to establish a Royal commission to investigate organized crime.

[*Translation*]

Mrs. Suzanne Duplessis (Louis-Hébert): Madam Speaker, I want to comment briefly on that part of motion M-44 under which it is proposed that the House consider the advisability of appointing a royal commission to investigate and make recommendations on the effective and appropriate punishment in instances of organized crime murder conspiracy.

First I should like to commend the Hon. Member for Trinity (Miss Nicholson) for her interest in this matter. Surely all Hon. Members understand just how important it is for society that our laws provide appropriate sanctions with a view to punishing those who attack their fellow citizens and preventing them from committing more crimes.

• (1750)

[*English*]

As many Members of the House will know, the Criminal Law Amendment Act, 1985, Bill C-18, contains an amendment to Section 423(1) of the Criminal Code, the effect of which is to increase the punishment for conspiracy to commit murder from one of imprisonment of 14 years to imprisonment for life. This term of imprisonment is subject to the normal rules with regard to parole eligibility.

[*Translation*]

Madam Speaker, there can hardly be a more serious infraction than conspiring to commit murder. To show that they acknowledged the seriousness of such a crime, parliamentarians thought that it should call for the same punishment given those found guilty of manslaughter, robbery, hostage taking, extortion.

In view of this, Madam Speaker, and although I share the sentiments of the Hon. Member for Trinity, I respectfully submit that the existing provisions of the Criminal Code concerning conspiracy to commit murder are appropriate. The longest prison term applicable, that is imprisonment for life, properly reflects the way this crime is perceived by the honest people and lets the courts take into consideration, when passing judgment, the extenuating circumstances such as change of heart and co-operation with police in order to bring to justice the other parties to the conspiracy.

Madam Speaker, as many Members know, the Law Reform Commission of Canada in its final report entitled "Recodifying criminal law", published recently, suggests in the third part of the Criminal Code draft contained in that report that in matters of conspiracy a simple rule be applied: That a guilty plea should carry only half the sentence prescribed for the crime as such.

Madam Speaker, that suggestion concerns me. Personally, I would not want such a clause to apply to conspiracy to commit murder, especially when organized crime is involved. As I

have already said, in my opinion the present punishment seems appropriate for such an odious crime, since it is possible to take into account the degree of involvement in the crime and the extenuating or aggravating circumstances.

To conclude, Madam Speaker, I repeat that, in my opinion, the actual wording of the Criminal Code, which prescribes the most severe punishment possible, imprisonment for life, is effective and appropriate to deal with such an odious crime as conspiracy to commit murder, whether the conspiracy is by a large criminal organization or a small group.

I thank you, Madam Speaker, for the opportunity to participate in this debate.

[*English*]

Mr. Jim Caldwell (Essex—Kent): Mr. Speaker, I want to congratulate the Hon. Member for Trinity (Miss Nicholson) for her interest in matters relating to the administration of justice, especially dealing with organized crime in Canada. I believe we have seen an increase in this regard which has taken place essentially since the end of World War II. It should also be pointed out that many of us do not realize that we are dealing with organized crime very innocently when many of the things we purchase today may have resulted from organized crime. Certainly it is obvious that young people who today are involved with drugs and other things are very much contributing to the increase of organized crime.

I want to take a few minutes to discuss the specific aspect of the Member's motion which relates to the development of legislation to enable the Government to identify and appropriate the proceeds of crime. There is no question that the financial rewards from criminal activity, especially drug trafficking, are substantial. Because of the underground nature of the activity, it is difficult to estimate the exact dollar figure with any degree of accuracy. A Member who spoke previously suggested that the figure is possibly $2 billion in Ontario. No one can guess for sure the exact amount involved in organized crime, but it is certainly substantial.

In addition to the profit, there is the added social cost of law enforcement and health and education programs related to drug abuse. There is also the hidden cost of lost productivity on the job due to drug use. Anyone who visits a criminal court will certainly see the effect that drugs are having on our community, leading to such things as theft, prostitution and even murder.

A few years ago I had an opportunity to participate in a jury trial in which drugs were involved in a murder. When one begins to delve into those matters, one can see the effect that organized crime is having on our society. The costs to the community are as substantial as the profits from crime. These profits, which represent a tragic cost to Canadian society, are then used to fund other criminal activities such as graft, theft, pornography and prostitution. There is also the laundering effects of these profits into real estate or other businesses.

If the police are able to make a case that results in the imposition of a jail sentence for one of these offenders, the criminal empire continues to flourish in the hands of his associates who await his eventual release from prison. He only has to wait the situation out before he is back on the street and already set up in business. The deterrent aspect of the sentence is completely lost when the offender knows that upon his being released he can continue that opulent life style that his criminal career has created for him.

In partnership with the provinces, a detailed analysis of organized crime was completed in June, 1983. Included in the recommendations of that report was a legislative scheme to trace, seize and confiscate the fruits of crime. Because there is also a need to reduce the demand for illicit drugs, it is obvious that a program of education is required in conjunction with an attack on the criminal element supplying the product.

In direct response to this problem, the Government announced in the Throne Speech the need to take effective action against the traffic in illicit drugs, as well as to develop a national drug strategy. Virtually all other western countries have legislation providing for the confiscation of the fruits of crime. No country is immune from this monstrous problem. I would anticipate from the words of the Speech from the Throne that the Government will be dealing with this specific aspect of the Member's motion.

Experience has shown that there is a need to freeze assets at the pre-trial stage, so that they will be available for confiscation upon conviction. This may be done by means of a court authorized system of seizure or restraint orders, with the option to appoint an interim manager, if required. Third party interests could be protected by a system of court procedures to determine any innocent interest that should be exempted from the confiscation scheme. What would be expected is a workable mechanism to confiscate criminal assets without sacrificing any innocent parties and always reflecting due process.

The previous Government attempted to pass legislation relating to both the proceeds of crime and instruments of crime. The inclusion of instruments such as businesses that were only minimally tainted by the infusion of criminal funds was perceived as Draconian and I would expect that any initiative entertained by this Government would be limited to only the proceeds of crime.

There is no question that the motivation of the Hon. Member in relation to the presentation of this motion is completely based on very good faith. However, in light of the clear commitment of the Government, as detailed in the Speech from the Throne, it is clear that action in this area will be forthcoming, and that is obvious from other initiatives that have been presented to the House in fulfilment of our promises to the Canadian people.

[*Translation*]

Mr. Michel Champagne (Parliamentary Secretary to Minister of Agriculture): Madam Speaker, before commenting the motion presented by the Hon. Member for Trinity (Miss Nicholson), I would like to congratulate her for drawing the attention of this House to the issue of organized crime.

However, I fear that a Royal Commission of Inquiry on this matter would have the opposite effect to that desired. Some Canadians, probably influenced by the American medias, have greatly exagerated ideas about the extent of organized crime in Canada and its presence in our social, economic and political institutions.

I am certainly not trying to minimize the threat of organized crime in Canada, especially in the illegal drug traffic. However, I am convinced that the action taken by all levels of government in Canada to repress organized crime are increasingly effective, and I am happy to note that there is no indication that organized crime is endemic in Canadian institutions.

In my opinion, there is really no need to ask a royal commission to examine this matter.

Royal commissions are very costly, and since their rules of evidence are not as stringent as those of the Canadian courts and the evidence brought before them cannot be used in criminal proceedings, it is not very useful for law enforcement purposes.

In addition, Madam Speaker, creating a royal commission would probably worry Canadians needlessly by giving the impression that our police forces and courts are not fighting properly against organized crime.

Moreover, I fear that a royal commission would divert attention and resources from existing initiatives in the area of information and law enforcement and eventually delay investigations and legal proceedings in serious cases.

Madam Speaker, the royal commission which is proposed would run the risk of delaying initiatives at the national and international level in the fight against organized crime.

As I have mentioned before, federal, provincial and municipal authorities are already committed to this task. The existing national intelligence systems are upgraded continuously and police forces pool their knowledge, experience and ability in joint operations aimed at the big names in organized crime.

Important institutions such as Canadian banks are seeking the best possible means to protect themselves from laundered money.

As for the Federal and Provincial Governments, they are looking ever more seriously at legislation other than the Criminal Code which could help prevent or fight organized crime.

Both at the federal and provincial levels, police officers are being better trained and given the knowledge and skills required to detect organized criminal activity and to gather the necessary evidence for successful prosecution in important cases.

However, these efforts generally go unseen and the media make no mention of them. In Canada, particularly, we have a tendency to say little about what we do and to be more discreet than our American neighbours.

In my opinion, Madam Speaker, the law enforcement methods used by the Canadian authorities in their fight against organized crime are highly efficient. Efforts and resources are coordinated and the various jurisdictions co-operate to prevent and expose illegal activities, to conduct investigations and to prosecute offenders. In other respects, canadian authorities share a particular concern for the rights of people who unknowingly become accomplices.

Enforcement policies and activities are aimed at maintaining the confidence of Canadians in the integrity of our social, political and economic institutions, which are the main forces that stand against the corruption generated by organized crime.

Police authorities, the courts and other Canadian enforcement agencies are the watchdogs of that integrity, representing as they do our first line of defence against organized crime.

It has been said that the importance of the underworld in a society is an indication of the integrity and ethics of its Government and business institutions. We must therefore support policies and programs ensuring that Canada never will be a country where the underworld can take root. And that goal requires that the various governments and enforcement agencies be on a constant watch.

The Government appreciates the genuine concern of the Hon. Member about organized crime. However, the Government of Canada is co-operating with the provinces in intensifying enforcement efforts, and a royal commission of inquiry would add very little to the tools already in place or being developed.

Preferably, Madam Speaker, this House should support and encourage the Canadian Government and the provinces in their enforcement initiatives, and enact rapidly any legislation aimed at increasing the effectiveness of the law against organized crime.

I am aware, Madam Speaker, that the motion put forward by the Hon. Member for Trinity reflects a serious concern about the extent of organized crimes in Canada and the weakness of measures to promote enforcement. But I want to assure her that members of the police forces and other dedicated experts in the area of penal justice are showing a high degree of competence in addressing this problem. The Government is relying on them, and they deserve the support of all Hon. Members and Canadians in general.

I do not feel therefore that the setting up of a royal commission would be in the interests of Canadians or would help our fight against organized crime.

• (1800)

[*English*]

Mr. Vince Dantzer (Okanagan North): Madam Speaker, I am very pleased indeed for this opportunity to speak to the

motion. I wish to thank the Hon. Member for Trinity (Miss Nicholson) for drawing to the attention of the House this very important matter. My Government is very much aware of the problems of organized crime. My colleagues have already discussed many of the initiatives the Government has taken to combat organized crime in terms of improved legislation, enhanced resources, improved systems of collecting, analysing and disseminating intelligence on organized crime and, indeed, with new arrangements with foreign governments to help solve this very pressing problem.

In presenting this motion, the Hon. Member proposed that one of the matters the Royal commission would investigate is the matter of witnesses against organized crime. In this connection, I am pleased to report that the matter is currently being examined by the Ministry of the Solicitor General in collaboration with provincial Ministers and other federal Ministers concerned with law enforcement. I believe we would all agree that witness protection is part and parcel of a serious commitment on the part of the Government and law enforcement agencies to forcefully pursue organized criminal activities.

Some Hon. Members may be aware that in the United States the federal Government instituted a witness protection program aimed at organized crime which is administered by the U.S. Marshalls Service. The need for a wide ranging formal program in the United States is, of course, based on the magnitude of the organized crime problem there. Fortunately, we are not yet faced with a problem of similar magnitude in Canada. As Members are aware, the administration of justice is a provincial responsibility. As a consequence, the majority of witnesses requiring protection, relocation and a new identity are the responsibility of provincial authorities. The federal Government, through the RCMP and other federal departments, does however provide assistance to provincial officials in the form of documentation required for the witness to establish a new identity, usually in a new location in a new town. The RCMP also assists other police forces in other aspects of witness protection.

• (1810)

These flexible arrangements which provide for witness protection has worked in a generally satisfactory way at meeting the Canadian needs over the years.

Madam Speaker, I see that we are approaching the witching hour. May I call it 6.11 p.m.?

The Acting Speaker (Mrs. Champagne): The hour provided for the consideration of Private Members' Business has now expired. Pursuant to Standing Order 36(2), this Order is dropped to the bottom of the order of precedence on the Order Paper.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 66 deemed to have been moved.

DISASTERS—CHERNOBYL NUCLEAR ACCIDENT—EFFECT ON CARIBOU IN LABRADOR AND QUEBEC. (B) ABILITY TO MONITOR RADIOACTIVE CONTAMINATION

Mr. Bill Blaikie (Winnipeg—Birds Hill): Madam Speaker, I am pleased to have this opportunity to pursue a question I asked of the Minister of National Health and Welfare (Mr. Epp) on December 3, as well as my follow-up letter to him on January 22, relating to the impact of the Chernobyl nuclear accident on Canada.

On December 3 I asked the Minister to make public information on what monitoring took place in Canada following Chernobyl, where the monitoring took place, what was monitored and what the result was in terms of radioactive contamination. In response to my question the Minister indicated a willingness to make a statement to this House, or otherwise provide the House and the Canadian public with further information on the impact of Chernobyl on Canada.

On December 11 the Minister tabled a document entitled "The Impact of the Chernobyl Nuclear Accident on Canada". Unfortunately, this document fell far short of the type of detailed information I was seeking when I asked my question on December 3. As a result, I wrote to the Minister on January 22 expressing my dissatisfaction with the report and again asking him to table a comprehensive statement on the radioactive contamination of the Canadian environment in the days and weeks after Chernobyl. To date, the Minister has yet to respond to my request. I would like to take this opportunity to again put on the record why I feel it is so important that the Government provide the House and all Canadians with the type of detailed information I requested.

To begin, the document the Minister tabled on December 11 states that 28 monitoring stations at airports across Canada were activated shortly after the Chernobyl nuclear accident. I point out to the Government that this network is far less comprehensive than the 33 monitoring stations activated in Sweden, a country 22 times smaller than Canada. In addition, the document the Minister tabled in December leads one to conclude that only air and precipitation samples were collected at the 28 monitoring stations in question at or near ground level, whereas Sweden, for example, also collected air samples at different altitudes through the use of aircraft, as well as plant samples. The report also fails to give any indication of the sophistication of the equipment the Government uses to monitor radioactive fall-out or whether the Government availed itself of the sophisticated monitoring equipment that exists at several Canadian universities and private facilities.

Most important, the report tabled by the Minister does not indicate what isotopes the Canadian monitoring stations were

looking for, what they discovered, where, and in what quantities. For example, the report refers to radiation doses in microsieverts but fails to identify the individual isotope levels detected or the methodology used to calculate the doses quoted in the report.

The Government's estimates of the long-term effects of Chernobyl are equally suspect because the report again fails to identify the individual isotope levels detected, and also fails to detail which cumulative dose commitments and which international standards were employed to calculate the risk assessment outlined in the report, thereby seriously undermining the credibility of the Government's projection that there will be less than one Canadian cancer fatality as a result of Chernobyl. As a case in point, Dr. Rosalie Bertell, last year's winner of the Alternate Nobel Peace Prize, estimates that the number of Canadian cancers that could be expected as a result of Chernobyl may actually be anywhere from 1 to 24, with 3 to 9 cancers being the most probable.

• (1815)

Dr. Bertell also noted that the Government has not published projections on the reproductive problems that might be expected from Chernobyl, such as genetic diseases, embryonic, foetal, or infant losses, mild mutations, lower birth weights or growth retardation, which she estimates could be anywhere from 25 to 169 cases.

Similarly, the Government's claim that only 12 of 300 samples of imported food were rejected after Chernobyl is somewhat meaningless without detailed information on what isotopes the inspectors were looking for, what monitoring techniques, or what doses were judged to be acceptable or unacceptable.

I could go on, Madam Speaker, but I hope that I have made my point that it is essential that Canadians be provided with all known information on Chernobyl in order to analyse and reflect on the true impact of the accident on ourselves and on our environment.

This information is important for another reason. It now appears probable that some of the radiation detected over Canada in the wake of the Chernobyl accident did not come from Chernobyl, but rather from the venting of radiation trapped underground as a result of the "Mighty Oak" nuclear bomb blast that took place at the Nevada nuclear test sites on April 10, 1986, 16 days prior to the incident at Chernobyl. Both the United States Department of Energy, and the United States Environmental Protection Agency have confirmed that venting of radiation trapped underground as a result of this test occurred shortly before, and in particular, after Chernobyl. Appropriate monitoring equipment can differentiate between radiation from a bomb blast and radiation from a nuclear reactor accident. But again the Government's failure to release the full results of its post-Chernobyl monitoring prevent adequate public analysis and reflection on the true risks of Chernobyl, or the apparently never-ending string of nuclear tests being conducted by the United States in our shared North American environment.

I should also point out that if some of the fall-out detected in Canada after Chernobyl did come from the "Mighty Oak" bomb blast in the United States, that bomb blast—not to mention many others before it—would be in direct violation of the 1963 Nuclear Test Ban Treaty which forbids any nuclear weapons tests that would impact on any territory outside of the jurisdiction of the country conducting the test.

As you may know, Madam Speaker, the Hon. Member for Vancouver—Kingsway (Mr. Waddell), and myself, are currently travelling across the country to listen to ordinary Canadians and experts alike as part of the NDP inquiry into the nuclear fuel cycle in Canada. These hearings have been most productive to date, and we hope to publish a report some time during the fall of this year. During our hearings, considerable concern has been raised about Canada's ability to monitor radioactive fall-out.

We have also heard a lot about excessive secrecy when it comes to nuclear issues in Canada. One could argue that the report that the Minister of National Health and Welfare (Mr. Epp) tabled on December 11, and the Government's apparent continued unwillingness to release further details on the impact of Chernobyl on Canada, merely confirm both these concerns. Or are we to believe, which might even be more distressing, that the Government does not have this type of information? Therefore, Canadians ought to be doubly concerned about what the Government was doing, or not doing, in the days and weeks following the Chernobyl accident.

I see that the Minister is in the House, presumably to answer my question, and I wish to say I am happy that the Minister has chosen to respond to my statement this afternoon. I hope he will be more forthcoming in what he has to say to the House at this time.

Hon. Jake Epp (Minister of National Health and Welfare): Madam Speaker, the first point I wish to make to the Hon. Member for Winnipeg—Birds Hill (Mr. Blaikie) and all Canadians is that all information that Canada has and that the Radiation Centre has that has been available from universities and private laboratories I have been willing to make public, both immediately after Chernobyl and during the following months when there was great interest in Chernobyl as well as the present.

I wish to convey very directly that there is nothing that we are hiding in terms of information. As I have previously stated, if there is additional information that can be made available, I will make that available.

Second, I wish to discuss the matter of Canadian standards relative to international standards. We have checked that very carefully with various international agencies and as recently as during the parliamentary break, on my visit to Vienna I met with representatives of the International Atomic Energy Agency, namely, Dr. Blix from Sweden and Professor Konstintinov from the Soviet Union. We looked at what took place at

the meetings in Vienna relative to the information that came forward from Chernobyl. The Soviets, as we know, had been very secretive about the information initially. That information came forward to some degree at the hearings in Vienna during the special convention of the IAEA. That information is available as well, Madam Speaker. Because of this issue being so sensitive, it is important to stress that we have made all information available that is known to us, both nationally and internationally. If there is more information, we will also make that available.

• (1820)

As to the second part of the question relating to the effect of Chernobyl on the food cycle, the caribou-human food chain, I want to tell Members and Canadians that we have been looking at that matter very seriously. A few weeks ago I had an opportunity to discuss this with health officials at Frobisher Bay. By all measurements the radioactivity measured in the Arctic, post-Chernobyl, was considerably lower than any radiation that, for example, had been measured in the 1960s at the height of the atomic blasts at that time—I am not using it as a standard that we are better off than in the 1960s and therefore everything is fine, but we have to take comparisons here—and the chance of death from radioactivity of even one caribou is so small as to be virtually zero.

As well, we have received reports from Scandinavian countries on the contamination of reindeer herds and their being unfit for human consumption. It should be noted that there are no reports of death of caribou even though their exposure to radiation was higher than that received in Canada. However, to protect northern residents, meat samples from at least 30 caribou from the main herds in the Territories have been collected by the Canadian Wildlife Service. We are doing that in co-operation with Health and Welfare in co-operation with Health and Welfare. This sampling program will be repeated this spring. The departments will make these samples available along with all information. According to all information we have, both the caribou, that is the food chain, and Canadians in the North and elsewhere have been fully protected and fully informed on everything flowing from Chernobyl, and we will continue that action.

• (1825)

[*Translation*]

DEPARTMENT OF ENERGY, MINES AND RESOURCES—(A) REQUEST THAT MINISTER BE MORE PRECISE (B) FUTURE OF PUBLIC SERVANTS AND FAMILIES

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Madam Speaker, I welcome this opportunity to shed some light on a question that has aroused the concern of some 1,300 federal public servants at the Department of Energy, Mines and Resources who work for the Surveys and Mapping Branch and the Centre for Remote Sensing, and also at the Canadian Hydrographic Service of the Department of Fisheries and Oceans.

Madam Speaker, this Government which was supposed to be straightforward in its dealings has managed to scare everyone through sheer incompetence. If we look back on what happened five or six days ago, we get a very clear picture of how this Government managed to complicate a situation that should have been very straightforward.

Last Friday on March 5, the employees' union at Energy, Mines and Resources issued a press release announcing that mapping, remote sensing and hydrographic services would be turned over, privatized if you prefer, to Lavalin, a world-class engineering firm.

The press release tells us that various Ministers were consulted and gave contradictory versions of the story. This was not surprising, nor was it particularly reassuring for the employees. The press release also tells us that the Minister of State for Forestry and Mines (Mr. Merrithew) would deny these rumours in the House very shortly. When we ask the Minister of State for privatization (Mrs. McDougall) to make a few comments on this possibility of privatization she denies it but goes on to say that negotiations are under way. For his part, the President of the Treasury Board (Mr. de Cotret) says there were no real negotiations, but here are his own words as reported on page 3953 of *Hansard*:

Quite frankly, we had some purely exploratory talks—

Good. Last Friday the Minister of Mines told me it was not in the strict sense of the word privatization.

But as always with this Government they all have something to say, but not to one another, with the result that people become confused and concerned. They play with the sentiments and security of people.

Madam Speaker, what do you think is the reaction of an employee who does not know whether he will be privatized, whether his service and his job will still be there? Will he have to move? Madam Speaker, it is difficult to explain the anguish felt by certain employees faced with such a possibility. This is a serious matter, we are not talking about just any company. Lavalin, a major international firm, and Bell Canada, one of our largest companies, are invited by Treasury Board officials to get together to discuss the proposed privatization of what we consider to be essential services—mapping, remote sensing and hydrography.

Morale among public servants is low, and I can understand why. Because Government representatives seem to be talking at cross purposes, public servants have no idea what to expect next and they are very, very confused.

Faced with such confusion, on Monday March 6 the President of the Treasury Board in turn issues a press release to shed light on the whole situation.

On page 3953 of *Hansard* for March 9, we find the reply given by the Minister to the effect that the Government was having exploratory talks with several companies to discuss the make or buy policy. There have been no negotiations or contracts or any attempts in this respect. There have never been any attempts to engage in an exercise of this kind, as stated in the Minister's press release.

This is even more confusing, Madam Speaker. On one hand, there are negotiations and talks. Three meetings were held, in October, November and December, but I repeat that, according to the Minister, there have been no negotiations. My God, what are those people doing? If they are talking, it must be about something interesting. Either they are speaking about the possibility of having serious exchanges, or else they are talking just for the fun of it. I do not think that Lavalin would want to waste its time with public servants or departmental officials who do not know what they have to offer.

On Monday, Lavalin published a press release in which its president, Mr. Lamarre, confirmed the facts as follows:

"In accordance with its make or buy policy, the Treasury Board had initiated discussions with its firm and Bell Canada—" and this is textual "—to explore the terms for privatizing certain Government services in the field of cartography."

That is quite clear. Lavalin says that there have been negotiations. On the other hand, the Minister says that there have been no negotiations and wonders why the Opposition and the public servants are so excited. The facts are quite clear. The Government does not know where it is going.

In the same press release, Lavalin said: "It is already a known fact that Lavalin and Bell Canada have recently joined forces to put together a business specialized in the management of mapping-related information, including surveying and cartography. By uniting the efforts of this new business to those of federal agencies which already operate competently in this field, Canada could play a frontline role in the development of geomatics".

As I was saying, Madam Speaker, Lavalin is a serious business which does not generally find it amusing to take the public for a ride just for publicity purposes. It does not need it. Mr. Lamarre is a serious man who has no need to advertise or to publish press releases making silly statements. Today, the Ministers have confirmed in the House that the Surveys and Mapping Branch, the Canada Centre for Remote Sensing and the Canadian Hydrographic Service are not for sale. I think that was definitely the conclusion we could draw from the answers given by the Minister of State responsible for privatization and by the Minister of State for Forestry and Mines. Those are the facts, and in that case, Lavalin has been wasting its time. It is high time this Government made up its mind where it is going, and I hope that the Hon. Member or the Minister is going to tell me the matter is closed and mapping will not be privatized.

Mr. Michel Champagne (Parliamentary Secretary to Minister of Agriculture): Madam Speaker, thank goodness we are getting to the end of the adjournment debate, because if we listen to the Hon. Member for Ottawa—Vanier (Mr. Gauthier) when he starts talking about where the Government is going, I think we could also ask him where his party is going. We had a good example of this yesterday. He should listen to what I have to say and maybe he won't have to ask those questions anymore.

The example that occurred to me was the vote on the Cruise missile. They can't even agree in their own caucus, and in that case I wonder why he feels he is in a position to judge whether we can or cannot agree.

Madam Speaker, I think it is obvious, and I recall what was said by the Member for Ottawa—Vanier, that exploring possibilities does not mean one is going to sell. People who don't understand that are certainly lacking in judgment. I think that looking at our institutions and our departments and seeing whether we could not make their operations more efficient is one of the obligations we have as a responsible Government. Madam Speaker, bearing that in mind, I think we can look to the future with optimism and consider setting up mechanisms that will benefit all Canadians. That is what we are looking at, that is what we want to achieve, and that is what the Minister of State for Forestry and Mines (Mr. Merrithew), the President of the Treasury Board (Mr. de Cotret) and the Minister of State for Privatization (Mrs. McDougall) have said.

Madam Speaker, I fail to understand why the Opposition insists on making words say what they are not supposed to say, because there is a big difference between exploring and selling. We can make projections, we can analyze certain things, but that does not mean at all that we are going to sell. It means that we want to make certain improvements, look at the situation as it is now and perhaps as it should have been if the Liberals had lived up to their election promises to locate the cartography sector in Sherbrooke. Madam Speaker, the Liberals campaigned on this issue in two or three elections and failed to do anything, but now that they are on the Opposition benches they still have no idea where they are going yet are quite prepared to tell us how we should be managing public affairs. Madam Speaker, they should look at the way we reduced the deficit, they should look at the way we revived the economy over the past three years. They should realize that this Government can give Canadians an opportunity to rejoin the labour force, to have confidence in the economy, to look forward to a bright future. Once they have done that we will be in a position to respond to sensible questions from another Party, like the Opposition Party.

In conclusion, Madam Speaker, I want to say that both the Minister of State (Forestry and Mines), who is responsible for the Surveys and Mapping Branch, and the President of the Treasury Board have said that there is no plan to sell or privatize the branch, the Canada Centre for Remote Sensing or the Canadian Hydrographic Service, and any statement to the contrary would simply be false.

Madam Speaker, I hope these few comments are sufficiently clear and specific.

• (1830)

[*English*]

THE ADMINISTRATION—PUBLIC TENDERS—OPPORTUNITY TO AMEND LAW AND REGULATIONS TO ELIMINATE POSSIBLE CONFLICT OF INTEREST AND CORRUPTION—GOVERNMENT POSITION. (B) CANADA ELECTIONS ACT—REQUEST FOR AMENDMENTS TO BAN CORPORATE DONATIONS TO POLITICAL PARTIES

Ms. Lynn McDonald (Broadview—Greenwood): Madam Speaker, Canadians are very tired of all the scandals, corruption, hints of conflict of interest, resignations and investigations. Whether it be government contracts, legal services, or renting buildings, Canadians want to see a clean system and a Government they can be proud of.

I asked the Prime Minister (Mr. Mulroney) if he would set up a fair system of public tendering. I do not think many Canadians realize how many loopholes there are in our public tendering system. People think there is an official process and companies which want to sell goods or services to the Government make an offer which is examined impartially by civil servants and the lowest bidder which fulfils the necessary qualifications gets the work. Of course, many contracts are not covered in that fashion. We have government contract regulations and then a vast assortment of exceptions where the Minister can proceed without going through the tendering system.

When I raised this issue with the Prime Minister, he denied there was a problem. All he said was if I had a specific case then I should complain about that. That is not what I was talking about. No doubt the police can deal with a specific case or a specific crime. What I am talking about is the need to have a system that Canadians know is fair.

I think it is scandalous to hear that the Minister of Supply and Services (Mrs. Vézina) lets certain MPs know about contracts which are coming up so that the MP can go around to friends or companies, possibly those who gave the MP financial contributions in the last election, and suggest there is a chance they can get some government business. I do not think MPs should be in that business. That is what we have a Public Service for. We should have impartial officials dealing with these contracts for everything other than purely trivial amounts. We do not want to call for a public tender every time we buy a pencil or eraser, but for any serious amount of contracting there should be a fair system so people will know where they stand and so the decisions will be made by public servants. We do not have that.

• (1835)

One constructive proposal which I made, because I think Canadians want constructive solutions to this, is that we try to stem the incentive which corporations have to use improper methods of getting contracts by stopping corporate donations to political parties. This is a serious suggestion. It was poohpoohed by the Prime Minister. He did not want to consider it at all. The answer we get to that is that the NDP gets donations from unions and is it not, therefore, in the same boat as the Liberals and Conservatives. We are not in the same boat at all. Unions are not out to get government contracts. They are not selling goods and services and trying to make a profit for their shareholders. It is quite a different situation. The opportunity for corruption just is not there.

In Quebec unions, as corporations, are not permitted to make campaign donations. It is one of the legacies of René Lévesque and the Parti Québecois that they have cleaned up that system in Quebec. They ought to be very proud of that. I only hope that we will follow suit at the federal level and ensure that we have at least as good a system for federal donations.

In fact, both the Conservatives and Liberals get enormous amounts of money from private corporations. In 1984, our last election year, the Conservatives raised $22 million; the Liberals, $11.8 million; and the NDP was a little behind that at $10.5 million. Half of the funds raised by the Conservatives and Liberals came from corporations. That is a substantial amount of money. In short, the Conservative Party raised more money from corporations than the New Democratic Party raised from individuals and unions combined.

The Minister of Energy, Mines and Resources (Mr. Masse) is misleading people when he says that the New Democratic Party gets most of its money from unions. That is simply not true. We get between 10 and 20 per cent depending upon the year and the jurisdiction. We depend overwhelmingly on individual donations. I am sure people would be prepared to consider whether unions should be making contributions. I do not think they are in the same boat as corporations because they are not out to make profits, but in order to have a decent system that is something which could be considered.

As well as corporate donations going to political Parties at the national level, they also go to local candidates in the Conservative and Liberal Parties. In the case of the Hon. Member for Manicouagan, who became the Prime Minister after the election, corporate donations to his riding association in that election year amounted to $58,0000. That was far beyond the spending limit. In the case of the Hon. Member for Etobicoke Centre (Mr. Wilson) corporate donations in 1984 were $64,000 although his spending limit was $24,000. It is clear that corporations think they are betting on the winner and that it will do them some good.

I do not think Canadians want that kind of system. I think Canadians were glad to see the end of the bad old days when voters were paid a bottle of rum for their vote and every time there was an election the civil servants from the previous government were thrown out and replaced with people from the Party in power. I am proud of the role that Tommy Douglas and the CCF in Saskatchewan played in cleaning that province up from political corruption and patronage. They instituted a merit principle in the civil service and a public tendering system which did not grant contracts to friends or contributors to the Party in power. They did not take corporate

donations so there was no incentive for corporations to try to buy influence by making political donations. That system worked. They got very good value for their money. They cleaned up the system. We know that they even managed to reduce the deficit while providing excellent services. I do think it possible, Madam Speaker, and I would hope that we could have a system in Canada which is fair and clean. That is what Canadians want.

• (1840)

[*Translation*]

Hon. Monique Vézina (Minister of Supply and Services): Madam Speaker, I am grateful for this opportunity to talk about the federal Government contract award system.

In recent weeks, Madam Speaker, Members of the Opposition have been saying just about anything on this question without even going to the trouble of seeking a minimum of information on the subject, and especially without taking time to think about it.

Let us be frank. Every year my Department awards in excess of 350,000 contracts for goods and services worth $7 billion. For the whole federal administration, we are talking about roughly 400,000 contracts a year. So how many of these have caused problems? A minimum number, Madam Speaker.

Early in January, the Opposition tried to embarrass the Government with what has been dubbed the Oerlikon Affair. I would like my colleague to show some objectivity.

When he was informed of certain disturbing aspects of a land purchase by the Oerlikon company, the Prime Minister (Mr. Mulroney) asked for the resignation of a Cabinet Minister and for an investigation by the RCMP. This decision clearly demonstrates that he has no intention of making allowances as far as the confidential nature of Government transactions is concerned.

As for the bidding process and the evaluation of the bids received, to my knowledge, no one has questioned the integrity of this process. The contract for the low altitude defence system has indeed been granted to the most deserving supplier. If my colleague has any information to the contrary, I invite her, as the Prime Minister has already done, to communicate this information to the House.

Madam Speaker, our contracting system is highly regulated, for the very purpose of avoiding any irregularity. All purchasing agents of my department have on their shelves a dozen volumes of regulations and procedures to be followed for each type of acquisition. These books, which are quite heavy, represent all the institutional wisdom accumulated by my Department in its 18 years of existence and by the Department of Defence Production during the 40 years before that. These volumes reflect our constant efforts to act fairly and impartially in our relations with Government suppliers.

One final remark, as Minister of Supply and Services. I am convinced that the State is not a purchaser like any other. As a Government, we must see to it that our purchasing policies are absolutely consistent with our social and economic objectives. Would my hon. colleague who is greatly aware of the need to advance the status of women blame me, for instance, for having ordered a new call for tenders because some companies had disregarded our job equity program?

Madam Speaker, I will see to it that our purchasing policies are consistent with our national goals. If my hon. friend considers this approach as a form of political interference, I deeply regret it.

The Hon. Member has recommended that the Government ban corporate donations to political parties. In this regard, the Prime Minister was most clear in his reply. He said that the Government would consider the Hon. Member's suggestion.

This being said, I sincerely deplore her statement that contributions to political party foster corruption. Again, I urge her to provide us with one single example so we can make sure that justice is done.

The Acting Speaker (Mrs. Champagne): It being now 6.44 p. m., pursuant to an Order adopted on Tuesday, March 12, 1987, the House stands adjourned until Monday, March 16, 1987, at 11 a.m. pursuant to Standing Order 31.

The House adjourned at 6.44 p.m.

HOUSE OF COMMONS

Monday, March 16, 1987

The House met at 11 a.m.

Prayers

[*English*]

POINT OF ORDER

HOLOCAUST—INTENT OF HON. MEMBER'S STATEMENT

Mr. William G. Lesick (Edmonton East): Mr. Speaker, I rise with respect to comments attributed to me by the Edmonton *Journal* of March 13, 1987, regarding the Deschênes Commission report. I wish to state that the intent of my remarks was to acknowledge that both Ukrainians and Jews had suffered enormous losses at the hands of oppressors. Recognizing the tragic death of some five and a half million Ukrainians, I in no way wished to minimize or downplay the atrocities and the evil of the Holocaust perpetrated by the Nazis.

If inadvertently my remarks have given offence or led anyone to believe that I do not share a sense of outrage in the Holocaust, I categorically apologize and withdraw any statement which may be interpreted as offensive to the Jewish community and indeed to any Canadian. Ukrainians and Jews share a common experience as victims of grotesque oppression and cruelty. My desire is to see us work together to ensure neither Holocaust is forgotten nor allowed to happen again.

Some Hon. Members: Hear, hear!

ROUTINE PROCEEDINGS

[*English*]

CANADIAN NATO PARLIAMENTARY ASSOCIATION

PRESENTATION OF FOURTEENTH REPORT

Mr. Bob Hicks (Scarborough East): Mr. Speaker, pursuant to Standing Order 101, I have the honour of presenting to the House the Fourteenth Report in both official languages of the Canadian NATO Parliamentary Association.

PATENT ACT

PRESENTATION OF REVISED REPORT OF LEGISLATIVE COMMITTEE

Mr. Bill Kempling (Burlington): Mr. Speaker, on behalf of the Chairman of the legislative committee on Bill C-22, an Act to amend the Patent Act and to provide for certain matters in relation thereto, it is my duty to present a revised report. The first report presented March 5 omitted certain words in the French version only from the amendments adopted in Clause 7, now Clause 8, and Clause 9, now Clause 10. This report now accurately reflects the decision taken by the committee in its study of the Bill.

* * *

PETITIONS

AGRICULTURE—EFFECT OF FREE TRADE

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, I would like to present a petition on behalf of over 230 farmers from the Lambton—Middlesex area of Ontario, many of whom I had the privilege and honour of meeting this weekend. The petitioners state that whereas the Government has no mandate from the Canadian people to enter bilateral free trade negotiations, whereas Canadian wheat producers who have legislation to establish the price range for wheat produced and consumed domestically would be endangered by a free trade pact, whereas Canadian dairy farmers have an efficient and viable industry that could be destroyed or be traded away, whereas the Prime Minister (Mr. Mulroney) and the Minister of Agriculture (Mr. Wise) have failed to guarantee farmers that the marketing system established through legislative authority would not be traded away, whereas the Canadian poultry industry has geared its production to domestic needs and can also be traded away, wherefore the undersigned your petitioners humbly pray and call upon Parliament to reject any negotiations or proposals that threaten Canadian farmers' marketing systems and programs. The petitioners do humbly and ever pray Parliament will listen to their call.

OPPOSITION TO PROPOSED CHANGES TO PATENT ACT

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, it is my pleasure and indeed honour to present a petition pursuant to Standing Order 106. The petitioners call attention to the federal Government's proposal to change the Patent Act

relating to prescription drugs, suggesting that this will increase drug prices for Canadian consumers and will severely restrict the ability of average Canadians to buy necessary prescription drugs. Therefore, the petitioners humbly pray and call upon Parliament to reject these proposals which again they feel will increase prescription drug prices for Canadians.

Mr. Rod Murphy (Churchill): Mr. Speaker, I also have a petition signed by residents of a number of communities in northern Manitoba including Flin Flon, The Pas, Gillam, Churchill and Brochet who point out that the Government's intent to change the Patent Act relating to prescription drugs will increase drug prices for Canadian consumers and will hurt those people whose health needs require the purchase of a large number of prescription drugs on an ongoing basis. They also believe that this is another example of the Canadian Government making concessions to the United States at the expense of average Canadians in the free trade talks.

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, I have a petition here from a number of residents of my riding who indicate that the federal Government's proposal to change the Patent Act relating to prescription drugs will increase drug prices for Canadian consumers and will severely restrict the ability of average Canadians to buy necessary prescription drugs. They also indicate that the proposed changes are another example of the Conservative Government serving the interests of multinational corporations and increasing their profits at the expense of ordinary consumers. They call upon Parliament to reject this legislation.

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, I also have a petition signed by a number of people from the constituency of Prince Albert who recognize that the Government's proposal to change the Patent Act will increase the cost of drugs and will unfairly hurt those Canadians whose health needs require the purchase of prescription drugs. They call upon Parliament to reject those proposals which will increase prescription drug prices for Canadians.

OPPOSITION TO PROPOSED CANADA POST CORPORATE PLAN

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, Canadians are still sending in petitions on the question of the proposed supermailboxes. This one is from Toronto and expresses the objection to the two types of mail delivery. The petitioners call upon Parliament to reject the corporate plan proposed by Canada Post and to instruct the corporation to proceed with mail delivery to all Canadian taxpayers without discrimination.

[*Translation*]

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I have the honour and the privilege to table in the House a petition signed by 2,923 constituents in my riding, which, added to 2,683 similar petitions I have tabled in the past makes a grand total of 5,606.

The residents of my riding object to and disagree with the corporate plan of Canada Post that will reduce postal services to my constituents, and the petition is signed by the people of my riding, who represent many different communities. Mr. Speaker, I will not quote them all this morning, but I would like to point out that about 30 in my riding are represented through the 2,923 signatures I am laying on the Table this morning.

• (1110)

[*English*]

OPPOSITION TO PROPOSED CHANGES TO PATENT ACT

Mr. Sergio Marchi (York West): Mr. Speaker, I, too, have the honour and pleasure of submitting to this House a number of petitions from my riding and from the Vancouver area. The petitions deal with proposed changes to the Patent Act. The petitioners are against these initiatives because they are an example of the Government's concessions to the U.S. in its free trade negotiations at the expense of average Canadians and, more importantly, would needlessly increase the price of prescription drugs in Canada. The petitioners ask the Government to back away from these proposals.

RIGHT TO LIFE OF UNBORN BABIES—PROTECTION OF CHARTER OF RIGHTS AND FREEDOMS

Mr. Elliott Hardey (Kent): Mr. Speaker, it is my duty and privilege to present to this House a series of petitions properly certified by the Clerk of Petitions and containing over 500 signatures of constituents of the riding of Kent. They humbly pray that Members of Parliament support Motion No. 37 presently before the House which would allow unborn babies to have the protection of the Charter of Rights and Freedoms.

EFFECT OF FREE TRADE ON AUTO PACT

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, I have a total of 22 petitions to present. They deal with the Auto Pact and the very grave concerns people in my constituency have concerning the free trade negotiations with the U.S. The petitioners call on the Government to indicate in clear and unequivocal ways that there will be no threat to the Auto Pact safeguards. They ask that the promise that the Auto Pact will not be a subject of the free trade negotiations be maintained. The petitions are signed by 1,200 people from my constituency of Essex—Windsor.

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Point of order, Mr. Speaker. I understand the Hon. Member for Trinity (Miss Nicholson) wants to table a report from the Standing Committee on Public Accounts. I just wondered if we could revert to tabling of committee reports.

Some Hon. Members: Agreed.

PUBLIC ACCOUNTS

PRESENTATION OF FIFTH REPORT OF STANDING COMMITTEE

Miss Aideen Nicholson (Trinity): Mr. Speaker, I have the honour to present the fifth report of the Standing Committee on Public Accounts. This is the committee's second report on the subject of the Auditor General's comprehensive audit of the Department of Indian and Northern Affairs Canada. The Auditor General has pointed out that the mandate of the Department is not clear: "The Department was not sure whether it is accountable for producing social and economic gains for native people, or was responsible simply for ensuring an equitable distribution of financial support as native groups pursue their own initiatives." The committee is again recommending that the Department clarify the accountability implications of these two mandate orientations.

On the question of contributions to Indian bands, the committee remains concerned about appropriate controls to ensure that funds are used for the purposes for which they were given. The committee will monitor progress in implementing alternative funding arrangements.

Dealing with the issue of native claims, the committee draws attention to the James Bay and Northern Quebec Agreement and the Department's procedures which have prevented this agreement from being finalized. In addition, the committee is recommending that the Government include in its financial statement provision for liabilities arising from native land claim settlements.

Pursuant to Standing Order 99(2), the committee requests a comprehensive response to certain recommendations.

* * *

TRADE

CANADA-U.S. BILATERAL TRADING ARRANGEMENT

On the Order: Government Notices of Motions.

March 11, 1987—The Minister of International Trade:

That this House supports the negotiation of a bilateral trading arrangement with the United States, as part of the government's multi-lateral trade policy, while protecting our political sovereignty, social programs, agricultural marketing systems, the auto industry, and our unique cultural identity.

Mr. Speaker: Pursuant to Standing Order 24(2), this Government Notice of Motion stands transferred to and ordered for consideration under Government Orders later this day or at the next sitting of the House.

Motions

HOUSE OF COMMONS

MOTION TO EXTEND HOURS OF SITTING

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, in connection with today's debate there have been discussions among the House Leaders in an attempt to provide an opportunity for a maximum number of members to participate in this very important debate culminating, of course, in a vote on the resolution. In an attempt to meet these objectives, the Government has made a proposal to extend the hours today which would amount to the equivalent of a two-day debate. I hope, in the interests of ensuring that all Members of the House who wish to speak have that opportunity, that the House would find it appropriate to agree to the proposal I am about to put. It reads as follows:

That, notwithstanding any Standing or Special Order of the House, the House sit as follows today, Monday, March 16, 1987, for the purpose of consideration of the government motion dated March 11, 1987, respecting bilateral trade, in the name of the Minister of International Trade:

—The House continue to sit until 6:00 p.m., without interruption for lunch break or Private Members' Business or Adjournment Proceedings, provided that statements by Members will be at 2:00 p.m. and Question Period from 2:15 to 3:00 p.m.

—Following a dinner break from 6:00 to 7:00 p.m., debate to be resumed until 10:00 p.m., at which time Mr. Speaker will interrupt any proceeding then under way to put forthwith and successively, without further amendment or debate, any question or questions then before the House, provided that at the request of any Member at that time, a division on any question or questions will be deferred until 6:00 p.m., Tuesday, March 17, 1987.

—Following such question or questions being put at 10:00 p.m. tonight, or following such deferred division or divisions being requested at that time, Mr. Speaker shall adjourn the House.

Some Hon. Members: Hear, hear!

Hon. Herb Gray (Windsor West): Mr. Speaker, there have been consultations on the proposal just made by the Government House Leader and, as I indicated to him in a letter I sent on Thursday, we, the Official Opposition, would be willing to agree to the proposal the Government House Leader has just made.

Some Hon. Members: Hear, hear!

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, this is the first opportunity I have had to see the details of this proposal.

Some Hon. Members: Oh, oh!

Mr. Riis: I must say that, to me, it is another example of a disturbing trend we have seen over the last number of months. Whether it be the drug legislation, the National Transportation Act, or other very important issues facing the country, the Government has used procedural tactics to limit debate.

Mr. Mazankowski: We are extending debate.

• (1120)

Mr. Speaker: Order. The Government, through the Deputy Prime Minister (Mr. Mazankowski), has proposed a motion. The Hon. Member for Windsor West (Mr. Gray), speaking on behalf of the Official Opposition, has agreed to it. The New Democratic Party, which has every right to have a say in this Chamber with respect to the motion, is speaking through the Hon. Member for Kamloops—Shuswap (Mr. Riis). I ask Hon. Members to respect the dignity of this place.

Mr. Riis: Thank you, Mr. Speaker. I simply want to point out Section 55 in Beauchesne's Fifth Edition which says:

The privilege of freedom of speech is . . . the most fundamental right of the Member of Parliament on the floor of the House—

We have grave concerns about the request to limit perhaps, in the Government's own words, the most important economic debate in the country to two days. We have very serious concerns about what seems to be a trend of the Government using Parliament as the largest rubber stamp around. We are very concerned about the request before us. As a result of that concern, and the fact that this is the first time I have seen the specific details, I would like to reserve judgment on this until later in the day.

Some Hon. Members: Oh, oh!

Mr. Speaker: Perhaps the negotiations could be limited to the House Leaders.

* * *

QUESTIONS ON THE ORDER PAPER

Mr. Doug Lewis (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I ask that all questions be allowed to stand.

Mr. Speaker: Is that agreed?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

TRADE

CANADA-U.S. BILATERAL TRADING AGREEMENT

Hon. John C. Crosbie (for the Minister of International Trade) moved:

That this House supports the negotiation of a bilateral trading arrangement with the United States, as part of the government's multilateral trade policy, while protecting our political sovereignty, social programs, agricultural marketing systems, the auto industry, and our unique cultural identity.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I rise to report to the House on the progress of the Canada-U.S. trade initiatives. I welcome the opportunity to speak to the House on this matter of historic importance. I, along with the rest of the country, very much look forward to the opinions which will be expressed by the Leaders of the opposition Parties on this very important matter.

[*Translation*]

Mr. Speaker, today we start a historic debate on initiatives that may make the next century Canada's own.

[*English*]

In this historic debate Members of all Parties will be addressing the motion which you have just set out. This motion is designed to create jobs, to generate new wealth, and to create new economic opportunities in all regions of Canada, particularly those which are presently going through great economic difficulties. Because this trade initiative is part of a comprehensive package designed to improve Canada's competitive position for the 21st century, I tell you with pride that the Government of Canada shall today support the resolution in the House of Commons.

Some Hon. Members: Hear, hear!

Mr. Mulroney: The backdrop of this requires a little explanation. The scope of our relationship is worthy of mention itself. There is $200 billion a year in bilateral trade with the United States, over 75 per cent of which is duty free. This is the largest trading arrangement between two countries anywhere in the world. It is an enormous amount which presents enormous opportunities and great difficulties. Thirty per cent of our GNP comes directly from our exports and about 80 per cent of those exports go to the United States. Most importantly, almost 2.5 million Canadian jobs depend directly on the American market, the richest and most dynamic market in the world which is sitting right on our doorstep. This measure is designed on behalf of all people of Canada, from the people who are hurting in Alberta to the people of Newfoundland and the people of the interior of British Columbia who need help. This measure is designed to ensure that those areas of the country get their kick at the can through enhanced bilateral trade.

Some Hon. Members: Hear, hear!

Mr. Mulroney: There have been troubling developments in Congress. Over the last number of years the United States has been running a very serious trade deficit. Last year it was in the neighbourhood of $170 billion U.S. Such action sometimes brings out the worst in all of us, including the United States. People get scared. They go back to the reactions of the 1930s and throw up protectionist measures. A wave of protectionism has already meant action against our hogs, our steel, our lumber and our potash. The most important and worrisome part of this, albeit understandable, is that Senators and Congressmen in the United States, seeing the decline of smoke-stack industries and large pockets of unemployment develop in traditional areas of wealth, take these measures.

They are looking for what they consider to be the unfair traders. However, one of the major problems upon which I invite the House to reflect is that Canada is a fair trader. We are not an unfair trader seeking unfair access to anybody else's market. As Congress prepares to initiate this competitive legislation, which is trade legislation, the United States is saying that if we want to do business in their markets, this is the price of poker in reference to people they consider to be unfair traders and whom they name regularly. Canada is a fair trader. We do not want to be caught up in a net designed for the unfair seeking access to the American market. We have a history of fair trading and a history of generating prosperity through fair trade. This is designed to strike a fair deal with the United States.

Some Hon. Members: Hear, hear!

Mr. Mulroney: The trends in trade are there for all to see. They are toward blocks. Japan's emergence as a superpower in trade after the war brought about, in some measure, the creation of the European Economic Community which is now a group of 320 million people within which trade is free, economic intercourse is of the highest and most significant order, and growth and prosperity come about because of the dropping of those barriers.

In another area of the world and for other reasons, but with the fundamentals still in place, Australia and New Zealand have sought and obtained a free trade arrangement between themselves. They are far away from the United States and Europe, yet the structures and objectives apply to them. Over the weekend and today the ASEAN nations from Singapore to the Philippines have been looking at structures which would give them a new free trade association involving hundreds of millions of people. In light of these developments, our domestic market of 25 million people begins to look small and vulnerable. What are our trading options when we strip away the rhetoric? What options are available to any industrialized country? There is GATT, there are sectoral initiatives and there is the possibility of a comprehensive bilateral trade arrangement.

• (1130)

We have been members of GATT for 40 years. The Secretary of State for External Affairs (Mr. Clark) led a major delegation at Punta del Este where we reaffirmed our commitment to the multilateral trading process. However, specific problems exist in the United States. Steel is very much next on the American agenda, and I see Members here from the Burlington area who are in charge of the steel caucus. The GATT process takes time. The Tokyo round took six years to negotiate and eight years to implement. We cannot wait that long.

Some Hon. Members: Hear, hear!

Mr. Mulroney: The sectoral initiatives attempted by the previous Government have failed because of the new climate that exists in the United States. Those initiatives are not good enough.

There is one initiative that is not exclusive from the GATT but very much complementary of our GATT international exercise. It is a comprehensive bilateral agreement with the United States under Section 24 of the GATT which will put Canada and the United States at the forefront of liberalized trade here and around the world.

[*Translation*]

And why are we conducting both bilateral and multilateral negotiations, Mr. Speaker? When we decided to engage officially in trade negotiations with the United States, we knew this would be controversial, that all the old bug bears would be resurrected and that it would fan the flames of past partisan debate on the subject. We have decided to go ahead, regardless of the political risk, because we felt it was in the national interest. Why? Simply because without economic prosperity, there can be no cultural and social development in Canada, and to provide for prosperity, we must preserve and expand our export markets.

Canadians export to many countries in the world, but our main market, and in fact the wealthiest and biggest market on this planet is the United States, our next door neighbour. The jobs of several million Canadians depend on it, but access for our goods and services to the U.S. market, as to any other market, is being increasingly threatened by the wave of protectionism and the undue recourse to legislation that presently predominates in international trade.

There are examples of how this affects every province. I am thinking of Quebec, where annual exports total $22 billion, of which $17 billion worth goes to the United States. There are hundreds of thousands of jobs in Quebec that depend directly on the secure U.S. market. Fifteen billion dollars worth of Quebec exports go directly to the United States, and that is to the United States alone! Fifteen billion is what it cost to build the James Bay project, the project of the century. That is how important the U.S. market is to Quebec. It means that Quebec's annual exports to the United States equal the total cost of the James Bay project, and we know the tremendous impact that particular project had on expanding Quebec's economy. And that is why we want to do this. We want to minimize the risks and maximize the benefits. We want to create jobs and boost the economy through our trade initiatives, whether it is in Quebec, in British Columbia or in any other region in Canada.

[*English*]

Our over-all objective is clear-cut. It is to try to carve out a unique trading relationship with the United States of America that will create jobs, end trade harassment, introduce stability, eliminate trade barriers, enhance competitiveness, spur productivity and build an instrument of liberalized trade between the two greatest trading partners in the world. It will be an agreement that can serve as a model for all countries

seeking relief from protectionism, growth in the Third World, and more liberalized access to markets everywhere.

This is not a selfish initiative but it has clear advantages to both sides. We hope it will eventually be seen as a signal against the kinds of vulgar and selfish measures of protectionism and be seen as a noble example of generosity and growth. We can show all developing countries in the world that it is not an initiative of protectionism or cutting off our markets but one by which markets can grow and we can accept more and more goods from Third World countries so that we genuinely contribute through trade to building a better and more equitable world.

Some Hon. Members: Hear, hear!

Mr. Mulroney: Our highest priority is to have an agreement that ends the threat to Canadian industry from U.S. protectionists who harass and restrict our exports through the misuse of trade remedy laws. Let me leave no doubt that first, a new regime on trade remedy laws must be part of the agreement. Second, because trading is so clearly a two-way street, our negotiators have been instructed to ensure that the elimination of existing tariffs takes place gradually, with adequate transition arrangements that are sensitive to the needs of Canadian industry and Canadian workers. Third, it is clear that non-tariff barriers increasingly distort trade. Our negotiators have, therefore, been instructed to negotiate a broad and comprehensive agreement addressing these issues, including changes to government procurement practices. For example, if Canada were to capture 1 per cent of the government procurement market in North America, it could result in the creation of 75,000 new jobs in this country.

Let me turn to the area of agriculture. Our goal is straightforward. It is to help Canadian farmers by increasing the predictability and security of access of exports by the farm sector through ending the deeply destructive subsidization of exports while preserving our farm support policies and the operation of our marketing boards at the same time. These are the principal Canadian objectives.

If the United States wants to increase access to our market and truly wants Canada to sign precedent-setting agreements that could indeed serve as a great model for the world, then our desires must be respected and our wishes accommodated. Otherwise, there will be no deal.

However, we recognize that a good deal must be one that is fair to both sides. We make it very clear that we do not approach our commercial relationships with the United States as an enemy. The United States is a sovereign, hard-nosed nation with its own national interests to protect. It confronts Canada in the same situation, as a sovereign powerful nation with our own interests to protect, as we shall. We recognize that the deal cannot favour only one side. If such an agreement is to have any durability and value, or have any significance as a model in the world, it must be a fair deal. There must be growth and prosperity in the United States as well as in Canada so that both sides to this agreement shall prosper to the ultimate benefit of the entire world.

[*Translation*]

So, given these circumstances, if that is the objective, what was our approach, Mr. Speaker? I think the approach was coherent. First, clear declarations of intentions; second, an exhaustive preparation of the case; and third, a historic degree of consultations and co-operation with the provinces, the industry and, we tried, the labour movement.

First, Mr. Speaker, when the Minister of Finance (Mr. Wilson) tabled his document entitled *A New Direction for Canada* in November 1984, he stated that if we want to promote expansion through export trade we must gain easier and more reliable access to foreign markets under the best conditions possible.

Second, the January 1985 green paper *How to Secure and Enhance Canadian Access to Export Markets* clearly defined the challenge. It stated: With respect to trade policy, attention focuses on—and on the possibility of taking fresh approaches in the conduct of Canada-U.S. trade relations. Then in the month of March, two years ago tomorrow, I met with President Reagan in Quebec City and we reached agreement on our objective to create a safer climate for bilateral trade and reinforce the multilateral trade system. This initiative was followed by a statement I had the honour to make before the House on September 26, 1985 when I said this: Economics, geography, common sense and the national interest dictate that we try to secure and expand our trade with our closest and largest trading partner. Then there was the external trade advisory committee made up of representatives of all levels of Canadian society under the distinguished chairmanship of Walter Light, various groups of sectorial consultation on external trade.

• (1140)

[*English*]

Fifteen advisory groups, representing all areas of the Canadian economy, from our farms to our steel products to our apparel industry, to mining, to goods and services, were formed. Three hundred or so people, men and women from the best parts of our private sector, came together in intimate consultation with the Government over a period of 18 months in order to help prepare us for these negotiations and to work with us, as they continue to do today.

At the First Ministers' Conference in Halifax we set out the beginning of the process where the Government would consult with the First Ministers on a regular basis. That, too, was a very important indication of our preparation and consultation and our desire to obtain a deal which is good for all Canada. Then there was the vote in the American Senate which gave the green light to its participation in May of 1986. We needed that, of course, because it was at that point in time that the forces of negotiation could effectively be engaged.

[*Translation*]

As to federal-provincial consultations, there were 14 federal-provincial meetings of Ministers and senior officials—an unprecedented series of events, Mr. Speaker. I also had four meetings with the provincial premiers on the question of trade negotiations with the United States, and two more meetings are slated for June and September. This is a first in Canadian history.

[*English*]

This is historic co-operation in terms of the manner in which we wanted it to proceed. Twenty-two years ago, to put it in some contrast, the Government of Canada sent down a group of negotiators to conclude the Auto Pact with the United States of America. They did the Auto Pact and they did a good deal. However, they did it without so much as a by your leave to the duly elected Government of Ontario at the time. I tell you, Mr. Speaker, federal-provincial relations have clearly changed, and very much for the better.

I want to indicate the extent to which this preparation and, I think, this thoughtful consultation with all areas of national life nevertheless had to come together at one bargaining position. While we wanted very much to co-operate with the provinces, and we have, and I want to tell you, Mr. Speaker, that I have said very clearly to the First Ministers, and I say very clearly to the House, the responsibility for international treaty making lies with the federal Government and the Parliament of Canada and it shall not be diluted under any circumstances, we proceeded to select in our judgment the very best team, headed by the very best international and commercial negotiator. I had the honour of asking for, and receiving, the acceptance of Ambassador Simon Reisman who was present on behalf of Canada at the creation of the GATT and who has worked all his life in the Public Service up to the position of Deputy Minister of Finance. Under the instructions of previous governments, he very successfully negotiated the Auto Pact, which has brought such benefits to Canada, notwithstanding predictions to the contrary from other people in this House that it was not going to work. You will hear them again today. The Auto Pact worked because Simon Reisman was the best negotiator in Canada, and we brought him on side to do that job again for the country.

I suppose this leads us to one of the key questions, the rationale and reasoning: why did the Government undertake this historic initiative? It is risky. It provokes controversy and sometimes vexatious and silly questions. It is a "when did you stop beating your wife" situation until you produce the results. We knew that. My Government introduced this historic initiative to create jobs and ensure economic equality for all regions of Canada. Since September of 1984, job creation in Canada has surpassed that of any other industrialized country. We have created 705,000 new jobs as of Friday of last week. Our national unemployment figures have gone from 11.7 per cent down to 9.6 per cent in two years. That is not bad at all.

However, Mr. Speaker, if you look at Friday's figures, I think therein you will see the tragedy. Look at the imbalances in Friday's latest unemployment statistics. These imbalances are largely reflected in our regions and the geography of Canada. Unemployment is down to 9.6 per cent nationally, but in Newfoundland and Labrador unemployment is at 18.4 per cent, and at the other extremity of the country, in British Columbia, unemployment is at 13.3 per cent. Yet in the industrialized heartland of Canada, in Ontario, unemployment is down to 6.8 per cent and in Manitoba it is down to 6.7 per cent, the lowest in the land. What these figures tell us is that over a period of decades, inadvertently, but because of our history and our trading patterns, we are in the process of building two Canadas, one which is rich and promising and one which is underdeveloped and underemployed. That is unacceptable because this Party and this Government stand for one Canada, fairness and equality of opportunity for all.

This is a vital part of that process which will ensure equality of opportunity to all Canadians whoever they are, wherever they live and whatever they do. We are delighted with the prosperity in Manitoba, in Ontario and in certain other regions of the country, but we cannot build prosperity and genuine growth in the country by diminishing anyone else's wealth. What we want is to ensure that Newfoundlanders, British Columbians, Albertans, and others, get their chance, too. They must be given the opportunity to trade their way to new prosperity. That is why I call upon all Hon. Members of the House to set aside the shibboleths and to tell Canadians exactly where they stand today. Are they for this growth and prosperity or are they clinging to the past, because today is a day for the future.

What are the obstacles we have considered? Clearly, in something this important there have been and will continue to be obstacles. First, there is the fact that there are no guarantees. Premier Bourassa of Quebec said that this was a risky but indispensable move, that it had to be done, because the market of 25 million is no longer sufficient in the 21st century to guarantee the kinds of jobs we need. Notwithstanding the progress we have made, and no one can dispute the creation of the 705,000 new jobs, there are still 1.2 million unemployed. It is because I am interested in this, and my Government is interested in this, notwithstanding the risks and not because of the difficulties—we know there are difficulties—we know this requires leadership and daring. There are 1.2 million people still unemployed who are looking to the Parliament of Canada for leadership. I am telling those people that there are new opportunities. Hundreds of thousands of new jobs can be created through trade. This motion is a motion of hope and belief in Canada. That is why I ask the leadership of all Parties to set aside partisanship and to say yes to a more prosperous Canada.

• (1150)

Some Hon. Members: Hear, hear!

Mr. Mulroney: There are legitimate concerns that have been raised at various times—entirely legitimate concerns. I tried as best I could to deal with some of them in the House when I indicated that the negotiations would not affect our political sovereignty, our system of social programs, our commitment to fight regional disparities, our commitment to defend our unique cultural identity, or our special linguistic character. These make up the essence of Canada. They are not at issue in these negotiations. They are legitimate concerns that we have tried as best we can to deal with in the type of atmosphere of fear and panic that some people try to promulgate. We will try to deal with them on a continuing basis.

I wish to salute the leadership and maturity of the Premiers who have set aside the attractiveness of these ephemeral techniques to deal with some of the fundamental issues which have ensured that the profile of a major trading arrangement deal is now emerging. There is indifference in the United States. There has been historic indifference in the United States which has been overcome in large measure—

Some Hon. Members: Oh, oh!

Mr. Mulroney: We will get to the Liberals in a minute. The whole country is waiting to hear their position. I think the Liberals should have the courtesy of allowing others to set out theirs. They may disagree with the position of the Government, but they have to acknowledge that we have one position, not two, three or four.

Some Hon. Members: Hear, hear!

Mr. Mulroney: Canadian issues were on the back burner in the United States, something which we have managed to overcome. We have done this through initiatives with President Reagan. The Secretary of State for External Affairs has had quarterly meetings with Secretary Shultz. There have been meetings with Secretary Baker, as well as our visit in Canada with Senator Bensten and the leadership that he is seeking to provide to the Senate Finance Committee. We have dealt with the serious question, and let us acknowledge it, of historic indifference in the United States to many of our Canadian concerns. The matter has now been taken from the back burner to a point at which the President of the United States in his State of the Union Address indicated his commitment to bring about a free trade arrangement with Canada. That indicates that we have begun to make some serious progress.

Then, of course, in terms of obstacles, I will acknowledge that in a parliamentary system one of the problems has been the confusion in the Opposition. The signals that go out to the financial community, the signals that go out to the world, the signals that go out to the various negotiators causes the Americans to wonder where the Official Opposition stands. As I have been able to understand it so far, the Liberal policy has to be with respect to trying to garner support on both sides of the issue, unless the issue is particularly sensitive, in which case the Leader of the Liberal Party does not show up to vote.

With respect to the Liberal Party, I can say it no better than Donald Macdonald, a distinguished colleague of my right hon. friend, said it, as reported in *The Toronto Star*. He said that in a bizarre turn of events Liberal delegates passed a resolution backing free trade in the morning, then supported a policy opposed to free trade at the day's end. Donald Macdonald called the stand of the Party incoherent. Macdonald, who headed a royal commission into the economy last year that favoured free trade, noted that the Party voted for multilateral negotiations, bilateral negotiations, and sectoral negotiations. "From the outside, we look pretty stupid," said Mr. Macdonald. In the national interest I call upon the Leader of the Opposition to deal with that stupidity today and to put the Liberal Party clearly on the record in support of a great national initiative.

Some Hon. Members: Hear, hear

Mr. Mulroney: With regard to the NDP, we have the resolution of yesterday's convention to consider. As I understand it, the resolution calls upon Canada to withdraw from the comprehensive negotiations with the United States.

Some Hon. Members: Shame, shame!

Mr. Mulroney: We have the Leader of the NDP saying that he will propose a policy of full employment. When he is asked how he will do it he does not have the foggiest idea. We know now that it will not be by trade. I tell the Leader of the NDP and the apostles of reaction who have taken over a few of the positions of leadership of the CLC this. Do not become hostages to the past. Reject this call for protectionism because jobs for ordinary Canadians come from trade. We need your help in supporting this kind of great national enterprise.

Some Hon. Members: Hear, hear!

Mr. Mulroney: I would now like to deal with the question of research. People say that these matters, of course, have to be considered. Some years ago *The Globe and Mail* reported that it is often alleged that those supporting liberalized trade have not done their homework. In reality, that is far more true of those who oppose free trade. Among the critics, therefore, rhetoric, passion and a model of nationalism sometimes fill the gap or conceal a defence of economic privilege.

The article went on to ask who the real nationalists are in the free trade debate and who are the defenders of special interests. Who has done the research and who appeals to generalized fears? Those seem to me to be legitimate questions for this House to consider.

The Hon. Member for Saint-Henri—Westmount (Mr. Johnston), presumably speaking on behalf of his Party, said that the point is that those who argue that a free trade agreement will cost jobs must also look at the other side of the coin. What will protectionism cost us? What will the absence of a free trade arrangement cost us? I salute the Hon. Member for Saint-Henri—Westmount for his vision.

Some Hon. Members: Hear, hear!

Mr. Mulroney: Then there is the MacDonald Commission to consider, as well as the Economic Council of Canada, the C. D. Howe Institute and the Institute for International Economics. Anyone who will contest this—and it is a free country, please go ahead since now is the time to do it—let us hear from you. Let us hear from the research. Let us hear from the scientific data that is available. All of the research, all of the hard practical evidence shows beyond a shadow of a doubt that eliminating trade barriers makes us better off individually and nationally. It makes us richer, gives us more, and permanent jobs and a better future. That is what all of the research indicates. There has been no question of that so far.

What did the Macdonald Commission say? This was a commission headed by a former Minister of Finance, a very distinguished member of the Liberal Party, along with a group of colleagues and millions of dollars—I think $20 million was spent on research. The best people in Canada looked at this issue for a number of years. They concluded, on a prudent course, that free trade will help to make us richer, and by making us richer it will strengthen the fabric of our country and increase our self-confidence.

[*Translation*]

One of the members of the Macdonald royal inquiry commission, who signed the report after three or four years of inquiry and studies, was Montreal lawyer Michel Robert who has since become President of the Liberal Federation of Canada. I would now expect Mr. Robert to maintain his support for free trade as he did in the signed report, the Macdonald report.

• (1200)

[*English*]

The Economic Council of Canada said that Canada can go forward with these arrangements:

—or it can go backward, accepting the steady erosion of our current access to export markets created by protectionist trade actions.

The Economic Council of Canada forecast a possible—over and above what this Government is going to be able to do with foreign investment and with increased productivity—370,000 new jobs as a result of the initiative if the productivity is increased by, as it indicates, a conservative 5 per cent in certain areas. There will be 370,000 new jobs, Mr. Speaker. Can you imagine what this will do for Nova Scotia, and the help it will give to New Brunswick, Newfoundland and the interior of British Columbia? These are hard facts put out by a distinguished group of economists, Canada's leading group of economists. They say there are hundreds of thousands of new jobs. If Hon. Members are opposed to it, let them give us the information that justifies their absence of faith in Canada.

Some Hon. Members: Hear, hear!

Mr. Mulroney: Richard Lipsey and Murray Smith say that the free trade agreement:

—offers the most promising opportunity to create a more efficient, adaptive, and outward-looking Canadian—and U.S.—economy that would provide rising living standards and expanding employment opportunities for the great majority of people.

The Business Council of British Columbia said:

—we must adopt long-term policies based on economic realities which recognize our relationship with the U.S.

[*Translation*]

La Presse: "Mr. Mulroney's statement is realistic, opens the door to a wide-ranging agreement with the United States and respects the right of Canadians to define the content of a future agreement as negotiations progress". "Canadian culture will never flourish if it fails to stand up to straightforward competition on its own turf, and it must do so outside the country as well."

[*English*]

John Kenneth Galbraith said:

I read in the papers that Canadians are concerned that free trade will impair their sovereignty and bring Canada ever more dangerously under American influence. This is nonsense. The American influence is there, no one can doubt, but it is a factor of geography, not of trade.

That is why I ask Hon. Members to set aside the nonsense and to deal with trade as a job creating issue for Canada.

Some Hon. Members: Hear, hear!

[*Translation*]

Mr. Mulroney: Pierre Lortie, President of Provigo, one of our great businessmen and economic thinkers in Quebec, says: "It would be criminal not to pursue aggressively negotiations for an agreement with the United States".

[*English*]

The Canada West Foundation said:

The second compelling reason for arguing for a free trade arrangement with the U.S. is the competitiveness issue, what we like to call the faith in Canadians approach. This approach argues that by adopting a more open market and competitive spirit in Canada an environment will be created which would raise Canadian living standards, employment prospects and quality of life.

The Atlantic Provinces Chamber of Commerce say that this trade is:

to promote industrial decentralization in Canada—

Surely, Mr. Speaker, in light of the unemployment results, notwithstanding tremendous progress by this House and this country in the last two and a half years, and we hear the plea of the Atlantic Provinces Chamber of Commerce and the plea that Premier Peckford made at the First Ministers, Conference where he indicated that Newfoundlanders since coming into confederation had only about 52 or 53 per cent per capita income of people in Ontario who are now at 115 per cent as opposed to 52 per cent, this is the growing of two Canadas, and it is unacceptable. We must require and have the assistance of everyone, including the Opposition Parties for people in other parts of Canada who need jobs and prosperity, and trade is the way you guarantee that.

In southwestern Ontario, in London, there is a very generous view of the Canadian responsibility. We read:

> The better and safer bet would be to try to negotiate a freer trade agreement with the U.S. that would open up new opportunities for productive Canadian firms and businesses, while also safeguarding social, cultural and political values essential to our Canadian identity.

The Saskatoon *Star-Phoenix* wrote:

> To be too fearful of possible consequences would be to invite greater economic isolation.

Perhaps I could conclude—

Mr. Fulton: Tell us something.

Mr. Axworthy: When do you start your speech?

Mr. Mulroney: I will be glad to quote from a great Canadian nationalist, Richard Gwyn, whose credentials are unchallenged.

Some Hon. Members: Oh, oh!

Mr. Mulroney: The Liberals and the New Democrats are laughing at a journalist of the esteem and commitment to Canada of a Richard Gwyn. I tell Hon. Members his credentials are unchallenged. I will read a statement from his book:

> A national vote in favour of bilateral free trade would represent the ultimate declaration by Canadians of self-confidence in themselves, confidence both in their ability to compete and in their ability to continue as a distinct political and social unit.

There is a commitment to Canada, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Mulroney: We have garnered the support in this initiative, although some parties would suggest that we have been alone. We have not been alone. The Premiers, the Governments of all political stripes, business leaders from John Bulloch to Jean de Grandpré, from Tom D'Aquino to Pierre Lorti, from Pierre Macdonald to Jacques Parizeau are with us. It is important to note as we begin the debate the extent to which those outside of this House are non-partisan, the extent to which people do take a broader view of politics, politicians and the future of our country.

[*Translation*]

The Canadian Chamber of Commerce has expressed its support, and also the Canadian Federation of Independent Businesses, the Consumers Association of Canada, the Canadian Export Association, the Canadian Manufacturers' Association, and the Business Council on National Issues.

[*English*]

> Negotiators for both countries should strive for the largest possible elimination of barriers to trade, having a broad comprehensive free trade agreement in mind. Such an approach would be in the best interest of both countries.

That is the statement from the Hon. Marc Lalonde.

Some Hon. Members: Oh, oh!

Mr. Keeper: Is this where you are getting your advice?

Mr. Blaikie: He is the guy who designed the National Energy Program.

[*Translation*]

Mr. Mulroney: And what are the results, Mr. Speaker?

As far as we are concerned, we know there is no magic formula. The process is always a painful one in a country like ours, especially in the case of such important and historical initiatives. Nevertheless, to me and my colleagues, international trade stands for jobs, prosperity, regional growth and a future for our children. Mr. Speaker, we must consider the impact that initiatives such as establishing new trade relations with the United States will have by strengthening the economy and the unity of this country in the next century.

[*English*]

Nothing is perfect, we acknowledge. Let us consider at the end of the day the alternatives. Who knows, maybe there will be strokes of brilliance and we look forward to hearing them. We will listen to them dispassionately and carefully. If the Liberal Party or the New Democratic Party has a progressive, dynamic suggestion in terms of the manner in which we create new jobs—there is no pride of fraternity in something as important as unemployment—we will take the idea, consider it in the House and, if it will create those kinds of jobs, we will deal with it appropriately.

But consider the implications for Canada for economic growth and Canadian unity of new trading arrangements with our largest partner which can produce hundreds of thousands of new jobs, which can increase our productivity, spur on our competitiveness here and around the world. Consider that in the light as well of what has already been initiated with the provinces, the Government of Ontario and all the other provinces, of a new commitment to national science and technology programs. Consider that in the light as well of another building block, so important for all Members of this House, namely, a question of tax reform based on fairness and equity bound together by a new constitutional formula which will allow Quebec to be brought back into the Canadian family. This is a building block of greatness. This is what the House is considering today as the future of Canada. It is an act of faith in Canada.

It has often been said that young men have visions and old men dream dreams. This is a day for Canada. This is a day both for visions and great dreams. It is a commitment to the future of Canada. It is a commitment to the youth of Canada, to our unity and to our integrity as a nation.

Some Hon. Members: Hear, hear!

• (1210)

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, this debate should have been held two years ago today, the day before the Prime Minister (Mr. Mulroney) met the President of the United States at the so-called Shamrock Summit and committed our two countries by way of a joint

declaration on trade. That declaration was made and jointly signed by the head of our Government and the President of the United States without any prior parliamentary debate, without any prior warning to the Parliament and people of Canada, and without any mandate from the people of Canada because it was not an issue in the last general election.

My first observation this afternoon is to say that despite the opportunity given to us by the Government for the debate, after listening to the Prime Minister this morning and into the afternoon, Canadians are no further ahead and are no wiser than we were two years ago. We wonder why we had this debate.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): It is true, we have learned, that the Prime Minister has a great clipping service. He called from among newspapers and reports of Chambers of Commerce which he could find for some selective approval. He cited my good friend and successor in the Ministry of Finance, Donald Macdonald. I said to Donald, when he came out with the report of the Macdonald Commission and asked Canadians to take a "leap of faith": "Fine, take a leap of faith, but as a Canadian before I do that I would prefer to know where I land".

The Prime Minister has given us no details, no further information, no further factual data, and no precision at all on the Government's position in the negotiations with the United States. We do not know what is negotiable. We do not know what is not negotiable.

We read the motion. It has been called a motherhood motion. We would have thought the Prime Minister might have given us more explanation of what the Government meant. He did not talk much about sovereignty and how we would reconcile that sovereignty in a comprehensive free trade arrangement with the United States. He mentioned nothing about our social programs, how they were to be interfaced. He did not make a defence of our agricultural marketing systems, as the motion sets forth. He made absolutely no reference to the auto industry or to the Auto Pact, more specifically. He talked in only vague terms once again about our unique cultural identity. Canadians are no further ahead after listening to the Prime Minister through their representatives in Parliament, than they were two years ago tomorrow when he made that declaration with the President of the United States.

Of course it is quite clear now that the Government continues to adhere to its game plan as outlined in the leaked communications strategy document which we produced in the House of Commons a year and a half ago. When the issue of free trade was first brought to the attention of Canadians, the game plan as declared in that document—and its authenticity has never been denied—quite simply was to keep Canadians ignorant of what was being discussed in the trade negotiations because the less Canadians knew, the better chance the Government would have to sell it.

The document, if I might recall, also recommended a dirty tricks campaign against those perceived Members of Parliament who might take issue with the initiative of the Government, including a number of Members of Parliament who sit on this side of the House, beginning with the Hon. Member for Vancouver Quadra. It is a strategy on how to get us in our own particular ridings if we opposed the initiative of the Government of Canada. I quote from that document:

> The strategy should rely less on educating the general public than on getting the message that the trade initiative is a good idea; in other words, a selling job.

Those were the words of that communique. That has been, and consistently so, the strategy of the Government. It was maintained today in the Prime Minister's speech, because we do not know any more than we did two years ago about where the Government stands in these negotiations on the major issues which have to be dealt with in the negotiations.

A year and a half ago when a resolution was introduced in the House we had a vague 15-minute speech from the Prime Minister clothed in generalities, clothed in shibboleth, laced with rhetoric, and garnished with his usual hyperbole. We got that again today; it took him a little longer. When we are able to analyse and compare the two speeches, he was probably more forthcoming in that first 15-minute speech a year and a half ago.

Perhaps the Opposition should not have pressed so hard for the Government to bring the matter before Parliament or prevailed upon the Government to come clean with Canadians, to let us know, as representatives of people from one end of Canada to the other, where the Government is taking us, what are the general parameters, what is at stake, what is not at stake, what is at issue, and what is not at issue. Perhaps we should not have pressed so hard because the Prime Minister has been a great disappointment to the country this morning.

I thought we were to have a statesmen-like review. For a while the Prime Minister restrained himself, and then of course he descended into the style of the bear pit that he likes. I will try to resist but, since he has opened the door, I think Members of Parliament on this side of the House will be excused if from time to time we do not retain the same shrewd control of ourselves that we should.

[*Translation*]

Concluding a free trade agreement would bring about profound changes in nearly all aspects of our economy in the years to come. It would have a considerable impact on our way of life, our trading habits, our national sovereignty, our independence and certainly on the quality of life in the northern part of this continent.

The Prime Minister has embarked upon a risky undertaking, and he is once again refusing to let us know the stakes involved. The Government has no mandate from Canadians to negotiate a free trade agreement. There was no mention of this during the election campaign, and in fact we would not even be discussing the matter here in the House, if the opposition Parties had not insisted on having this debate.

Mr. Speaker, I also think that the presentation of this motion at this point in time relates much more to the domestic problems now experienced by the Government than to our trade relations with the United States.

[*English*]

This debate should have happened first, not last. As the Special Joint Committee of the Senate and the House of Commons on Canada's International Relations stated in 1985, and I should like to quote from the unanimous report:

> It is premature for Canada to initiate formal bilateral negotiations with the United States to determine the receptivity to liberalizing bilateral trade. After a ministerial report to Parliament on the outcome of these discussions and on whether certain conditions have been met, the Government should decide whether the prospects are sufficiently promising to continue on to detailed negotiations.

What the joint report suggested in unanimous terms is that Parliament ought to be apprised in general terms of the discussions. There ought to be a consensus on the parameters as to how those discussions ought to be directed and how they should go, and only then should formal negotiations be initiated with the United States. The Government of our country ignored that advice. Instead, it went headlong into a process for which it was ill-prepared.

[*Translation*]

What I had asked at the time, and what my colleagues on this side of the House and the committee members have since asked on many occasions, was that Parliament and the Canadian people be made fully aware of all the parameters of Canada's position before the beginning of official negotiations with the United States.

• (1220)

[*English*]

We have asked on several occasions in committee and elsewhere for the cost-benefit analysis of the impact of such a deal upon Canada. In May, 1986, the Government released 24 trade-enhancement studies, but every piece of information which would have given us the slightest indication of the impact on a given sector or a given region of Canada was censored. Whole pages of those documents were absolutely eliminated. What was missing in the 18-minute gap in the Watergate tape is just a tiny blip compared to what was left out of these documents.

The Government was sticking to its game plan, an approach popularized by the present Minister of Transport (Mr. Crosbie) who said during the last election campaign: "If we told you what we were going to do, we'd never get elected". I think that was the most honest, forthcoming and frank statement we have ever heard from a member of the government side.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): Canadians are giving a clear message to the Prime Minister. They are saying: "Mr. Prime Minister, would you deal honestly with us, would you give us the facts, would you give us the data upon which we can make judgments about the affairs of state and the issues before us?" I believe that if given the facts and if given an opportunity to assess those facts over a reasonable period of time, Canadians will make the right judgment. The gap in the process now before the country is that the Government does not trust Canadians, it is not giving Canadians the facts and it is not allowing the people of Canada to make a fair judgment about what is going on.

After this morning's intervention by the Prime Minister, we still do not know what is being negotiated. The vocabulary changes almost as often as the Prime Minister's valet changes his shirt. I remind the Prime Minister of the statement he made in 1983 on free trade. He said during the leadership campaign of June 1983 in a debate with the now Minister of Transport and the now Secretary of State for External Affairs (Mr. Clark) about free trade: "It affects Canadian sovereignty and we will have none of it". Then on July 4, 1985, *The Ottawa Citizen* quoted the Prime Minister as saying: "We never discussed free trade. Enhanced trade or trade agreements impact not only on the United States but on our trading relationship with allies and upon GATT".

A little later on July 8, 1985,—

[*Translation*]

Brian Mulroney, quoted in a Montreal daily, *Le Devoir*, said: "I agree with the expression "improvement of trade relations" but not with the words "free trade."

[*English*]

These were the opinions upon which the people of Canada were entitled to rely. These were the opinions upon which the Parliament of Canada was entitled to rely before, suddenly, the Prime Minister, in order to enhance his photo image with the President, unrehearsed and unplanned, with no advice to the people of Canada, signed that joint declaration.

Canadians want to know how far we are going and in what direction. Is it free trade? Is it freer trade? Is it enhanced trade or is it a bilateral arrangement? Is it a comprehensive free trade arrangement? The motion before the House does not answer those questions. Just three hours prior to the motion being printed, the Minister for International Trade (Miss Carney) in response to questions in the House of Commons last Wednesday called it a comprehensive free trade arrangement. At the same time, in response to another question, the Deputy Prime Minister (Mr. Mazankowski) called it a comprehensive trade arrangement. Yesterday in her CTV interview, the Minister simply called it free trade. In fact, she used the words "free trade" 14 times in that single interview. What is it?

What we have before us today is not a free trade motion. It is either a considerable retreat from the Government's position as expressed in the joint declaration, as expressed in Ministerial statements and Ministerial responses in the House of Commons and as expressed to journalists, or it is a disguise to

get a comprehensive free trade deal. There is nothing in the motion and there was nothing in the Prime Minister's speech today to tell us which direction the Government really contemplates and where it stands on the issue.

[*Translation*]

The motion is empty, Mr. Speaker. The motion does not give the House any indication of the direction the Government will take in the negotiations with the United States.

And what about the role of the provinces? There is no consensus among the provincial premiers concerning the nature of the agreement which should be concluded.

Yet, a number of questions under study are related to provincial jurisdiction. They affect provincial purchasing policies: Ontario and Saskatchewan purchase programs, grants to agriculture and industry, and so on.

Last month the Premier of Quebec reiterated his conviction that his province has a right of veto in these negotiations. And the Premier of Ontario expressed the same views.

In their meeting with the Prime Minister last week, eight provincial premiers insisted on the need to ratify any trade agreement Ottawa might sign.

Sad to say, the position of the provincial premiers is the same as ours as members and the same as that of most Canadians: we do not know what the Government is negotiating and, quite simply, we are not confident that it can negotiate an agreement favourable to Canada.

[*English*]

Of course the United States is our largest and most important trading partner. In no way do I contest the emphasis the Prime Minister puts on those figures. Of course we should seek greater access to American markets as part of our over-all opening to the world. However, entering into these talks has been ill-timed. There is rising protectionist sentiments in the United States reflected in the newly elected Democratic Congress. There have been years of trade surpluses with the United States and we felt at the outset that this was not the best time to try to obtain a better over-all deal with the United States.

I would say quite frankly that the Government has been absolutely naive in thinking that the very fact of initiating negotiations with the United States, negotiations on free trade or on whatever, as the motion does not indicate what it is, would by itself dissipate the protectionist sentiment in the United States Congress. Of course that has not happened. During these negotiations we have been held hostage by the Congress and the administration of the United States. At the same time as the Americans were negotiating with our negotiators, presumably for a free trade deal, they imposed a 35 per cent tariff on B.C. shakes and shingles. They forced us to impose on ourselves a 15 per cent export tax on lumber. They forced us to truncate our pharmaceutical legislation in order to please the pharmaceutical companies in the United States. On issue after issue, this country has been held hostage by the protectionist sentiment in the United States and the very fact of these negotiations has had no influence at all on the conduct or reaction of the Americans.

I think there is a question which needs to be put to the Government, with which the Government has not dealt, and we have put the question to Ministers and to the Prime Minister on other occasions. What is the real purpose of these negotiations on the American side? Reading the recently introduced amendments to the U.S. trade legislation, and particularly that piece of legislation now supported in a Democratic Senate by 53 or 54 Senators on both sides of the aisle, one observes that that legislation does not talk about free trade, freer trade or even fair trade. It is a piece of legislation designed to manage the trade of the United States in the interests of the United States. It sets forth a mechanism making it impossible if fully applied for any country trading with the United States to do so on a bilateral basis. It must do so only subject to the will and whim of the United States Congress.

I ask the Prime Minister if we have an undertaking. What is the real purpose of the Americans? Do they want a free trade arrangement with Canada or are they using this mechanism as a way of extracting from us a series of managed trade agreements to their favour? First lumber; what is next, potash, oil and gas, steel, services? We do not know. We have received no report from the Prime Minister. Surely he told the Premiers where he stood. Surely he told the Premiers what the chances were and what was at stake. If he did, fine, but he certainly has not put Members of Parliament in the same position. We have the fundamental role and duty of voting on this matter and recommending to our constituents what the attitude of the country ought to be.

• (1230)

We in the Liberal Party have always favoured finding ways with the U.S. of enhancing access to each other's markets. We believe our policy must be developed as part of a global approach to trade and not focus solely on the U.S. The Prime Minister says he is impatient with the GATT process, it takes too long. That process has served this country well, because as we cut deals in GATT negotiations we have always been able to make on the side a better arrangement with the U.S. than I believe we will ever be able to make head to head in the current negotiations.

The Government refuses to put forward its actual negotiating position. It gives us conflicting reports as to what is actually being negotiated. This resolution tells us nothing. The Prime Minister added nothing upon which we could assess the position of the negotiations. Therefore we will vote against the motion.

The Government and the Minister for International Trade will probably use the excuse that it cannot tell us where the negotiations are because it would impede the negotiations. Surely the Premiers have been given some idea of where the Government is. We have had a series of selective leaks by Mr.

Reisman and others in order to enhance the Government's position every once in a while, hype up the negotiations and titillate the Canadian public. However, when the people of Canada, through their Members of Parliament, ask for the information they are entitled to concerning the range and parameters of the negotiations, the Prime Minister does not tell us, and neither does the Minister for International Trade. Members of Parliament are left completely in the dark and that we cannot accept.

It appears that if these negotiations continue we are going to be faced with some kind of agreement. Whatever it is, the Government will stagger away from the table and cry victory. We have decided to submit an amendment to this House and to the country outlining the basic conditions we believe must be met in any negotiations with the U.S. We have made it detailed and not followed the Government's example of this vacuous motion before the House. These are the principles of our trade policy as it concerns the United States.

I will introduce the amendment at the proper time, at the conclusion of what I have to say, but the conditions we propose include protection of our sovereignty, limiting of U.S. protectionist action, restoring our previous access on softwood lumber, reduction of non-tariff barriers, preservation of our ability to legislate in areas such as social policy, agriculture, regional development, the environment, financial and service industries, language and culture, the Auto Pact, and the provision of adjustment assistance and the ending of U.S. trade harassment on potash, steel, fish, energy and agriculture. We have set forth a blueprint for the Government, if it continues these negotiations, as to where we stand on the negotiations. We do that because the government motion is far more interesting for what it has excluded than for what it actually says. It is, as *The Toronto Star* put it, a motherhood resolution. That great newspaper has advised us—

Some Hon. Members: Oh, oh!

Mr. Turner (Vancouver Quadra): —to vote for the resolution, but with due respect to that institution, we would be betraying the people of Canada if we supported the motion, and we do not.

In the motion before the House the Government is simply saying this. Give us a complete and free hand. Trust us. I can assure the Prime Minister that at this time in his mandate the Canadian people do not trust him and we do not trust the future of these negotiations and that is why we are spelling it out in this particular way.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): Trust us, says the Prime Minister. We will go down and get a good deal. We will do it, the motion says, "while protecting our political sovereignty, social programs, agricultural marketing systems, the auto industry, and our unique cultural identity".

Let us examine that motion because it is a joke, but Canadians are not laughing after hearing the Prime Minister this morning. Are we going to trust that Government to protect our sovereignty? That is the same Government which dithered and delayed over the passage of the *Polar Sea* through our northern waters. It challenged that passage only after the waters had been traversed by the *Polar Sea*. Can we trust that Government after it sold out our fishermen to France and our pharmaceutical industry to the U.S? That Government gave away everything the Americans wanted before these negotiations ever began. If you are going to negotiate with the U.S. on any kind of trade, why was FIRA and the National Energy Program dismantled first? Why not leave them as part of the bargaining process? Why throw away all our cards so early? I would enjoy a poker game with the Prime Minister because he lays his cards out before he even knows what is at stake.

[*Translation*]

Mr. Speaker, are we going to rely on the Government to protect our social programs, this Government which made an attempt to de-index old age security pensions and which, in its three budgets, put an unfair burden on the shoulders of low and middle income Canadians, and widened the gap between rich and poor Canadians as a result of the largest tax increases ever in this country? No, Mr. Speaker, we are not going to put our faith in this Government.

[*English*]

What do the words "agricultural marketing systems" mean? Does it just mean marketing boards or does it include financing through the Farm Credit Corporation? Does it include advance payments for grain under the Canadian Wheat Board Act? Does it include freight rates? We do not know because the motion is deliberately vague, keeping the people of Canada in the dark on the one hand and giving the Government of Canada the widest flexibility on the other. We deserve to know more.

The motion says the Government will protect the auto industry. Does that mean the Auto Pact? The Minister said in her interview, as she has already said 1,001 times, that the Auto Pact is not on the table. However, in the Prime Minister's speech in Montreal last week, although he did not mention it today, he said the Auto Pact was not on the table because the other side had not raised it. However, in the next breath he said if they did raise it, it could become part of the discussions. What is it going to be? If tariffs on auto parts and vehicles are given up, the Auto Pact becomes meaningless.

[*Translation*]

The motion before the House also affirms that the Government will protect "our unique cultural identity". But what does it mean? Does it include our cultural industries? Where was this protection when the Government authorized the Prentice Hall takeover by the Gulf and Western companies?

[*English*]

One of the most glaring omissions from this motion, the rest of it being vague vapidities, is any mention of regional equality and the programs to bring it about. In Montreal and again today the Prime Minister said that the Government would never abandon its commitment to regional development. Why is that not mentioned in the motion? Why is something so fundamental to the governing of this country left out? In those circumstances how can the Prime Minister vote for the motion? How can the Minister of Transport vote for the motion? Indeed, how can any Member on that side of the House vote for the motion? It is a vote, as the Prime Minister said, on Canada's future, but the Government, instead of giving Canadians the facts, is asking this House for a blank cheque.

• (1240)

With regard to the Government's regional economic development policy, the Prime Minister mentioned that the trade option is the one solution for Atlantic Canada. The only trade option that the people of Newfoundland have under this Government is to trade unemployment in Newfoundland for a $4 an hour job in Toronto. The Prime Minister said that we must give Newfoundland, Alberta and B.C. a kick at the can. This morning he gave those provinces a kick in the can. This sounds like the rhetoric of an election speech. During the election campaign he promised to inflict prosperity on Newfoundland. Those were his words. Two years later he is still making the same kind of promise and that promise will not work.

[*Translation*]

The Prime Minister can say what he likes, but we know the Government's attitude to regional equality. Its spending cut-backs on regional development projects are ample proof of this. The House will recall that spending on these projects dropped from $14 billion in 1984-85 to $12 billion in 1986-87.

[*English*]

In his speech in Montreal before the weekend the Prime Minister said that a trade agreement with the United States "is a critical element for any meaningful regional development strategy". In other words, he is telling the Atlantic, western Canada and northern Canada to wait until we are finished negotiating with the United States, then we will get around to them.

[*Translation*]

However, seven out of 10 provinces in Canada now have higher unemployment than was the case during the worst days of the recession. For Canadians living in the disadvantaged regions of this country, the Government's message this morning boils down to this: If you don't like it, though, move somewhere else! That is not the Liberal view, Mr. Speaker. We do not want a country where we have to tell Canadians who cannot find jobs in disadvantaged regions: Move to Vancouver, move to Toronto, move to Montreal!

[*English*]

We believe that equality of opportunity is the cornerstone enshrined in the Charter of Rights. No matter where you live you should have an equal opportunity for an education, a job and a secure retirement. That is fundamental to our view of the country. It is constitutionally enshrined but is not recognized in any way in the motion before the House recommending a bilateral arrangement with the United States.

I suspect that these very regional economic development programs are being discussed in the negotiations. I suspect that that is why there is no mention of those programs or of regional economic equality in this motion. We have consistently demanded to know what is on the table in these negotiations and what is not on the table. The Government has given us a variety of answers. Sometimes some things are on, sometimes they are off.

Last week the Minister for International Trade told us in the House that we would, in her words, have to find out what is going to be in an over-all agreement before we can identify whether federal or provincial jurisdiction applies. That is incredible. Is she telling the House that she does not know what Mr. Reisman is negotiating, that she does not know what Mr. Reisman and Mr. Murphy are talking about? Is she not informed? If she is informed, why does she not tell us? Why does she not give us some simple responses to some simple questions so that Canadians will have a better inkling of where their Government is taking them?

This motion is so vague that we believe the Government does not really know what it wants. Either it does not know what it wants or it is presuming on the goodwill of the country not to tell us what it wants. Either the Government knows and is not telling, or is in the even more precarious position of not knowing.

The Americans certainly know what they want. The office of the U.S. trade representative, Clayton Yeutter, published a list called the National Trade Estimate; 1986 Report on Foreign Trade Barriers. The top trade representative of the United States has set forth in the Cabinet of the United States a clear list of priorities that he and his Government want to discuss with Canada. I am going to send the Minister a copy so that she will know what the Americans want to discuss even if she is not willing to tell us what Canadians want to discuss. I will put on the record that which the Americans want to discuss because they are very clearly set forth.

They want to discuss all tariffs, especially those on textiles, footwear, paper products, furniture, toys, telecommunications equipment, processed foods, electrical products, railway cars and parts, manufactured metal products, and some auto parts. They want to discuss the elimination of all discriminatory liquor practices; the role of the Canadian Wheat Board, particularly import permits; footwear quotas; standards on plywood; government procurement policies, including Supply and Services' 10 per cent price preference on Canadian content; freight rate subsidies; and copyright protection. They

want to discuss pharmaceuticals, especially patent legislation, which, by the way, the Government has already acquiesced to by presenting legislation to increase drug prices for Canadians just to help salvage these trade talks. They want to discuss cross-border broadcasting, magazine advertising, trucking, especially Canada's entry standards; the requirement that data processing of Canadian banks be done in Canada; Investment Canada review of culturally sensitive sectors such as books, films, video and audio recordings; Canadian 50 per cent ownership requirement for oil and gas projects on federal lands; and federal and provincial grants for oil and gas exploration. In addition, they want to discuss financial assistance for oil and gas and mineral exploration, agriculture, publishing, and retail and wholesale commerce; performance requirements on foreign investors; i.e. favouring Canadian suppliers; and postal rates which favour Canadian businesses. That is the American list.

We have had no response from the Government as to where we stand on some of the major items. We have not asked for that type of detail. We know that there must be some negotiating flexibility. However, on the major areas this country should have been as forthcoming as the Americans have been. Whatever one might say about their system, it is an open democracy. The Prime Minister promised us open government and has not given us the type of information we want. Where is our list? What are we after? We do not have the Government's list so have set out our list in our amendment so that the people of Canada will know where the Liberal Party stands on those issues as parameters for the negotiations.

I do not doubt the Prime Minister's word, and I second his feeling, that we are very lucky to be living next to the United States. I think they are a great people. I enjoy, as much as anyone in the House, visiting the United States. We all have American friends and one of three Canadians has an American relative.

Mr. Crombie: And there's baseball.

Mr. Turner (Vancouver Quadra): I have a lot of admiration for the Secretary of State (Mr. Crombie) but he has only been bunting in here. Let us talk about baseball because the Americans always talk about a level playing field. However, they are really referring to a football field. When the Americans talk about fair trade and a level playing field they are talking about a field with their linesmen, their lines, their rules, their ball and their referee. That is the kind of level playing field they are talking about and he ought to remember that.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): The Americans have the tendency to change the rules when they find they are losing. In the Tokyo Round we gained the right of free access to the American market of Canadian lumber. We paid for that in a trading negotiation. We had to give up other items including computer equipment. When the Americans found that we were starting to take an appreciable percentage of their domestic market, they changed the rules by using the unilateral countervailing system. The Prime Minister must not be naive in these negotiations. We want meaningful restrictions on countervail.

Speaking of lumber, we saw the Minister's great negotiating skills at work. The U.S. industry called for protection, as it did in 1983. Our lumber industry, supported by good ministerial back-up in 1983, was able to win that case conclusively before the American Inter-Congress Tribunals. The law had not changed since 1983 and the facts had not changed since 1983. Although there was a rising protectionist sentiment in the United States, the main thing that changed was the will and backbone of the Canadian Government to back up a Canadian industry in those negotiations. Undoubtedly, the negotiating prowess of the Minister for International Trade during the lumber dispute will be a case study for business schools across Canada, and presumably even the United States. When is a final offer not a final offer? When is it a final offer? We saw one final offer after another. The Government, through the Minister, pleaded guilty before the American tribunal before the case was ever heard and gave it all the evidence it needed. We still believe that the Minister sold us out and could have done better.

• (1250)

We will wait to see how the issue is eventually determined because the sell-out on Canadian lumber will cost industry at least $600 million per year. If it is ever transferred to a stumpage fee the cost against our industry will probably be $1 billion a year because of the value-added process. Yet the Minister said it is a good deal for Canada and a victory for the country. It will go down as the greatest sell-out in the history of our negotiations with the United States, and the greatest betrayal of a major industry in Canada by a Minister who should be responsible for the export potential of Canada.

The Americans smile because they know it sets a dangerous precedent for other resource and export industries, including pulp and paper, steel, potash, oil and gas, and hydro, as I suggested to the Premier of Quebec.

If this is the style of negotiation we can expect from the Government we will be lucky to keep our shirts on our backs when the matter is eventually brought before the House. That is why the country is nervous and why our Party will not give a blank cheque to the Government. That is why we have asked for more facts and why we are so deeply disappointed with the Prime Minister in failing to use this opportunity for debate to enlarge the factual base upon which Canadians and their Members of Parliament can make a judgment.

I stated from the outset that the Government should have negotiated a standstill agreement on unilateral action, such as harassment to countervail or anti-dumping, prior to the negotiations with the United States. The former Premier of British Columbia, Bill Bennett, took exactly the same position during the lumber dispute. We felt it was illogical for a

government of Canada to pursue negotiations in trade with the United States while being beset by unprovoked and unannounced unilateral action. There should not be protectionist harassment if we are supposed to be negotiating a free trade style agreement.

The very day that our negotiators sat down with the Americans, the President of the United States slapped a 35 per cent tariff on British Columbia red cedar shakes and shingles. That was not a good omen for how these negotiations have been carried out. There has not been a good omen since, primarily because of the blanket of secrecy the Government has thrown over the negotiations.

I have also said since the beginning that any agreement with the United States which does not severely limit or eliminate the use of countervail action, such as we saw in the lumber case, will not be worth the paper on which it is written.

The United States has signed a free trade agreement with one other country. It is the State of Israel. In that agreement the Americans did not give up their right to impose countervail action against whatever they consider to be unfair practices. Certainly, members of the Congress tell our Members and leading Senators tell me that the United States Congress is in no mood to give up that remedy under the U.S. Trade Act of 1978. I might point out that in that agreement the United States has the right to prohibit Israel from aiding any new industries. The United States has achieved essentially a controlling element over the future development of that country.

Any deal which allows the current use of countervailing duties will not be fair, will not be free, and will not get the support of Canadians. While we would welcome a dispute resolution mechanism or a joint tribunal between the two countries, an agreement that does not have an appreciable, significant restriction for countervail will not be worth signing on behalf of the country. If there ever is an agreement, under the fast track procedure the Senate, particularly, and perhaps the House of Representatives, will have an opportunity to review whatever document is agreed upon.

The Prime Minister states quite clearly that it is a federal matter, although there will be a need for corresponding provincial legislation in areas of provincial jurisdiction in order for the agreement to be effective. Despite the prerogative of the Government to sign such a treaty without parliamentary approval, I hope the Prime Minister will follow the precedent of the Columbia River Treaty that was signed when Mr. Pearson was Prime Minister. I was Parliamentary Secretary to the Minister concerned at the time and the Government gave Members of Parliament, through a Committee of the House, a full opportunity to examine that treaty, to call the negotiators, as well as the opponents and advocates of the treaty and everyone with a legitimate interest before the parliamentary committee. I hope Members of Parliament, who are elected by the people of Canada, would have a similar right to review the terms and ambit of any agreement with the United States.

In his televised address to the nation last year, the Prime Minister said that our goods would receive "national treatment" in the United States. However, he didn't mention that "national treatment" works both ways. He said: "Goods from Manitoba will be treated exactly the same as goods from Minnesota". However, that is only half of the equation because goods from Minnesota will also be treated like goods from Manitoba, in Manitoba. That has tremendous implications for both federal and provincial procurement policies and subsidies, marketing boards, and tax incentives to business.

Yesterday, in her interview, the Minister for International Trade said that the negotiators have not discussed the subject. Who do we believe, the Prime Minister who talked about national treatment about which there is nothing in the motion before the House, or the Minister with her statement to journalists yesterday on television?

We had hoped that today we would finally get a clear statement from the Prime Minister about what is at stake in these negotiations. Rather than hear that statement, we have more uncertainty and more confusion.

How will Canadians adjust? Will there be adjustment assistance for industries, for our workers, and for our regions? Is the phase-in period 12 years, 10 years, five years, or two years? Where are the training programs for our workers and our young people and those men and women in their 40s and 50s who, through no fault of their own, are displaced by technological change or potentially by a trade arrangement?

Mr. Mazankowski: Mr. Speaker, I rise on a point of order. I regret to interrupt the Right Hon. Leader of the Opposition (Mr. Turner). Considering the time and the fact that we have not heard from the Leader of the New Democratic Party, I wonder whether the House might not be disposed to sit through the normal lunch hour.

Mr. Tobin: Why did you not do that when he was finished?

Mr. Mazankowski: I would have waited until he was finished but we only had a minute left. I regret having to interrupt the Hon. Leader.

Mr. Speaker: The Hon. Deputy Prime Minister (Mr. Mazankowski) has suggested that the Chair not see the clock. That is what the House has done continually in the past. I gather there is agreement to that. The Right Hon. Leader of the Opposition (Mr. Turner).

Mr. Turner (Vancouver Quadra): Mr. Speaker, I do not take umbrage with the Deputy Prime Minister's proper intervention.

What is happening to our educational system and research and development? The Government has consistently cut training programs and has cut its commitment to post-secondary education. That is wrong, regardless of a free trade agreement. Any trading arrangement will not repair the lack of our ability to compete because of our lack of development in research, education, and apprenticeship. If the Government

assumes that great opportunities will flow from a trade agreement, how will we capitalize on those opportunities if our workforce lacks the expertise and skills and the required training?

A trade agreement is no substitute for a lack of national economic policy. It is no substitute for a national economic policy on productivity, on working to make us more competitive, on getting us to work smarter and think smarter and to compete around the world. This Government has abandoned that kind of policy, putting all its eggs in one basket by relying on increased U.S. trade as the sole salvation of our economy.

• (1300)

The Liberal Party's trade policy is to fight hard to ensure that any agreement with the United States does not limit those opportunities, or limit our political independence as a nation. Bringing us closer together economically has its risks in terms of our sovereignty, the independence of our foreign policy, our culture, social programs and our regional economic equality. These are important to us. We do not want them negotiated away. I have spoken on two or three other occasions on this trade matter when we had to set the agenda ourselves with our own motions. We enjoy the type of uniqueness and distinction of living on the northern half of this continent with a separate political system, separate traditions, a multicultural mosaic, two official languages and a limitless inheritance in terms of the environment. We like doing things our way. Yet we are an outward looking nation. We do not believe in fortress Canada. We look outward. I do not believe we would feel comfortable in fortress North America. I think we have to be very, very careful as to how we analyse this situation. We respect our American neighbours. We value them as trading partners. However, we will not bargain away our rights as Canadians to control our own destiny.

It is for all these reasons that I present the following amendment to the Government's motion. I move, seconded by the Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy):

> That the Motion be amended by deleting all of the words after the word "arrangement" and by substituting the following:
>
> "or arrangements with the United States, as part of Canada's multilateral trade policy, while protecting Canadian sovereignty through the application of the following conditions,
>
> Namely that:
>
> There not be an all-inclusive free trade arrangement with the United States since such an arrangement would undermine Canada's political, economic and cultural independence; and would jeopardize Canada's regional development policies, agricultural policies, cultural industries, financial service industries, and the Auto Pact;
>
> And that:
>
> Any such negotiations are designed to gain greater access to U.S. markets by limiting the operation of contingency protection and non-tariff barriers such as current U.S. and State government procurement regulations and restoring previous access for softwood lumber in U.S. markets;
>
> While at the same time:
>
> Ensuring Canadian independence for domestic programs, policies and legislative authority in areas such as: social policy, agricultural marketing, supply management and support programs; subsidies and assistance for regional and industrial development programs including high technology development; the Auto Pact; the environment; bilingualism (including labelling); culture (including cultural industries); financial and service industries;
>
> And that:
>
> The Government of Canada tables transitional adjustment assistance proposals to protect those workers, sectors, firms and businesses which may be adversely affected by such a trading arrangement or arrangements;
>
> And that:
>
> The Government of Canada secure an immediate standstill of U.S. trade harassment including such matters as agriculture, energy, fish, potash, and steel."

Mr. Speaker: The Right Hon. Leader of the Opposition (Mr. Turner) has completed his address. The House has agreed to not see the clock and we will be looking to the Hon. Member for Oshawa (Mr. Broadbent) to speak on behalf of the New Democratic Party. In the meantime, the Right Hon. Leader of the Opposition has proposed a motion, seconded by the Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy). I think I should indicate to the House now that the obligation of the Chair is to examine the motion to see that it is in order and to report back as soon as it is appropriate. In the meantime, it is my suggestion that the debate continue and I would recognize the Hon. Member for Oshawa.

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the central Canadian reality in terms of political and economic relationships is, of course, the relationship we have with the United States of America. Therefore, any measure which comes before the Parliament of Canada which directly impinges upon that relationship in a significant way has to be one which is treated with utmost seriousness by members of all Parties on both sides of the House.

Two years ago the Government of Canada launched a major initiative in terms of its proposed change in economic relationships between Canada and the United States. During the intervening period, serious questions have been raised about the implications of that course of direction on Canadian life. Quite specifically, simply to cite the motion we have before us today, questions have been raised about Canadian sovereignty, about the impact on Canadian agriculture, on our cultural industries, on the automotive sector, and one could extend the list. The impact on almost every aspect of Canadian existence is involved in such a trade relationship, and serious questions have been raised in the last two years about the expansion of this trade relationship.

This debate, in terms of historical comparisons, appropriately ought to raise in Canadian minds the great historical debates we witnessed in this country going back to the founding of our nation, debates involving Sir John A. Macdonald and Sir Wilfrid Laurier and, in different circumstances in the post-war period, debates which have involved Lester Pearson and John Diefenbaker. I say this because, in my judgment, those debates addressed in a serious way historical concerns. I had hoped on behalf of the people of Canada that when the Prime Minister (Mr. Mulroney) got to his feet today,

he would have understood what was required of a Prime Minister at this particular juncture in our history and in the discussions of these trade talks, and tell us what was going on in terms of the specifics of the impacts on our culture, on sovereignty, on agriculture, and on the automotive industry. We thought we might get some details. We did not get any.

The implications for me are simply twofold. Either the Prime Minister knew and decided not to share the information with the people of Canada or perhaps, and I am not sure it is more regrettable but equally regrettable, the Government does not know what is really involved in terms of the intricacies of the impact in all these areas. In either case, the Prime Minister and the Government, in these major discussions up to this point, are failing completely the aspirations of the people of Canada.

I ask you, Mr. Speaker, and all Hon. Members of the House, to consider the second part of this resolution which strikes me as significant. First, there is the content, the specific wording, and the reference to particular areas of concern Canadians would have about entering into a comprehensive free trade arrangement. That is fundamentally the substance of an arrangement we would have to consider. The other aspect of the resolution is that the Parliament of Canada at this particular point in 1987 is being asked to authorize the Government to pursue the course of direction it launched in this important and economic political matter some two years ago.

• (1310)

What we have is a Prime Minister who has abolished FIRA, who has sold out Prentice Hall, who has caved in on softwood, who has given away fishing rights in Atlantic Canada, who has yielded to the United States on acid rain, who has sacrificed our generic drug industry and who is now coming to the Parliament of Canada and asking for a blank cheque to continue this approach to Canadian politics. I can tell him that we will not give him that blank cheque.

Some Hon. Members: Hear, hear!

Mr. Broadbent: I say quite frankly, the first five to 10 minutes of the Prime Minister's speech were what one might expect of a Prime Minister. It was sober in tone. It began to intimate that there would be some answers provided to the serious questions that ought to be addressed by Parliament. Then, for another 30 or 40 minutes, we heard what can only be described as a kind of high-school-cum-Rotary-Club rhetoric that is totally inappropriate to the seriousness of this occasion—totally inappropriate.

Before I deal with the substance of the resolution that is before us and address on behalf of my Party some of the concerns that we have about some of those specifics, I want to take up the Prime Minister's challenge which he made to us part way through his speech. He said that he would like to see what the opposition Parties would put in its place. I think the whole country has noted that the Prime Minister has said that as justification for this initiative that he launched two years ago we have but one of two options. They are to face massive unemployment on the one hand, or to select this Conservative option on the other. It is an old mug's game. It is a rhetorical device by which one has to choose one or other of the options. Anyone who has thought seriously about anything knows that there are almost always more than two choices in any situation.

I wish to say to the Prime Minister, categorically, before I say something on trade, that I agree with him and any thoughtful person in this country who says that trade is important to Canada. Indeed, one of the crucial ways of expanding employment opportunities in Canada is to extend our trade opportunities, and I also say in this context, trade not simply with the United States, which is important, but also with the Pacific Rim and many other parts of the world. I wish to stress this. On behalf of the unemployed people of the country I find it intellectually unacceptable and morally offensive to suggest that the only way we can deal with unemployment is by way of a major trade initiative.

The Prime Minister cited the Government of Manitoba in his speech. I wish to tell him that I am proud that Manitoba has the lowest unemployment rate in Canada today. I want to tell him also that that was not done by expanding trade initiatives. It was done as a result of a Government which believes in the mixed economy and in the social democratic approach. It believes that one has to have job creation, and it set out to create jobs for the people of Manitoba.

Some Hon. Members: Hear, hear!

Mr. Broadbent: In this context, because it is so germane to the central justification for what the Prime Minister says about trade, I also want to point to another Government in Canada which, not relying on the primacy of a trade thrust, also dealt with unemployment in the last couple of years. I refer to the Government of Yukon. It is a New Democratic Government as well.

I hear snickers from members opposite. It happened to be the case when the NDP Government came to power that there was an unemployment rate in Yukon of about 20 per cent. But because the Government believed in initiatives other than those directly based on trade, unemployment was cut by 50 per cent in one year.

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

Mr. Broadbent: I say to the snickering Conservatives opposite that no matter what country in the world we consider or what region of Canada we consider, if there is a Government in place which is concerned about unemployment, then there are many options other than the trade option with respect to creating jobs to consider.

I now wish to talk about the trade option itself. I am not saying that it is the exclusive way to promote jobs but that it is indeed an important way.

[*Translation*]

Mr. Speaker, we of the New Democratic Party agree that the United States is and always will be our most important trading partner. Ninety per cent of our exports now enter the United States duty free. That is the situation today, and I think we should try and obtain sectorial agreements with the United States that would benefit both parties. We have one example the Prime Minister has often referred to in the past, namely the Auto Pact, and if we can have similar agreements in other sectors, we would like to take this particular one as a model.

Furthermore, Mr. Speaker, I say we should try and establish a process for settling bilateral disputes so as to restrict the arbitrary levying of compensatory measures by both parties.

Mr. Speaker, I am saying restrict, not eliminate altogether.

[*English*]

In this context I wish to say that if I understood the Leader of the Opposition correctly, it seems to me that in any trade arrangement with the Americans, if we want to protect our sovereignty and respect their sovereignty, it will be impossible, and ought to be impossible, for us to eliminate entirely the right of either nation at some point to take countervailing action against the other.

Mr. Turner (Vancouver Quadra): I think I used the word "restriction".

Mr. Broadbent: The Leader of the Opposition is now saying that he believes in restricting that right. If so, then we are in agreement. But we in this Party believe that important steps ought to be taken to establish a bilateral mechanism, something about which all Parties in the House have talked, which could reduce the immediacy of such actions by the other country and eliminate or reduce the range in which countervailing steps can be taken. That would be very useful indeed. We in this Party believe in the sovereignty of Canada and the ultimate obligation we have to make the economic decisions which affect our people, and we know that that is reciprocal. So at some time if we say that we have the right to take economic actions to protect the interests of our people, then we must concede right away that we could not expect the United States to eliminate entirely the right to take action to protect its own citizens. That is a given right.

Having said that, I also want to add that we believe that, in addition to expanding trade with the United States, which I have already said is our most important trading partner, we have to make great efforts to expand trade with other countries. In this context one of the very serious concerns on the part of many provinces which have thought seriously about a special bilateral deal with the United States is that their export arrangements with other countries could be adversely affected. In this context I am thinking particularly of our western provinces which have important export markets in addition to the United States. I know that there is a deep and genuine concern on their part about the possible effects of a bilateral arrangement made exclusively with the United States which could lead to the reduction or elimination of contracts they now have with other countries outside North America. That is a matter which has to be considered with a great deal of seriousness by the Government of Canada.

Third, in terms of job creation and economic growth, we must begin as a nation to make a serious effort to get away from the massive dependence that we now have on the export of resources and semi-processed goods, whether it be to the United States or to other countries. It has to be and ought to be a major matter of industrial policy in Canada to shift our nation away, to use an old cliché, from being hewers of wood and drawers of water to a policy that begins to use more of our resources as a foundation for manufacturing the goods here in Canada and exporting those goods abroad.

Some Hon. Members: Hear, hear!

• (1320)

Mr. Broadbent: This specifically ought to entail duplicating in Canada what has been done by other industrial nations in the process of their development, whether one thinks of the United States, Germany, Great Britain or in more recent times Japan, namely, to look systematically at certain sectors for import replacement. Where we have a disproportionate amount of manufactured imports coming in, in certain sectors, we should, if we have an appropriate research and development and an investment strategy, be able to replace those imports with domestically produced manufactured goods. We could then use that enhanced domestic market as a foundation for exporting manufactured goods abroad. That is the longer range strategy. It is one we ought to have had in place decades ago and it is one we need now.

The next aspect of a trade strategy that we see as being appropriate, in addition to expanding our trade relations with the U.S., is one which the Leader of the Opposition (Mr. Turner) indeed talked about just a few minutes ago, namely, to put more emphasis on the GATT. Not only is it desirable in this world of ours, with many Third World nations in utter destitution, to do everything we can to expand trade on a multi-lateral equitable basis, but I say, particularly in the context of our relationships with the U.S., we can get greater access, to put it more precisely—we have good access now—to the U.S. market by taking effective action through the GATT where we are working with other smaller nations like ourselves in terms of economic power in comparative terms with the United States.

I would say in that context to the Prime Minister (Mr. Mulroney)—I do not always give him a reading list to look at—that perhaps he could look at some of the better works of Machiavelli, not the usual vulgar interpretation of Machiavelli that are referred to. He wrote interestingly and appropriately, given our relationship with the United States, about the

dangers of a weaker prince entering into a forum and a binding alliance with the stronger prince. When we have limited economic clout, no matter how effective and determined we are in using that, I say to the Prime Minister that we have to be very wary indeed of linking that holus-bolus to the United States, to put it rather directly. We need more emphasis on a multilateral approach in terms of broadening not only our trade with other nations but ultimately to gain greater and more equitable access to the U.S. market.

[*Translation*]

Fifth, Mr. Speaker, we need some vigorous research in this country to develop more policies for economic self-sufficiency, designed for the purpose of using our market to implement effective job creation policies. That is to say, we could have federal plans for the creation of new jobs established along the same lines as what the Government of Yukon and the Government of Manitoba have already set up in this country.

[*English*]

These are some important initiatives that would expand our trade opportunities. They would give us not only greater commerce but for us, what is the fundamental objective, a greater number of jobs.

The Prime Minister asked for some suggestions. I would be happy to pass on to him a resolution passed during our convention in the last few days from which points have been drawn about expanding trade. I ask him to have a hard look at it and I ask him to pass it to his officials. I am sure they are looking at other resolutions with a great deal of interest, but I ask them to look at this one with care, and perhaps if they adopted some of the measures recommended the Prime Minister would see that there is an option to putting all our eggs in the American basket for economic development.

Having briefly indicated some of the other approaches that ought to be pursued, I want now to address the wording of the resolution in some of its key elements, to express our concern about the Government's direction in this major economic initiative. I have already indicated what I think is our central concern, namely, the Prime Minister's own attitude toward the United States, as has been demonstrated in a whole range of bilateral matters in the past two years. I say frankly that the New Democratic Party simply does not have confidence in the Prime Minister as the principal negotiator with the United States of America.

I want also to say something about the evidence that we have accumulated so far in Canada, that has at least been publicly available, that ought to make Canadians rationally, reasonably concerned about moving into a free trade arrangement with the United States. The Prime Minister did not today present us with new information that might have influenced the decision in a more positive direction, as he would define it. He did not do that, so we have to rely on what has already come out. What has come out frankly is not encouraging. We have had a federal study that was censored very substantially. But even when one sets aside the censured nature of that document, we found some rather alarming figures. For example, 900,000 workers in Canada would be directly affected by a new arrangement of the magnitude about which the Government of Canada is talking. The Ontario study showed that in Ontario alone some 281,000 jobs were in what was described, perhaps euphemistically, as the sensitive sectors. That does not even include the 125,000 men and women who work in the automotive sector.

In the Province of Quebec, we know from another study, some 30,000 textile workers directly would be impacted upon, not to mention in that province other workers that we know would be seriously concerned. I am thinking of the clothing industry, the shoe industry and the shipbuilding industry.

To my knowledge, the significant studies on which we have information to base a judgment that I have now alluded to, are the federal Government study, the Government of Ontario study, and the Government of Quebec study. The empirical evidence, I repeat, that we do have ought to make us reticent and ought to give us pause about entering into this kind of an arrangement. Why should we, when we have one million already unemployed, risk putting out on the streets thousands more Canadian workers?

I see another member shaking his head. The implication is that he disagrees with the facts I have given. But the facts I have given have come from three governments, none of them NDP governments. They are their studies, not mine. I also say to the member that if the Prime Minister has counter evidence, instead of giving us broad macro figures about the jobs we might get from a new free trade arrangement, why does he not produce the studies? Why does he not come here and say, "Here is the evidence. In this sector we will have this many new jobs and in that sector we will have that many"? He has not produced the evidence. I say to the Prime Minister that as long as the evidence we have available is negative, as it seems in its implications, we must hesitate to get into this kind of arrangement with the United States.

• (1330)

Mr. Lewis: Mr. Speaker, I rise on a point of order. I think there would be a disposition on our side to allow the Hon. Leader of the New Democratic Party to continue his remarks beyond the normal 20-minute period.

Mr. Deputy Speaker: Is that agreeable?

Mr. Broadbent: I appreciate the gesture, Mr. Speaker.

Our second concern relates to the historical nature of the Canadian economy and a continuing ongoing problem. The reality is that, compared with other industrial or quasi-industrial nations, we have a disproportionate amount of foreign ownership in our economy. Let us look at a variety of sectors. I have some figures. The current data on mining

indicates 35 per cent; oil and gas, 40 per cent; and manufacturing, 45 per cent. The implications, in terms of the consequences of entering into a continentalized economic arrangement with the United States, are that these firms, most of which are owned in the United States, could very well have a major economic reason to move their branch plants back to the United States, if not this year, at least in two years. It does not assume that they are sinister. It does not assume that they are plotting against Canadian interests. All it assumes is for them to be what they are—profit-making business organizations. If they can make more money by moving a branch plant from Michigan to Georgia, it is not foolish to think that they may believe it is more economically sensible to move the branch plant out of Oakville or Hamilton or someplace in British Columbia or Manitoba.

If we tear down the border economically and all its implications, with no requirement for a certain level of investment in Canada, why would these firms not move to the greater market in size, which is the United States, not Canada? Again we have serious reasons to doubt the wisdom of the policy of the Government in this regard.

Another concern which we have—and I mentioned it earlier—is that of our trading partners. I happened to speak with the leader of one of the provincial Governments concerned about export markets to other countries than the United States if we have a bilateral agreement only with the United States. The concern is that the export, in this particular instance of raw materials, could be jeopardized if the third trading country thinks that we will have a preferential relationship of some kind with the United States from which it is excluded.

Another concern would be the kind of bilateral mechanism which would be set up to inhibit countervail action on either side of the border. As the Prime Minister knows very well, in the free trade agreement between Israel and the United States, the United States has retained ultimate sovereign control; its right to take countervail action. As I said a few minutes ago, I understand that because my Party and I believe Canada must ultimately retain that control too. If we believe that, the exact nature of the mechanism being discussed between the two parties now is something about which we would like to know a lot. It is something that one would have hoped the Prime Minister would have informed the people of Canada through Parliament today, so that we could have some real understanding of where in terms of this institution we may be heading.

Now I want to talk about the areas of concern which are addressed or named in the resolution. I have some concerns about which I wanted to hear the Prime Minister speak, but did not. Social programs were referred to. In general terms there will be protection of our social programs. We want to know about some of them specifically, not the general phrase. In most aspects in life it is the specifics which count, not the general observations.

In this regard we know that in recent trade disputes the Americans have objected to unemployment insurance benefits for our fishermen. They have regarded those—and they have argued it—as a form of subsidy. Will we have assurances that whatever form of unemployment insurance we have in Canada will not be affected by a trade agreement between Canada, it and the United States? That is very important to us, and again we learned nothing about it today.

Agricultural marketing is profoundly important to at least half our provinces as a crucial sector of their economy. I want to be very specific about a concern which has been raised with me in this regard. It is one thing to talk about protecting marketing boards, but what may well be involved—and I will be very frank—and what I suspect is involved is that the Government will say marketing boards will be kept but the supply-management side of marketing will go, that there will be no control of imports coming from the United States to these sectors.

Some Hon. Members: Oh, oh!

Mr. Broadbent: I hear some questioning from the back that that would not be the case. All I can say is that we in this Party are concerned about protecting the interests of farmers. If they are to maintain marketing boards, including the supply-management side, the Prime Minister should have risen to his feet today and told us about it. It is important to farmers producing eggs, poultry, and milk to know where the Government stands on that.

It is also important to refer to another item. I see the Minister of Agriculture (Mr. Wise). I hope he will join in the debate. The Minister knows that seasonal tariffs are applied in Canada to protect fruits and vegetables at certain times. Will the new agreement which is to be talked about with the United States enable our farmers during particular seasons to have the important protection needed from those tariffs? We want to ensure that they are protected. We want to hear from the Government of Canada on it.

Also we are concerned about the auto industry. We are concerned that once again we may have the form of the agreement protected but the substance gutted. The Canada-U.S. automotive pact has two key elements. One is investment requirement and the second is the threat of tariffs or duties if major automotive producers do not live up to their automotive investment requirements. As the Ministers responsible know, that has worked out reasonably well.

However, I will tell the Prime Minister and the Minister of Finance (Mr. Wilson), who is following this debate, that not many days ago I talked with a senior officer of one of the largest automotive companies in Canada. I asked him what would be his response if the Government of Canada kept the Canada-U.S. automotive agreement, said that there should be a certain level of investment on an annual basis in Canada, and at the same time removed all tariffs and duties. I said, "Would that not be an incentive for you to begin transferring all your industry back to the United States and, instead of producing here, starting to export across the tariff-free border from the United States?" I say frankly that there was a pause on the

end of the line. The person with whom I talked was quite honest, and he said, "Yes, you are right; there would be an economic incentive to move the industry out of Canada and back to the United States".

That is no laughing or joking matter. If the Government is to indulge in a bogus game of saying that it will keep the formal requirements of the pact which talk about investment levels but remove the negative incentive, if I can put it that way, of tariffs and duties if they do not live up to their requirements, we in this country could see before the end of the century the complete obliteration—and I put it as strongly as that—of the North American automotive industry.

Again I say to the Government, if it has guarantees on the pact, and if it is to maintain the basic structure including the mechanism of the threat to use tariffs and duties if investment is not lived up, then the Prime Minister ought to have told us about that today.

• (1340)

Another subject mentioned in the resolution which I had hoped the Prime Minister would have addressed is our cultural identity. All of us in the House can agree on the cliché that the cultural identity of Canada must be preserved. It is a cliché but it is also reality. I would like to believe all members wish to preserve it. There are all kinds of uniquely important and distinctive aspects to French-Canadian cultural heritage and to English-Canadian cultural heritage which are monthly gaining greater and greater international recognition.

We also know that important protective mechanisms have been put in place in Canada through the years to ensure the survival and growth of Canada's creative people. I say that it is not enough to talk about the protection of cultural identity and uniqueness in this context without talking about the protection of cultural industries. There is nothing in the resolution that refers to cultural industries. Once again, if the Prime Minister had been forthcoming and had wanted to allay some concerns, rather than raising new ones, he would have told us what the Government plans to do with cultural industries.

Another question which looms as a very important concern in terms of the resolution and what flows out of it is what will happen during the phase-in period of such a trade agreement. If we have no FIRA, no effective instrument to protect highly creative, quite profitable, in the Canadian context, and in many cases technically sophisticated industries during this phase-in period, what will stop these companies from being gobbled up by larger companies with more capital resources from the United States? If there is to be a 10-year phase-in period that is supposed to make allowances for adjustments in agriculture and the labour market, setting aside all reservations I have raised about that, what will happen to the ownership of our industries? At the end of the 10-year period, rather than having 25 per cent, 30 per cent or 40 per cent of industries in certain categories American-owned, that figure could double.

After the gobbling up process has begun, the pattern in this kind of international economic development is that an American company first buys a competitor, a good, small Canadian firm, and then operates it as a branch plant for a while. Then the company moves operations back to the United States. We are very concerned about this 10-year, or whatever the magic figure might be, phase-in period and its impact on good, innovative, imaginative Canadian firms that happen to be smaller in size and could be gobbled up by American competitors. The New Democratic Party would not put in motion any kind of resolution that could lead to that. We think, however, that the Government of Canada could do precisely that.

I would like to conclude my observations with a remark made by an earlier Prime Minister, one of the greatest and perhaps the greatest Prime Minister Canada has ever had. For someone living in 19th century Canada, Sir John A. Macdonald had imagination and vision about what needed to be done to build a country. I did not expect to see a social democrat as a Prime Minister in the 19th century, as bizarre as that might sound. One looks for a range of criteria for praising people, and I do not say glibly at all that Sir John A. Macdonald was a great Canadian. His remarks are pertinent to today's debate because in the latter part of the 19th century, he had a choice. There were many voices and arguments saying that we should develop one country in North America and that there should not be a border. They said that rather than expanding to the West, Upper and Lower Canada and what are now the Maritime Provinces ought to join with the United States and there should be one continental country.

Sir John A. Macdonald had a different view, and in retrospect, I say thank God for that. In an important debate in the House of Commons held on March 7, 1878, he said that "there are national considerations that rise far higher than the mere accumulation of wealth, than the mere question of trade advantage. There is," he said, "national status, national dominion and, he concluded, no great nation has ever risen whose policy was free trade." He was right.

Sir John A. Macdonald then went on to talk about Great Britain. Great Britain did not achieve greatness on the basis of free trade. Neither did the United States, nor Japan. The great industrial nations in history have talked about free trade only after they have dominated the economic world. That is the reality.

Sir John A. Macdonald had an appropriate vision. Put in modern terms, he said that Canada had to be something other than a cash register and that there is more to human existence than that. I happen to believe that the modern equivalent of the range of policies needed for our nation, both in economic and social terms, happen to be social democratic in nature. I happen to believe that the kind of political and economic framework provided by social democracy, with a mixed economy using proudly and effectively the instruments of both the private and the public sectors, is the right one. We must proceed with confidence as a starting point and we must have a

national development strategy that makes it important for men and women to get jobs while expanding trade. In the final analysis, such a policy says that we have to protect our culture, we have to protect our industries and we have to protect our sovereignty. That is what the Party I happen to lead is all about. It is that kind of political and economic thrust we think is necessary. For that reason, we are completely opposed to the motion before us.

Mr. Lewis: Mr. Speaker, the rules provide for a 10-minute question and comment period but I would suggest that in view of the healthy debate we have had on this motion to this point, and our side has no questions or comments, unless members of the New Democratic Party or the Liberal Party wish to engage in same, I would think the House could recess until two o'clock.

Some Hon. Members: Agreed.

Mr. Deputy Speaker: There being unanimous consent, it being 1.48 p.m., I do now leave the chair until 2 p.m. this day.

At 1.48 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S. O. 21

[*English*]

ENVIRONMENTAL AFFAIRS

POSSIBLE IMPACT OF CANADA-UNITED STATES PROPOSED TRADE AGREEMENT

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, the Government claims that a free trade deal will be struck with the U.S. but Canadians still do not know whether such an agreement could affect the environment. In 1986 the Canadian Environmental Advisory Council and the Desfossés report warned the Minister of the Environment (Mr. McMillan) about the trade agreement having an impact on the environment.

A free trade agreement could generate pressure by business, particularly multinationals, on government to reduce the cost of environmental regulation. An agreement could seriously hinder federal and provincial measures on controlling point sources of pollution, hazardous waste management, reforestation, fisheries management, waste water treatment and air quality, because the U.S. could interpret such measures as a form of subsidy. The Minister has not yet realized the gravity of the situation. It is of the greatest urgency and I urge him, as I did on May 6, 1986, to ensure that a trade agreement with the U.S. will not have a negative impact on Canada's environment.

* * *

SCIENCE AND TECHNOLOGY

IMPORTANCE OF ACCESS TO NORTH AMERICAN MARKETS

Mr. Bill Tupper (Nepean—Carleton): Mr. Speaker, my constituents in Nepean—Carleton have long recognized the importance of research and development and its contribution to our economic well-being. That interest has allowed Nepean—Carleton to become the high technology centre for Canada. My constituents therefore welcomed the signing last week of the historic landmark agreement between the provinces and the federal Government on a science policy for Canada.

Canada's high technology companies are developing world mandates and must compete internationally. Access to North American markets is fundamental and vital. To move forward with a trade agreement, while enhancing our agricultural industry by protecting our agricultural marketing system, will benefit all Canadians, especially young Canadians, because trade is the pathway to our future prosperity.

* * *

[*Translation*]

NEW DEMOCRATIC PARTY

ADOPTION OF RESOLUTION RECOGNIZING UNIQUE CHARACTER OF QUEBEC

Mr. Robert Toupin (Terrebonne): Over the weekend, Mr. Speaker, the New Democratic Party of Canada adopted a resolution acknowledging the unique character of Quebec, where French is the language and culture of the majority. From Victoria in British Columbia to St. John's in Newfoudland, including the Prairies, Ontario and the Maritimes, the New Democrats said yes to Quebec. On the federal scene ours is the political Party which shows the most open-minded approach to Quebec.

It is deplorable and regrettable that the Hon. Member for Laval-des-Rapides (Mr. Garneau) should adopt such a partisan attitude. If acknowledging the uniqueness of Quebec is a trick, as claimed by the Hon. Member for Laval-des-Rapides, how are we going to qualify last November's decision of the Liberal Party of Canada not to acknowledge this unique character of Quebec, as indeed it has always refused to acknowledge in the past?

[*English*]

TRADE

CANADA-UNITED STATES NEGOTIATIONS—IMPORTANCE OF CONCLUDING AGREEMENT

Mr. John Oostrom (Willowdale): Mr. Speaker, in today's competitive global market where protectionism is becoming the norm, it is imperative that Canada conclude a free trade agreement with the U.S. if we are to remain a major industrial power. Canada needs a secure market for our products if it is to remain prosperous. Trade is the only vehicle by which Canadians can continue to enjoy economic prosperity. Canadian employment and survival depend on our ability to sell our products.

Not too long ago, in a parallel situation, European countries were addressing the same problems we are today. They formed the EEC which guaranteed secure markets for their products. This economic union allowed those nations to become major economic entities which have produced a standard of living equivalent to that of Canada. Each one of those nations addressed the problem of sovereignty, as well as cultural and economic domination. Yet after 30 years that economic union has become a major economic force with four members being part of the G-7 group of countries. A free trade pact with the U.S. is the only method to ensure that present and future generations can continue to enjoy economic prosperity.

* * *

[*Translation*]

CONSUMER AFFAIRS

SITUATION OF QUEBEC CONSUMERS

Mrs. Thérèse Killens (Saint-Michel—Ahuntsic): Mr. Speaker, more than 70 Quebec independent consumer organizations cover the province, including 25 which make up three distinct federations. A number of task forces are working to find solutions and take action to help Quebec consumers.

After analysing the new program and funding allotment criteria, I concluded that the Minister of Consumer and Corporate Affairs (Mr. Andre) has a tendency to ignore the decentralized operations of Quebec consumer organizations and their particular way of working.

In 1986-87, two national organizations which are practically inactive in Quebec account for 72 per cent of the funding allotted by the Minister. When setting aside 15.5 per cent of the budget for Quebec associations, the Minister advised them the funding was transitory and final.

In case the situation grows even worse next year, and to improve the situation this year, I urge the Minister to look into this problem at the earliest opportunity.

S. O. 21

[*English*]

TRADE

CANADA-UNITED STATES NEGOTIATIONS—SUPPORT FOR POSSIBLE AGREEMENT

Mr. Lee Clark (Brandon—Souris): Mr. Speaker, a freer trade agreement between Canada and the U.S. will mean economic growth for Canada and new jobs for Canadians. The Economic Council of Canada estimates that a freer trade agreement will mean about 370,000 new jobs by 1995. Without that agreement, Canada stands to lose over 500,000 jobs by that same date due to American protectionism.

There is also no doubt that a freer trade agreement will benefit western Canada. A study by the Canada West Foundation indicates that one in every five dollars in the western Canadian economy depends directly on sales to the U.S. A study done by the prairie pools indicates a freer trade agreement with the U.S. would mean an extra $60 million a year for prairie farmers. With a built-in guarantee of protection for marketing boards and institutions like the Wheat Board, western Canadian farmers have much to gain and very little to lose from a freer trade agreement.

For over 100 years western Canada has been asking for a freer trade agreement with the U.S. but its interests have always been thwarted by central Canadian protectionism. Once again we are at the crossroads and I believe western Canada wants us to move ahead so that we, too, can benefit from the growth occurring in Canada today.

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EXTERNAL AFFAIRS

HONDURAS—EFFECT OF AMERICAN MILITARY PRESENCE ON ECONOMY

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, in spite of massive aid from Canada and the U.S., Honduras continues to be one of the poorest countries in South and Central America. The American military presence in that country has created a vast network of roads, air fields and storage facilities which distort the economy and only reflect Ronald Reagan's paranoia about the struggling nation of Nicaragua. These military installations, and the American-supported Contra bases, have done nothing to alleviate the poverty, hunger, unemployment, and underdevelopment of the countryside. We now learn that over the past five years one-third of the $1 billion in U.S. aid has been diverted from economic development into the pockets of Honduran military officials.

No amount of aid can help a nation on the road to development if the Government does not have the right priorities. Because Canada is a significant donor to Honduras we have a major responsibility to Canadian taxpayers as well as to the people of Honduras to pressure the U.S. to cease using

Honduras as a military platform, with all its attendant corruption, and allow Honduras and the other countries of Central America to follow their own path of development in peace.

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[*Translation*]

THE ECONOMY

NEED FOR SERIOUS CONSIDERATION OF LIBERALIZATION OF EXCHANGES WITH UNITED STATES

Mr. Gilles Bernier (Beauce): Mr. Speaker, we are now striding towards the 21st century. Our future is that of a peace-loving and prosperous nation that aims for excellence. A nation that thanks to the vigour of its economy will be able to provide for the well-being of its people, the full development of its cultural identity and maintain its sovereignty.

Free trade with the United States is something we should seriously consider. The people of Beauce have understood. Forty-six per cent of our products are distributed elsewhere in this country and 39 per cent of our manufactured goods are exported outside Canada, especially to the United States. The people of Beauce will have much to gain from free trade. Our entrepreneurs have understood the need for diversifying their products and taking advantage of foreign markets, and this attitude has made our region one of the most dynamic in the country.

Not long ago I was reading an article in the *Reader's Digest* about the "beauceron miracle", and we can be proud of the image of quality and performance we project.

The economist and Harvard professor John Kenneth Galbraith said it so well: "A country cannot isolate itself from the rest of the world and solve all of its problems alone, away from the international context, because all countries have become interdependent".

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IMMIGRATION

DEPORTATION OF VICTOR REGALADO

Mr. David Berger (Laurier): Mr. Speaker, the Minister of State for Immigration (Mr. Weiner) should immediately put a halt to deportation procedures against Salvadorian journalist Victor Regalado. Knowing with what one is charged and being able to defend oneself against those charges is one of the basic principles of our legal system. Mr. Regalado was not given that opportunity.

Changes in the Immigration Act that were made in 1984 now allow for review of a security statement by a monitoring committee of the Canadian Security Intelligence Service.

Mr. Speaker, the Act was amended to allow for situations like that of Mr. Regalado but does not apply to him because his case dates back to before the Act came into effect. Mr. Regalado is the victim of a procedural default which should now be corrected. I want to ask the Minister of Immigration to stop deportation procedures against Mr. Regalado and put his case before the monitoring committee, where he can take advantage of all the recourse and protection afforded under Canadian law.

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• (1410)

[*English*]

TARIFFS

EFFECT OF TARIFFS ON PETROCHEMICAL INDUSTRY

Mr. Ken James (Sarnia—Lambton): Mr. Speaker, nearly 40 per cent of the country's petrochemical industry is located in the constituency of Sarnia—Lambton. The global marketplace is of the utmost importance to the jobs and livelihoods of the residents of Sarnia—Lambton. The petrochemical industries in my constituency do not need a long phase-in period for free trade with the United States. They are ready for it now.

Polysar, the single largest employer in my constituency, exports 21 per cent of its product to the United States. It is of concern that at present the tariff on styrene trade across the U.S. border is about 7.4 per cent. Clearly without the tariff hurdle the market for Canadian petrochemical plants in the United States would be greatly expanded. The money saved by our companies in tariffs could be utilized to cover higher transportation costs to expand further in the American market.

It is a fact that Canadian companies can compete globally, but tariffs limit their sales in the United States. The direction the Government is heading is the right one. We want jobs for Canadians and greater investment in Canada by foreign companies.

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TELEVISION

EFFECT OF REPORTED CTV LAY-OFFS

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, is CTV going to close its Winnipeg and Quebec City offices? Are the firings in news staffs it has begun going to become massacre? We do not know for sure yet, but we do know, as the Caplan-Sauvageau Report documents, that CTV manages to look poor by a fancy bookkeeping arrangement that enables its affiliates to make a bundle. Any claim that CTV might now make that it is losing money and has to cut Canadian program staff should not be believed.

CTV has a lot of nerve. News coverage has been the only area where Canadian programming has been remotely adequate. The CRTC is now considering the CTV licence renewal and Canadians are hoping that increased Canadian content will be required. In cutting news staff the CTV is thumbing its nose at the CRTC and the Canadian public for whom it works.

The firings must stop. If ever there were a time for the CRTC to get tough, it is now. If CTV cannot better its Canadian content, it does not deserve a place on the Canadian public's airwaves.

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TRADE

CANADA-UNITED STATES NEGOTIATIONS—OPPOSITION PARTIES' POSITIONS

Mr. William C. Winegard (Guelph): Mr. Speaker, over the past few weeks we have heard a good deal about the defensive reasons for a new trading arrangement with the United States. There is no question that these are important. What interests me even more, however, is the offence. I hear from my colleagues on the left and those further left that Canada cannot compete. Their comments are covered with rhetoric and chocolate coating, but the bottom line is that they believe Canadians cannot compete, that we would get the worst of a trading arrangement with the United States, that the Americans would take over Canada.

What a tragedy that two of the three political Parties in Canada have no faith in our technology, no faith in our working people, no faith in our management, and, indeed, appear to have no faith in Canada.

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EDUCATION

POST-SECONDARY TUITION FEES

Mr. George Henderson (Egmont): Mr. Speaker, students throughout Canada are fighting the Government's cut-backs in funding of post-secondary education. In my province, students at the University of Prince Edward Island are burdened with tuition fees which are among the highest in the country. The Government's plans to limit funding increases for post-secondary education under the Established Programs Financing structure will worsen an already abhorrent situation.

This year University of Prince Edward Island students will pay about $1,480 tuition plus other mandatory fees, book costs, and living expenses. Students are struggling with inadequate facilities, overcrowded classrooms and labs, and insufficient course offerings in some programs. Clearly these difficulties affect the quality of education which a student receives. I ask the Minister of Finance (Mr. Wilson) and the Government to rethink these cut-backs and look upon educating our young people as an astute investment in Canada's future.

* * *

TRADE

CONFIDENCE IN CANADIANS' ABILITY TO COMPETE INTERNATIONALLY

Mr. David Daubney (Ottawa West): Mr. Speaker, it is time we asked ourselves some tough questions. Are we afraid of our ability to compete fairly with the rest of the world? Should Canadian consumers continue to pay $6 billion every year for import restrictions? Is there some inherent reason why Canadians must fail when presented with the opportunity to triumph? The answer to every one of these questions must be a firm, confident, and aggressive "No".

I make no apology for my confidence in our ability to compete fairly. I make no apology for my belief that the best of Canadian talent, the best of our workers, our managers, our entrepreneurs, will prosper. I make no apology for my desire for a Canadian economy which finds its survival in strength, not in fear. I make no apology, Mr. Speaker, for my confidence that we can and will find a new and dynamic equilibrium in free trade to replace the economic inertia of an economy based on import restrictions and small markets.

Canada has the opportunity now to grab the future and shape it to our needs, to take the tides of change and channel them to our advantage. We can retreat if we are afraid. We can, like the NDP, hide behind psychological barricades, but we cannot hide from the world forever.

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ADMINISTRATION OF JUSTICE

L'ORIGNAL COURT-HOUSE CONDITIONS

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, according to the Auditor of the Province of Ontario the provincial court-house in L'Orignal in my riding is so deficient that witnesses must wait for trials in the same rooms as the accused, and is so unsafe that prisoners, juries and judges are at risk from fire. That is, of course, from 40-odd years of Tory neglect at the provincial level.

Today I want to make a formal demand for a grant under the new federal IOU program, since my riding qualifies under the same criteria used in the riding of Central Nova for the building of a court-house there. I take this opportunity to thank the Minister of National Revenue (Mr. MacKay) for creating the IOU program used by the federal Government to build provincial court-houses. There are at least nine other

communities in Ontario which have a need similar to that of the riding of Glengarry—Prescott—Russell. I am sure they would like to participate in the IOU program of the Minister of National Revenue as well.

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TRADE

CANADA-UNITED STATES NEGOTIATIONS—PRIME MINISTER'S POSITION

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I may be naive—

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

Ms. Copps: —but I came to the House of Commons this morning expecting to hear from the Prime Minister (Mr. Mulroney) about the Government's position on free trade. I suppose it is appropriate that his statement comes on the eve of St. Paddy's Day because what we got was more sham than we got at the Shamrock Summit. We got press releases, we got pronouncements, we got expostulations, but we got nothing from the mouth of the Prime Minister to let us know what I can tell the steel workers in my riding.

Is the Auto Pact on the table? Is agricultural policy on the table? What happens with the steel industry? What we got from the Government was more of obfuscation and mystery-making. If the Prime Minister is serious about expecting to lead the country, he has the obligation to present his ideas and options here in the House of Commons as the Liberal Party has done. I challenge the Prime Minister to get off Bruce Phillips' speech writing kick and come clean with the Canadian people about the true story behind his so-called free trade deal.

ORAL QUESTION PERIOD

[*English*]

TRADE

CANADA-UNITED STATES NEGOTIATIONS—POSSIBLE EFFECT ON REGIONS

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, my questions today are for the Prime Minister, but I assume that somebody on that side is acting in that capacity. It takes an extraordinary nerve, or a total lack of sensitivity for Canada's Prime Minister to tell Canada's poorest regions today that they must free trade their way to prosperity. It is the same Prime Minister who, two years ago during an election, promised to "inflict prosperity on the regions immediately".

• (1420)

After 24 months, why should even one of us from Canada's poorest regions believe the Prime Minister's assertion today when seven out of our 10 provinces have higher unemployment than in 1982, when spending for regional economic development has been cut by 39 per cent in the last two years, and when all of us in the regions have recognized the Prime Minister's promise of inflicted prosperity for what it is, empty political rhetoric?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, obviously the Hon. Member did not listen to the speech made by the Prime Minister, considering the inaccuracy which he has enunciated in his question. There is no question that we are concerned about the regional inequities in the country. However, the Prime Minister made it very clear in his statement that one of the key ways that we can diminish these inequities is by opening up trade opportunities to the regions of the country so a larger market can develop for their products in the United States, free of tariff barriers. Surely this is the vision that the Hon. Member cannot quite grasp, but one that the Prime Minister has grasped.

FEDERAL-PROVINCIAL CONSULTATIONS

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, I do not need the Minister of Finance's Bay Street lecture on the trickle-down theory. The fact of the matter is that the Prime Minister has cut regional economic development spending by 39 per cent. The fact is that during the last election campaign the Prime Minister promised to inflict prosperity on the regions immediately. Today the Prime Minister has the nerve to come back and promise prosperity—

Mr. Speaker: Will the Hon. Member put his question?

Mr. Tobin: Given that the Prime Minister added insult to injury this morning, saying that only the Government of Canada has the power to make foreign treaties, and given that U.S. trade negotiator Peter Murphy said this morning—

Some Hon. Members: Order.

Mr. Tobin: —"we are not going to sign an agreement unless the provinces are onboard", how can the Minister square the Prime Minister's assertion that the provinces will not be consulted when U.S. trade negotiator Peter Murphy is insisting that it must be a prerequisite of any signed agreement?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I do not think that sort of rhetoric sits very well with the provinces. They sat and watched while trying to find out what went on under the previous Government during the whole GATT round of negotiations in the 1970s. They received absolutely nothing in terms of information.

This Government has been consulting in a very co-operative and open way, not just with the Premiers but with an ongoing

committee of officials to make it very clear what is required of them and what is the essence of the trade negotiations and discussions to date. The Prime Minister made it very clear this morning in his statement to the House that the federal Government is the sole arbiter of what the negotiations should be in the final analysis. We must take the national view and that is what we will do. What is at stake here is a negotiation that is at the heart of the future prosperity of this country. We will ensure that the position we take as a national government will reflect that challenge.

Mr. Tobin: The people of Canada are used to the Government's commitments and how they vaporize like snow in the spring.

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CANADIAN NATIONAL RAILWAYS

FUTURE OF MONCTON SHOPS

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, the Minister will know that on the weekend Canadian General Electric announced that it will not locate in Moncton, New Brunswick. Since the Government has been in power, the workforce at the Moncton shops has declined from 1,200 to a projected 330 by the end of the year. That is a loss of 850 jobs in an area of high unemployment. Since the Canadian General Electric deal is lost, will the Government and the Minister of Transport finally come to their senses and order CN to keep those shops open and maintain a healthy workforce there, or does the trickle-down theory apply in Moncton as well? Are we getting ready for a free trade pact that sells out the Atlantic economy?

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, the hon. gentleman just trickled down his leader in Newfoundland by dealing a blow on the back with the Newfoundland caucus last week. He is an expert in trickle-down.

The hon. gentleman and all Members in the House know what happened in Moncton. An arrangement for Canadian General Electric to go in and take up much of the employment slack there was stopped by the pipefitters' union and machinists' union which blocked the deal. A $4 million fund is being put in place to encourage industrial development in Moncton. Moncton will remain a major centre for CN operations in the Atlantic provinces. We just completed a $10 million intermodal freight terminal there. CN will continue to have a payroll of some $90 million a year in Moncton. Moncton will continue to have all of the aid and assistance we can give it.

[*Translation*]

THE CONSTITUTION

INQUIRY WHEN GOVERNMENT WILL MAKE POSITION KNOWN ON INCLUSION OF QUEBEC

Mr. Jacques Guilbault (Saint-Jacques): One year ago already, Mr. Speaker, Gil Rémillard explained the Bourassa Government propositions to pave the way for the inclusion of Quebec in the Confederation and, last November, the Liberal Party of Canada held its convention in Ottawa and took a clear position on this matter. But the best kept secret to this day is the position of the Progressive Conservative Party in this respect. The silence of the Government might well be interpreted as a lack of leadership. What I want to ask whomever answers on the other side of the House is when will the Government make a decision and unveil its position concerning the adherence of Quebec to the Constitution?

[*English*]

Hon. Flora MacDonald (Minister of Communications): Mr. Speaker, the Minister of State for Federal-Provincial Relations, the Government Leader in the Senate, has been having discussions with Mr. Remillard and with his counterparts across the country. Indeed, he and the Ministers at the provincial level know that having Quebec enter the Constitution is a priority of this Government. That was stated by the Prime Minister immediately after the election and the work being done is toward achieving that goal.

[*Translation*]

GOVERNMENT POSITION

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, it is a priority which is taking a long time to become reality. The Prime Minister should recall his 1984 election commitment to have Quebec sign with honour and enthusiasm, as he put it. This was two and a half years ago, Mr. Speaker. Whatever happened to the ardour and enthusiasm shown by the Government during the last election campaign? It certainly was not the same enthusiasm displayed here last Thursday by the Deputy Prime Minister when he replied to my—

[*English*]

Mr. Speaker: I hesitate to interrupt the Hon. Member but preambles which tend to repeat themselves do go on perhaps too long. I would ask the Hon. Member to put his question.

[*Translation*]

Mr. Guilbault (Saint-Jacques): Mr. Speaker, thank you for calming down the people on the other side.

Last Thursday the Deputy Prime Minister put it this way: The federal Government did not table a counter-offer to Quebec's proposals. That is as clear as clear can be! My question is simple: When are you going to wake up and unveil your position concerning the adherence of Quebec to the Constitution?

[*English*]

Hon. Flora MacDonald (Minister of Communications): Mr. Speaker, I find it passing strange that a person who was a member of the Government which failed to bring Quebec into the Constitution has the audacity to rise and bring that forward today. This Government is working toward having Quebec in the Constitution. That remains an objective. The work is continuing and the discussions are very relevant to the goal that will be achieved.

* * *

INVESTMENT CANADA

GLC PUBLISHING DECISION

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, Canadians will judge the Government's intention with regard to free trade and the protection of Canadian culture by its actions and not by its vague promises which it has continued to make this morning. My question is directed to the Minister responsible for Investment Canada. It is very specific and really is a test case of the Government's intentions in this regard. The Minister knows that he has had the case of GLC Publishing languishing in his Department for more than a year. It is part of Gulf and Western "scorched earth" policy on takeovers. Will the Minister tell the House and Canadians if he will implement this Canadian book publishing policy? Is he going to deal with this case? Is he going to disallow the acquisition by Gulf and Western of GLC as a commitment to Canadians that we will have a made-in-Canada book publishing policy in action?

[*Translation*]

Hon. Michel Côté (Minister of Regional Industrial Expansion): Mr. Speaker, the Canadian policy on publishers and publications was announced in July, 1985, and in my opinion, it has been very well received by Canadians generally. One objective of this policy was to protect our cultural identity. This is why the Canadian Government did not approve the proposal of Gulf and Western, because we wanted to protect our cultural industry. Negotiations are still going on and a time extension has been granted to the compagny until April 16 to allow it to comply with this policy of the Canadian Government.

• (1430)

[*English*]

REQUEST FOR GOVERNMENT ACTION

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, I would like to know why the Government seems to be making an exception in this case? Why does it not have the courage of its convictions? Why does it not have some guts? We know about that "scorched earth" threat. Can the Government not understand that this is posturing—

Mr. Speaker: Again, I hesitate to interrupt the Hon. Member, especially on a lead question, but the preamble is there to lay out facts, not to just engage in limitless argument. Certainly, if the Hon. Member has a question, and I know she does, I would hope that she would put it succinctly.

Ms. McDonald: My question, Mr. Speaker, is this. Can the Government not summon up some courage and implement the very good policy it announced? Does it not have the courage of its convictions to act and implement, not just to make promises?

[*Translation*]

Hon. Michel Côté (Minister of Regional Industrial Expansion): Mr. Speaker, I would like to repeat to my hon. friend that the decision announced in July, 1985 aimed at protecting our cultural identity. Because of this policy, even though the Hon. Member has suggested that the Canadian Government is slow to act, Guy Porter Books was able to purchase Doubleday Canada. Indeed, Mr. Speaker, in our negotiations and discussions with Gulf and Western, we are determined to protect our cultural identity, and this objective is shared by the Hon. Member and the Leader of the New Democratic Party.

* * *

[*English*]

AGRICULTURE

EXPIRATION OF REGULATIONS AFFECTING IMPORTS

Mr. Maurice Foster (Algoma): Mr. Speaker, my question is directed to the Minister of Agriculture. The Minister knows that regulations Nos. 56 and 57 under the Fruit and Vegetables Act will expire at the end of this week. This will allow thousands of vanloads of farm produce to flood into the Canadian market with dumped produce and severely injure our producers. Is the Minister prepared to bring in new regulations on an urgent basis to protect these farmers?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I welcome the opportunity to respond. I have a definite plan and I will be looking for support from the Hon. Member and, indeed, from all Hon. Members of the House, before the end of this week.

Mr. Foster: I am pleased to see the Minister is learning at the eleventh hour that action needs to be taken on this, and I certainly hope that it will be.

GOVERNMENT POSITION

Mr. Maurice Foster (Algoma): I wonder if the Minister can assure Canadian farmers that he will not sell out those farmers under supply management and our collective marketing system in the free-trade negotiations the way these people have been left on the hook till now.

Hon. John Wise (Minister of Agriculture): Mr. Speaker, the Hon. Member has two questions. It is not an eleventh hour interest. The Hon. Member must recognize that under the new rules of the House it is the only way. In fact, it is unique. It has never been done before in the history of this country. The Hon. Member will recognize that a joint committee of the House and the Senate dealt with regulatory reform. Consistent with the new rules of the House, this is the only opportunity the Minister of Agriculture has, and I am utilizing this opportunity on behalf of the Canadian industry to ensure that those regulations which have been in effect will continue to be in effect until we take some other appropriate action.

With respect to the Hon. Member's second question, I do not know what else we can do. I can just refer the Hon. Member to the contents of this motion, the contents of the Prime Minister's speech this morning, and I hope to have some comments later this afternoon in the debate.

* * *

EMPLOYMENT

REQUEST FOR INTRODUCTION OF PAY EQUITY LEGISLATION

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. For the first time in 18 years, under this Government, the wage gap between men and women has widened. Women earn an average of $19,000 as compared to $29,000 earned by men. This trend is likely to increase under free trade.

Some Hon. Members: Oh, oh!

Ms. Mitchell: Will the Minister agree today to introduce pay equity legislation which requires equal pay for work of equal value in every area of federal jurisdiction?

[*Translation*]

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, for a number of years now, the Government of Canada has been promoting . . . This is about the Hon. Member's comment on free trade, Mr. Speaker, but the connection was pretty weak. What I want to say is that the Government of Canada is aware that wage gaps of this kind between men and women cannot be tolerated. However, the Hon. Member will have to admit that though the process is relatively slow, we have set up procedures for improving the situation, and I am referring to employment equity. I may recall that my colleague, the Minister of Supply and Services, turned down a contract for the first time ever when a company refused to submit to employment equity rules. There is the federal procurement policy. The Government of Canada encourages provinces like Manitoba and Quebec, and soon Ontario, that set up such policies, but the Hon. Member will agree that this is a joint effort by all parties involved, and not just the federal Government, which in turn is prepared to support all measures being implemented with this in mind.

[*English*]

GOVERNMENT POLICY

Ms. Margaret Mitchell (Vancouver East): The Minister does not seem to understand the difference between employment equity and a pay equity policy. Will he introduce mandatory pay equity in this session? And will he persuade the provinces to do so, as Manitoba has already done?

[*Translation*]

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, I understood the question perfectly well, and the Hon. Member should realize that if women are to have access to equal pay, there are a number of factors, including training and the availability of the positions in question. If women do not have access to the jobs, and that is a case of employment equity: yes, it is a pay prerequisite. I am sure the Hon. Member will agree that the federal Government has and will continue to set up the measures to deal with this, and I am sure she will take the time to realize that we have done in two years what our predecessors failed to do in 20.

* * *

[*English*]

TRADE

CANADA-UNITED STATES NEGOTIATIONS—EFFECT ON REGIONS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, this morning in his speech on free trade the Prime Minister has apparently handed his responsibility for regional development over to the President of the United States. He has told the people of Newfoundland, Alberta, and British Columbia: "Don't count on me. Ask Ronald Reagan". If the Prime Minister is so concerned about development in the less favoured regions of the country, why did he and his Government cut $2 billion more out of our regional development fund this year?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the answer, of course, is that we did not. My right hon. friend knows full well—

Some Hon. Members: Oh, oh!

An Hon. Member: Tell the truth.

Some Hon. Members: Order.

Mr. Speaker: The Right Hon. Prime Minister is answering a question put by the Right Hon. Leader of the Opposition. I think all Hon. Members would want to hear the answer.

Mr. Mulroney: The suggestion from the Right Hon. Leader of the Opposition is as silly as I know he intended it to be in terms of regional development. Since this Government came to office, unemployment has decreased in all of the regions of the country, including—

Ms. Mitchell: In B.C.?

Mr. Mulroney: I said it has decreased in all of the regions of this country. There have been 705,000 jobs created, a larger number than in any other industrialized western country. What I indicated this morning was that, notwithstanding this, there were still areas of tremendous regional disparity. One of the ways, and not the only one, of dealing with this is by creating a climate and a comprehensive agreement which would allow Newfoundland, British Columbia, and Alberta, to name but three, to create jobs and to trade their way to greater degrees of prosperity. I think my right hon. friend will agree that that, along with the attraction of foreign capital which is coming in in record amounts and a number of other initiatives we have introduced, is designed to create new wealth in the regions of Canada. Surely that is what the trade measure is designed to do.

• (1440)

REGIONAL DEVELOPMENT—GOVERNMENT POLICY

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, if the Prime Minister would look at the Estimates tabled by his colleague he would see that in the last two years alone regional development has been cut by 39 per cent. There have been further cuts to research and development, to apprenticeship programs and other programs that would have benefited Atlantic Canada, western Canada and northern Canada. Why is it that in his speech this morning the Prime Minister admitted the vacuum in his own regional development policy and now relies, hopefully, on a future trade arrangement to provide what his Government is not doing for the people of Canada?

Some Hon. Members: Hear, hear!

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I did not admit to a vacuum in policy in regard to regional development. I said that there was the equivalent of an indictment of all Governments of Canada since the country was founded, that the country has not done enough for the far-flung regions, and I mentioned this morning Newfoundland and Labrador, Nova Scotia and New Brunswick, and now the interior of British Columbia. I am not casting blame on someone two years ago or three years ago; it is part of the process that has evolved in our country.

If there is 6.8 per cent unemployment in Ontario and 18.4 per cent in Newfoundland then that is unfair and unacceptable in Canada. It cannot be corrected by reducing Ontario; it is corrected by creating new wealth through trade to raise Newfoundland up to Ontario's standards. That is what the Government is committed to trying to do.

Some Hon. Members: Hear, hear!

AUTO PACT INQUIRY

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, my question is for the Prime Minister. There are 125,000 jobs in Canada which depend directly on the auto industry and hundreds of thousands of other jobs which depend indirectly on it. In his speech this morning why did the Prime Minister not address how planned across-the-board tariff cuts—if we believe all those leaks from Mr. Reisman in the free trade talks—can be reconciled with maintaining Auto Pact safeguards which themselves depend on the existence of those tariffs?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, in the time that was available to me I think my hon. friend would agree that I could not address in detail all the items under every chapter of such a complex international negotiation. I addressed very carefully the question raised by my hon. friend in a major speech in Longueuil on Thursday night. It will be addressed by the Minister of Finance and the Minister for International Trade, just as the agricultural sector will be addressed by the Minister of Agriculture, during the course of the debate. The nature of the debate is to permit as many Members of Parliament and as many members of Cabinet to participate in particular areas so that the interests of the entire country can be heard. One of the reasons we hope that the NDP will allow extended hours and let this matter come to a vote is so that we can find out where everyone stands.

Mr. Langdon: Mr. Speaker, if the Prime Minister had spent less time on partisan attacks and more time answering these types of detailed questions, then he would have made much more of a contribution to the debate.

Some Hon. Members: Hear, hear!

[*Translation*]

DEMAND FOR FIXED AMOUNT OF CANADIAN CONTENT

Mr. Steven W. Langdon (Essex—Windsor): Here is my supplementary question, Mr. Speaker. Since the Government is talking about protecting the automotive industry, will the Government now take steps to draft regulations governing the 60 per cent Canadian content applicable to any company, be it Japanese, Korean or Canadian?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, this question deserves consideration by the House and, undoubtedly, the Minister of Finance and others will be commenting on the views already expressed by the Hon. Member. But in connection with the Auto Pact itself, it was negotiated 22 years ago by the Government of Canada and it has brought considerable benefits to Ontario and Canada as a whole. The position I explained in Longueuil the other night was that we did not want to change it because it is a source of appreciable benefits to all Canadians. In spite of that, unless I

am mistaken the New Democrats adopted a policy in 1977 and 1978 under which the Auto Pact would be renegotiable every five years. That was the NDP position, and we reject it. It is unacceptable, a dangerous position for the Canadian automotive industry. That is what we reject.

* * *

[*English*]

CANADIAN JOBS STRATEGY

WOMEN'S ACCESS TO TRAINING FOR NON-TRADITIONAL WORK

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Mr. Speaker, my question is addressed to the Minister of Employment and Immigration. The reason that women are losing ground in the battle to reduce the wage gap with men for the first time in 18 years is because the Government made changes so that it is more than ever training women in low-paying traditional work. When will the Minister revise his program and guarantee the access of women to all training programs, especially for non-traditional work?

[*Translation*]

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, the job strategy was designed for all Canadian men and women who can qualify on the basis of a certain number of criteria for one of the six avenues open to them. For instance, many women in Canada have access to the job entry program and make use of its services. I could quote what was said by the President of the Advisory Council on the Status of Women, Mrs. Gold, with respect to the jobs strategy. We realize much remains to be done, as I said earlier to the Hon. Member for Vancouver East. However, the measures are in place, and I think we will gradually get the desired results.

[*English*]

REQUEST THAT PROGRAM BE CHANGED

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Mr. Speaker, women's groups from all across the country have criticized the Canadian Jobs Strategy because women who are applying under it are being referred for training in traditional low-paying work. Why does the Minister not recognize that criticism, change the program, and guarantee places for women in non-traditional work training?

Some Hon. Members: Hear, hear!

[*Translation*]

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, unfortunately, I must disagree with what was said by the Hon. Member. Women in this country see the jobs strategy as a good program. However, I repeat there is room for improvement, if we consider the situation in which women found themselves, and the fact that your Party did absolutely nothing when it was in power. It makes it all much harder when one picks up the reins from a Government that managed by decree but never created a single policy for women.

* * *

[*English*]

TRADE

CANADA-UNITED STATES NEGOTIATIONS—PARLIAMENTARY DEBATE ON POSSIBLE TREATY

Mr. Alan Redway (York East): Mr. Speaker, my question is for the Prime Minister. Most Canadians understand that one does not negotiate agreements in public, even if they are labour contracts or trade agreements with other nations. However, if those agreements affect the lives of Canadians then they are interested in knowing the details and the implications before anything is signed. Will the Prime Minister assure the House that Parliament will have the opportunity to see and approve any trade agreement with the United States before it is signed by Canada?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I thank my hon. friend for his question. Of course the authority of the federal Government to conclude international treaties, including one of this nature, is unchallenged. One of the reasons we have implicated the provinces and the First Ministers so deeply in the consultative process is, as one of them mentioned after Wednesday night's meeting, being so intimately involved in the process precludes any requirement for any ratification.

It may very well be that the treaty to be concluded will be almost exclusively within federal jurisdiction. It may be that matters covered will be exclusively, or almost exclusively, with a smaller amount within provincial jurisdiction, in which case, of course, enabling provincial legislation would be required. But the right of the Government of Canada to sign international treaties is undiminished and shall remain undiluted.

Meetings are scheduled for June and September at which we hope all the concerns that anyone may have will be satisfied, something which we hope all Canadians will endorse. There shall be no treaty signed until such time as Members of the House of Commons have been apprised of it and have been given an opportunity to speak to it.

• (1450)

HOUSE OF COMMONS

PRESENCE IN GALLERY OF DOMINION PRESIDENT OF THE ROYAL CANADIAN LEGION

Mr. Speaker: I would like to draw the attention of Members to the presence in our Gallery today of Mr. Tony Steacy, the Dominion President of the Royal Canadian Legion.

Some Hon. Members: Hear, hear!

PRESENCE IN GALLERY OF FORMER SWEDISH PRIME MINISTERS

Mr. Speaker: I would like also to draw the attention of Members to the presence in the Gallery of Mr. Torbjorn Falldin, a former Prime Minister of Sweden, who is accompanied by His Excellency Ola Ullsten, Sweden's Ambassador to Canada and also a former Prime Minister of Sweden.

Some Hon. Members: Hear, hear!

* * *

[*Translation*]

TRADE

CONTROL OF CULTURAL INDUSTRIES—GOVERNMENT POSITION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is directed to the Prime Minister. In the free trade resolution, the Government promised to protect Canada's cultural identity, but there is not one word about our cultural industry. My question to the Prime Minister is simply: Will the Prime Minister guarantee that control over our cultural industries will be exercised by Canadians?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, we tabled a motion, not a dictionary. We could not possibly cover every eventuality and every issue. Of course we are referring to the protection we need for Canadian culture. The Minister of Communications and other Ministers, like myself, have examined the question at length. Canadian culture and its underlying industries are not on the table in these talks.

[*English*]

AGRICULTURAL MARKETING SYSTEMS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the Prime Minister said he could not deal with every detail. Members of the House would have been happy if he had dealt with a single detail.

Some Hon. Members: Hear, hear!

Mr. Broadbent: Again, in the resolution there is a reference to the Government's interest in protecting agricultural marketing systems. Will the Prime Minister guarantee the farmers of Canada that the Government will not only maintain the marketing systems in the form of marketing boards but will have the enforcement mechanism in place, namely, supply management as well, so that our farmers will not have their markets glutted at totally inappropriate times by American imports?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, if the Hon. Leader of the New Democratic Party had any respect for the record he would know the answer to that question to be yes. Again I remind him to read and reread the motion before us today. He should recognize that we have about 125 different marketing boards, commissions and so on. Obviously what the Government is saying, and what Canadian farmers will understand when we use the terminology agricultural marketing systems, is that if you are a grain grower in western Canada it will mean the Canadian Wheat Board; if you are a dairy farmer anywhere across this country, particularly in the Province of Quebec, it will mean the maintenance of the National Dairy Program, and if you are a member of the feather industry in many provinces it will signal a recognition for the continued support of those existing marketing boards dealing with the feather industry.

The Hon. Member should also recognize that if the Government gives a commitment of this kind, many are contingent on various underpinnings. Naturally, if our commitment is going to remain good—and it is—then obviously you would have to attach the underpinnings. I hope at the end of the day the New Democrats are here supporting the Canadian Wheat Board, and I hope the Liberals are here supporting—

Mr. Speaker: The Hon. Member for Oshawa.

Mr. Broadbent: Mr. Speaker, the issue before the House today is whether this Government will protect any Canadian interest. The Government has the obligation, this side of the House does not.

REQUEST FOR TREATY RATIFICATION BY PARLIAMENT

Hon. Edward Broadbent (Oshawa): Mr. Speaker, since the Prime Minister said just a moment ago in reply to another question that before any final deal is signed with the United States in the free trade area Parliament would at least have a word or be able to discuss it in some sense, but he made no commitment that the content of the resolution or the agreement would be brought back before Parliament, and given the potential historic significance of this agreement, will the Prime Minister assure the people of Canada that such a negotiated agreement will be brought before Parliament for ratification?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I have already said that there would be an occasion for an opportunity to consult the House in regard to this important matter.

An Hon. Member: Consult?

Mr. Broadbent: Let's see what he means.

Mr. Mulroney: As we speak, negotiations are ongoing right today between Ambassador Reisman and Ambassador Murphy. We do not have a document to submit to anybody. It may very well be—as I indicated this morning, there being no guarantees in life, least of all in these kinds of important negotiations—that we will be unable to achieve all the objectives we seek. I believe we can. I believe that we shall, in which case, as I have indicated, there will be an opportunity to consult the House. But we are months away from that possibility. I think it is important that we let Ambassador Reisman and the Canadians who are representing our strategic industrial interest negotiate, as negotiations must take place with some degree of confidentiality. Do not expect us to throw out all of our negotiating positions so that the Americans can see them and pick them off one by one.

Mr. Fulton: You already have.

Mr. Mulroney: Let Ambassador Reisman speak for Canada. The Hon. Member has the assurance that the House will be consulted.

* * *

AEROSPACE INDUSTRY

CONSTRUCTION OF DASH-8 AIRCRAFT

Hon. Bob Kaplan (York Centre): Mr. Speaker, my question is for the Minister of Regional Industrial Expansion. When the Government sold de Havilland to the Boeing Corporation it gave Boeing hundreds of millions of dollars of research and development for no charge. The consideration was that de Havilland, to quote a press release of the Government, would have:

—a world product mandate for the design, development, production and marketing of its products. No foreign production will be allowed without the approval of the Minister.

Now an American trade bulletin, the *China Trade News*, shows that Boeing is negotiating with China for the manufacture of the Dash-8 in Shenyang or Dalian in northeast China. What benefit is it for Canada with the money spent on research and development to have Dash-8s made in China, and why has the Minister given his approval to it?

• (1500)

[*Translation*]

Hon. Michel Côté (Minister of Regional Industrial Expansion): Mr. Speaker, perhaps I ought to point out to my colleague that indeed, when we agreed to sell de Havilland, we put an end to a financial haemorrhage which had first cost taxpayers $1.2 billion and which was about to cost an additional $1.5 billion thanks to the previous administration. Such was the inheritance of Canadians. Quite simply, we made sure, first that the Canadian aerospace industry would survive and, second, that job creation would be maintained in Canada. Again I can assure my colleague, who is obviously referring to rumours that de Havilland is about to award contracts to China, that there is no question of that at all. We have looked into this matter and we are convinced that de Havilland has no intention of handing over some of its production contracts to China.

INQUIRY WHETHER CANADA WILL REMAIN EXCLUSIVE PRODUCTION CENTRE FOR DASH-8

Hon. Bob Kaplan (York Centre): So can I have the Minister's assurance that Canada will remain the Dash-8 exclusive production centre?

Hon. Michel Côté (Minister of Regional Industrial Expansion): Once again, Mr. Speaker, I can assure my colleague that Canada and de Havilland will remain the only producers of Dash-8 aircraft.

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FERRIES

INQUIRY WHY GOVERNMENT AND MARINE INDUSTRIES ARE IN PROCESS OF BREAKING COMMITMENT

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, I have a question for the same Minister. In mid-February, the Minister officially inaugurated construction on a second ferry at Marine Industries in Lauzon. At the time, the Government and Marine Industries promised to recall between 800 and 1,000 workers by the end of June. My question is as follows: Could the Minister explain to the House today why the Government and Marine Industries are in the process of reneging on their commitment, since the plan now is that only 350 workers instead of 800 or 1,000 will be recalled by the end of June? Why did they renege on their commitment, Mr. Speaker?

Hon. Michel Côté (Minister of Regional Industrial Expansion): Mr. Speaker, the Government certainly did not renege. In fact, we have given Quebecers and Canadian shipbuilders an industry that is becoming increasingly stronger. We have rationalized the industry in Quebec. We have made it possible for Quebec shipyards to be in far better shape and far more competitive.

Mr. Speaker, the Hon. Member referred to a work schedule. After acquiring the shipyard, Marine Industries was supposed to observe the work schedule and if necessary review it, and it is possible that changes will be made. It is now up to Marine Industries to adjust its production schedule according to the contracts the Government has been able to give the company.

MINISTER'S ROLE AND MEASURES GOVERNMENT INTENDS TO TAKE CONCERNING MARINE INDUSTRIES

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, this is a very important contract which is worth $230 million. Could the Minister explain what his role has been in this

matter and what measures he intends to take *vis-à-vis* Marine Industries? The Government seems to agree with the company's commitment to the workers who were laid off, because it indicated to the union yesterday or maybe two or three days ago that only 350 employees out of a potential 800 to 1,000 would be recalled.

Hon. Michel Côté (Minister of Regional Industrial Expansion): Mr. Speaker, I repeat, when we concluded this transaction, we made it clear that it was now up to Marine Industries and its management to look at a production schedule, in terms of the contracts it has been given, that will be adequate in view of the work involved and the time available. I met with the workers last weekend and gave them the assurance that the Canadian Government would be keeping a very close and interested watch on further developments. However, I repeat, it is now up to Marine Industries to take the requisite action.

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[*English*]

CANADA DEPOSIT INSURANCE CORPORATION

REPORTED PROPOSAL MADE BY PETER POCKLINGTON

Miss Aideen Nicholson (Trinity): Mr. Speaker, my question is for the Minister of State for Finance, and it concerns a deal proposed to the Canada Deposit Insurance Corporation by Peter Pocklington who sold millions of dollars worth of over valued property to Fidelity Trust when he controlled it. Later, Fidelity Trust failed, Mr. Pocklington cut his losses, and CDIC moved in to protect the depositors. Will the Minister confirm that recently Mr. Pocklington offered to pay $10 million for $150 million worth of Fidelity's tax losses, which he intended to use to shelter taxes on his other successful enterprises? Will the Minister confirm that CDIC considered this scheme for several months before finally deciding that it would not be in the public interest?

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, I cannot confirm the first allegation or the last allegation, but I certainly find the whole narrative astonishing.

FUNDING OF CORPORATION

Miss Aideen Nicholson (Trinity): Mr. Speaker, since the CDIC, which is supposed to be self-funding, now owes over $1 billion, will the Minister not agree that CDIC only considered this hare-brained scheme because it badly needed to bring some money into its battered treasury? Will he tell the House when he will bring in serious measures to deal with the CDIC, instead of his current proposal to allow that corporation to borrow another $1.5 billion from the taxpayers of Canada?

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, the Hon. Member should be aware that the Bill dealing with CDIC was tabled two or three weeks ago. All the provisions are there for future replenishment of CDIC needs.

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REGIONAL INDUSTRIAL EXPANSION

SYDNEY STEEL CORPORATION—EXPANSION PROJECT

Mr. Rod Murphy (Churchill): Mr. Speaker, my question is for the Minister of Regional Industrial Expansion. He knows that the people of Cape Breton are nervous to know exactly what are the Government's intentions with regard to Sydney Steel. Will the Minister rise in the House at this time and confirm that the Government will go ahead with the expansion of the $157 million upgrader?

Hon. Michel Côté (Minister of Regional Industrial Expansion): Mr. Speaker, the Government of Canada remains committed to our arrangement with Sysco, but it is up to the company as well to table a business plan by the end of March in terms of how it sees its future. We must look at the business plan to see if we want to concur with it, and then we will react to it.

GOVERNMENT POSITION

Mr. Rod Murphy (Churchill): Mr. Speaker, it is really up to the Government of Canada to indicate what it is willing to do and to say so now, so that the people of that community do not have the fears and apprehensions which they have at the present time. Why is the Government unwilling to make a firm commitment at this time?

Hon. Michel Côté (Minister of Regional Industrial Expansion): Mr. Speaker, again I think we have made our commitment. We have said in so many words—and the Prime Minister said it as well—that we remain committed to Sysco. However, it is up to the company to submit a business plan by the end of March. We are concerned about the situation which prevails there, and I assure the Hon. Member that we want to do everything possible to help the workers in Cape Breton.

GOVERNMENT ORDERS

[*English*]

TRADE

CANADA-U.S. BILATERAL TRADING AGREEMENT

The House resumed consideration of the motion of Miss Carney:

That this House supports the negotiation of a bilateral trading arrangement with the United States, as part of the government's multilateral trade policy, while protecting our political sovereignty, social programs, agricultural marketing systems, the auto industry, and our unique cultural identity.

Mr. Speaker: I am now ready to rule on the amendment which has been offered by the Right Hon. Leader of the Opposition (Mr. Turner). As Hon. Members will have noticed, the amendment is unusually long and complex. I think the Chair must comment that it comes quite close to being a disguised or expanded negative, that is, a vote for the amendment would have the same effect as a vote against the main motion.

However, while there might be procedural grounds for ruling against the amendment, in view of the importance of the debate which is taking place today and the fact that the amendment is relevant to the main motion, the Chair has decided to allow greater latitude than is perhaps consistent with a narrow interpretation of the rules and procedures of the House.

I want to point out, however, that while the Chair would not wish to inhibit in any way a debate on one of the most important issues which is ever likely to face this nation and as a consequence, I am therefore prepared to rule that the amendment is in order, but I would not wish this decision to be cited as a precedent on future occasions.

Mr. Turner (Vancouver Quadra) moved in amendment thereto:

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

"or arrangements with the United States, as part of Canada's multilateral trade policy, while protecting Canadian sovereignty through the application of the following conditions,

Namely that:

There not be an all-inclusive free trade arrangement with the United States since such an arrangement would undermine Canada's political, economic and cultural independence; and would jeopardize Canada's regional development policies, agricultural policies, cultural industries, financial and service industries, and the Auto Pact;

And that:

Any such negotiations are designed to gain greater access to U.S. markets by limiting the operation of contingency protection and non-tariff barriers such as current U.S. and State government procurement regulations and restoring previous access for softwood lumber in U.S. markets;

While at the same time:

Ensuring Canadian independence for domestic programs, policies and legislative authority in areas such as: social policy, agricultural marketing, supply management and support programs; subsidies and assistance for regional and industrial development programs including high technology development; the Auto Pact; the environment; bilingualism (including labelling); culture (including cultural industries); financial and service industries;

And that:

The Government of Canada tables transitional adjustment assistance proposals to protect those workers, sectors, firms and businesses which may be adversely affected by such a trading arrangement or arrangements;

And that:

The Government of Canada secure an immediate standstill of U.S. trade harassment including such matters as agriculture, energy, fish, potash, and steel."

The question is now on the amendment, and I recognize the Hon. Minister for International Trade (Miss Carney).

Bilateral Trade

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, it is a rare privilege to have the opportunity to introduce a motion in the House which has the potential to enhance profoundly the future of our country, and that is my privilege today.

The trade debate is about Canada's future. It is about jobs—20th century jobs and 21st century jobs. It is about economic growth for those regions of Canada which are not sharing in the wealth that our present economic system provides. It is about sovereignty, because only an economically strong country can provide our unique social programs and preserve our cultural policies which protect our national identity. However, most of all, the great debate is about security and enhancing our access to our largest market and our biggest customer, the United States, in a long-term binding treaty.

This concept frightens some Canadians. It scares the opposition Parties which have no vision for Canada and offer no hope for Canadians who are unemployed now or who fear that they will be unemployed in the future as technology changes the nature of their jobs. Scare tactics are a cop-out. They are a way of browbeating Canadians back into the 19th century.

Our Government is prepared to lead Canadians through the final decade of the 20th century, turbulent with change, and into the 21st century, only 13 years away. As the Prime Minister (Mr. Mulroney) has said, we choose to negotiate not because it is easy and not because it is without political risk but because it is in our national interest. We serve that national interest, he reminds us, by securing an agreement with our largest trading partner which will provide stability and security for traders, investors, workers and for our future. Let me tell the House why this is so.

• (1510)

From the earliest days of mankind, from the era of barter systems through to the development of the first great trade routes, trade has been the generator of growth. Cities sprang up where traders met to exchange goods and all the world's great cities have their origins in trade. History is dominated by trade wars and their impact on the development and decline of regions. Trade has determined the future of nations and trade will determine the future of Canada.

Canada's economy is dependent on trade to a greater degree than almost any other country. Today we export about one-third of all we produce and we import about 30 per cent of what we consume. Growth in trade translates into growth in economic wealth. For the first 40 years since the post-war world first adopted the international rules of the General Agreement on Tariffs and Trade, Canada's exports have multiplied 10 times over and our national wealth has more than tripled. Today our international trading system which helped create unprecedented wealth is in trouble. It is being

eroded by protectionism as countries try to reduce unemployment by putting up barriers to other countries' goods and services.

Part of the problem is the GATT itself. Its institutions have become dated, its procedures are ineffective and its dispute mechanisms are often cumbersome. That is why the 92 countries of GATT met in Uruguay last fall to start the eighth round of trade liberalization under the GATT which was first established in 1947. One major objective of that round was to reduce trade barriers and to define rules and regulations for those areas in which no rules exist: areas like services, the fastest growing trade area, and intellectual property and investment. Very importantly, the agricultural sector has never been adequately covered by international rules and regulations.

If one wonders about the value of international rules and regulations governing trade, one need only take a look at the agricultural sector in which no such rules exist. The result is anarchy in agriculture. World agriculture trade is governed not by comparative advantage but by the size of national treasuries. For example, for every dollar the Japanese farmer receives, the Japanese taxpayer pays $2.50. For every dollar the European farmer receives, the European taxpayer pays $1.50. In the United States, the taxpayer pays $1.38 for each dollar the U.S. farmer receives. Canada cannot afford to compete with these huge subsidies and that is why the Prime Minister pushed so hard to get agriculture on the agenda of the economic summit.

Where does the U.S.-Canada bilateral fit into this worldwide picture? There are two answers. The first is jobs. We believe that this provides the best opportunity to create hundreds of thousands of new jobs and economic studies support this. I can cite studies done by the Economic Council of Canada which show that with free trade, as many as 370,000 jobs could be created in the next five years while we could lose half a million without free trade. University of Maryland studies indicated that a free trade agreement with the U.S. could cause an increase in the GPD of Canada of about 5 per cent. Trade is where the jobs are.

Second, we must deal with the rise in U.S. protectionism in a way that protects Canadian interests. As Atlantic fishermen, Quebec aerospace workers, Ontario steel workers, prairie farmers and British Columbia woodworkers know, we must trade to survive let alone to prosper and we are now fighting the ugliest outbreak of protectionism in the U.S. and around the world since the 1930s. We are fighting for those three million Canadians holding a quarter of Canadian jobs whose pay cheques depend on trade. We are fighting for a secure future and for more jobs in the years ahead.

American Congressmen and politicians are concerned about their trade deficit. For the first time in their memory, Americans are buying more from abroad than they are selling and they are losing jobs to overseas competition. They are turning inward, turning away from what gave them the strongest economy and the highest standard of living in the world. They are using all sorts of weapons at their disposal, raising all kinds of non-tariff barriers to stop imports in the mistaken belief they can maintain jobs through protectionism.

In the last seven years, Americans have launched some 40 actions against Canadian goods. Many have failed but those that have succeeded have penalized Canadian exports worth over $6.5 billion. No region of Canada has remained untouched by American trade actions against us. These actions have cost Canadians opportunities and jobs.

There are no signs of weakening in the protectionist mood. There are hundreds of protectionist Bills awaiting action in the Congress. That mood should convince even the most skeptical Canadians that our trading relationship with the Americans is under attack. The new trade Bill would resume that attack if we are unsuccessful in our trade negotiations.

Let me deal with the agenda of the trade talks. We were asked this morning to specify the agenda. We have done so before but we are more than willing to do so again. First let me stress what is not on the table. Regional development and our capacity to sustain regional development is not on the table. Only the opposition Parties are dragging it onto the table. Our cultural policies and our ability to protect our national identity is not on the table. The negotiators know that that is not a subject for negotiation. Only the opposition Parties keep dragging it onto the table. Our social programs are not on the table. Again, only the opposition Parties raise our social programs and try to drag them onto the negotiating table. They are trying to put culture, regional development and social programs on the table, we are not.

Our negotiators are meeting today. Therefore, it is not in their interests to mention specific negotiating positions. However, I do want to say what is on the table and why we are dealing with these matters. Tariffs are on the table because experience has shown that the Canadian economy has prospered through tariff reduction. This is so even with the Auto Pact which the Opposition keeps bringing up. Members of the Opposition fail to mention that tariffs have come down steadily within the Auto Pact. For vehicles, they have come down from around 17.5 per cent to around 9.2 per cent. For auto parts, they have come down from as high as 25 per cent to 9.2 per cent. We have been reducing tariffs for years, and in the trade talks we are seeking to reduce them to zero on Canada-U.S. trade over a period of 10 or 15 years, whatever is negotiated.

Non-tariff barriers are on the table. Since the early 1970s, non-tariff barriers to trade have proliferated. Some are clear, imposing quotas on imports, for example. Some are not so clear, using technical or health standards for protectionism rather than for legitimate purposes. Another item on the table is government procurement practices. We are seeking to drop our "Buy Canadian" for their "Buy American", and as the Prime Minister pointed out today, 1 per cent of American government procurement could create 75,000 jobs in Canada.

Also on the table are customs matters. We want to facilitate commerce between the two countries by reducing the paperwork at the border. That will mean lower costs for Canadian businessmen. Agriculture is also on the table. I have touched upon the massive global problems we face in agriculture and they exist because there has been insufficient progress in bringing international rules to agricultural trade.

We know that we cannot resolve all our trading problems in the U.S.-Canada bilateral, but we can deal with some of them. We can deal with some tariffs, we can deal with health standards and we can deal with dispute settlement mechanisms that are used to harass agricultural products. Agriculture is very much a part of these talks.

Also on the table are subsidies and related measures. Those are important to regional development because under the existing trade laws, we often do not know what kind of subsidies we can use in regional development plans without bringing on U.S. trade actions. We want clear rules. We want to know what programs we will be able to implement for regional development. The existing international rules are not well defined and the U.S. is seeking to broaden them in, for example, the softwood lumber dispute and natural resource pricing. We want better rules in both countries because the U.S. subsidizes its products as well. We want better rules on what we can and cannot do. We need adjustment programs for the retraining which the Opposition talked about. We need programs for women.

• (1520)

One of the most important things on our agenda for negotiation are dispute settlement mechanisms. We want to replace the existing ones. The ones we have in place currently operate within the GATT framework but they do not make sense in application and they are unilateral. We want impartial mechanisms. For example, if the U.S. alleges that our stumpage programs are subsidies, we want an impartial, binational tribunal to deal with the issue, not the U.S. Department of Commerce.

Also on the table is intellectual property. This involves two issues: ensuring adequate protection for those who create new products, services or ideas, and ensuring access to those new products, services or ideas. Let me give you an example. One reason why companies locate their R and D in the U.S. is that if they want U.S. patent protection and someone else is developing the same idea, in the case of a tie the company which did its R and D in the U.S. gets preferred status. We do not like that because companies will locate in the U.S. to ensure their patents get U.S. patent protection. That means that good jobs for highly-trained Canadians are in doubt. We want free trade in intellectual property. We want free trade in services. This is a new area not now covered by international rules. More and more of our economy is service-based. It is about 67 per cent of our GPD these days. We have a solid record of growth in services of about 3 per cent per year. GATT is addressing these problems and new rules for services. So are we in the Canada-U.S. bilateral negotiations. We have some of the finest service industries in the world in engineering, financial consulting, computer services and banking. We are world-class competitors and we want to ensure access to world trade and services.

Also on the table is investment. All countries around the world are loosening their investment policies. We did so when FIRA became Investment Canada. The result was a record $6.8 billion worth of investment for 1986. So far we are dealing only with trade-related investment measures. The Americans want more. We are listening but we have not given the negotiators a general investment mandate.

The Opposition has raised the question of what the Americans want from this. Why are they bothering with the bilateral negotiations with Canada? What motivates them? Several things. First, we are their biggest market and their only growing market in the world today. Second, they want better rules on trade in goods and services and tariff procurement practices and provincial practices on intellectual property. They have the same agenda as we do. Much of this is new ground. What is very important to them is the trade and services agreement with us. The Americans can no longer dominate traditional markets such as steel and automobiles, and they threatened to walk away from GATT if trade and services was not included. The feeling in America is very strong that if they cannot make a deal with Canada in these new areas in particular, if they cannot define rules and regulations for new issues like services and intellectual property, they are unlikely to do it in the wider world of the GATT. They have a major and fundamental interest, even a historic interest, in trying to come to terms with us. So the conditions for these negotiations are far more balanced than the Opposition would lead us to believe.

We cannot stand still. Either we see our trading opportunities and eventually our prosperity fall prey to American protectionism, or we seek an agreement with Washington which will give us more secure access to that market. Let there be no doubt, standing still will make us poorer. Only moving forward will make us richer.

Some Hon. Members: Hear, hear!

Miss Carney: As Minister for International Trade no one knows better than I about the effect American trade remedy laws have had on our exports. We have seen it in shakes and shingles, fish, lumber, and farm products. Those unilateral decisions on what they call unfair practices are the problem between us. Americans call them fair trade laws but they are not. Americans say they cannot accept dumped or subsidized imports from us. We agree. We do not want theirs either. However, we do need a better way to work out these problems. If things were working smoothly neither side would need a change. The simple fact is that the present laws are not working and we need a way which eliminates the problems rather than introducing new barriers at the border. We need a system to ensure that neither country is penalized without a

fair and impartial method of resolving disputes under agreed rules.

Let me repeat the message that the Prime Minister gave so clearly to this House. There will be no agreement without such a change. No agreement this Government signs will hold Canadian workers or industries hostage to the unpredictable whims of American protectionism. Canadians want to compete openly in a larger market with clear rules and fair access and that is the kind of agreement we are pursuing. For those who doubt what a trade deal with the United States can do they need look no further than the booming economy of south-central Ontario. Much of that boom is based on what now amounts to free trade in automobiles. My colleague, the Minister of Finance (Mr. Wilson), will be speaking more specifically about the Auto Pact a little later in this debate. Just let me remind Members of this House that there was considerable controversy over that agreement when it was negotiated more than 20 years ago. The Leader of the NDP in this House has consistently called for its renegotiation. Instead, it has been a resounding success and created thousands of jobs in Ontario. Those of us from other parts of the country watch this trade-based boom in Ontario with some envy. However, we mostly ask why our workers and our industries cannot have the same chance. If free trade is good for Ontario, why not for Atlantic Canada, Quebec, the Prairies, or British Columbia? What better way is there to reduce regional disparities than to give others a shot at competing in the American market on the same terms?

This Government has laid out what it is seeking to achieve, and why, in these negotiations with the U.S. We are seeking a secure economic future for Canadians working now and for those to come. We firmly believe that free trade is the best route to that goal. We have a plan and we are on track, but what do we hear from the other side of the House? From the Liberals we have a long complicated resolution which says "maybe", "if", "but", and "ifsoever". There is nothing positive in this long complicated Liberal amendment. There is no suggestion that there are other things which are equally important for us. There is the implication that if they do not get everything here in this long list, then maybe they do not want to proceed at all. I do not think that is good enough for Canadians.

From the NDP we have a long complicated motion presented at their convention this past weekend which says no to free trade. It says categorically: "Therefore be it resolved the New Democrats in Government will withdraw from the comprehensive trade negotiations presently taking place with the U.S. and would instead pursue the following trade strategy". It is a mishmash, a cherry-picking list of sectoral free trade. History has shown that sectoral free trade is not on for either country. It is not acceptable.

The NDP talk about GATT but ignores the fact that our negotiations are consistent with GATT. The Liberals make a point of saying they do not want an all-inclusive free trade agreement with the U.S. but they do want more negotiations in GATT. Those two positions, as the Hon. Member knows, are inconsistent. You cannot have a free trade agreement consistent with GATT unless it is a comprehensive agreement. GATT will not permit it. The way we are going is the way we can go within GATT. The way the Liberals are pursuing this issue is inconsistent with the GATT that they talk so much about supporting.

• (1530)

I want to comment on one issue which is not sufficiently stressed in this House.

Mr. Deputy Speaker: As the Minister's time has expired, I ask her to conclude please.

Miss Carney: Do I have the agreement of the House?

Some Hon. Members: Agreed.

Miss Carney: In closing, I want to speak about Canadians being world-class competitors, although the Opposition implies this is not the case. Canadians are not afraid of the future. The welders who are helping to build the oil pumping systems for Venezuela's oilfields at Canadian Foremost in Calgary know that they are as good as any in the world. The systems designers at Ottawa's Cognos Incorporated whose new computer language is used by 115 of the top 500 companies in the world know they are the best in the world. The technicians at CANAC International in Montreal know that they beat out the best in Germany, France, the United States and Britain in winning a contract for the new control system for India's railroads. They know, as we do, that we cannot deal with protectionism and prepare Canada for the next century if we walk away from this challenge.

Some Hon. Members: Hear, hear!

Mr. Langdon: Mr. Speaker, I would like to raise two specific questions with the Minister whose speech was, I must say, as was the Prime Minister's (Mr. Mulroney), full of generalities and very, very short on progress reporting which we expected to hear in the House today. I will try with some questions to get at least a sense of what progress is taking place.

Is it correct that across-the-board tariff reductions are being considered? Would the Minister please address herself to the difficulty of doing that while maintaining the safeguards in the Auto Pact, which themselves depend on the existence of those tariff arrangements as enforcement mechanisms? In dealing with that specific point could the Minister deal with the other specific point with respect to marketing boards? What are the implications with respect to such boards for import policies with regard to seasonal imports and imports in areas presently served by marketing boards such as the Egg Marketing Board, the dairy board, the various feather industries and so on and so forth?

Miss Carney: Mr. Speaker, I am disappointed that the Hon. Member has found our report to Parliament to be so generalized. I thought I went into great detail to tell him what was on the agenda, what we were discussing, why we were discussing it, and why it is in our interest. That he thinks that, with Ambassador Murphy sitting at the negotiating table in this city, I would candidly chat about what our cards were and what cards we were playing today shows how ignorant he is of this historic negotiation. It shows that he does not understand the stakes involved and the jobs involved. We are giving this report and debating the issue. However, the idea that we would give specific negotiating positions while Peter Murphy is listening is really naive on the part of the Hon. Member.

Some Hon. Members: Hear, hear!

Miss Carney: The Hon. Member raised the issue of safeguards. I want to assure him that the automobile industry in this country is working well above the level of safeguards. If production ever fell to the safeguards in the Auto Pact this country, the Province of Ontario, and that Member would be in trouble.

Finally, with regard to marketing boards we have said repeatedly that marketing boards are not the subject of negotiations. As my colleague, the Minister of Agriculture (Mr. Wise), has patiently and repeatedly explained, and as is reflected in our resolution today, marketing boards are not a subject of these negotiations. Since I cannot put it more clearly than that, possibly the Member will wait until the Minister of Agriculture speaks on the issue.

Mr. Kempling: Mr. Speaker, the Minister is aware of the threat to our steel exports from pending legislation in Congress. Could she review for us where our steel industry would stand should we conclude a free trade agreement with the United States? Specifically, what is the state of our industry? Can our industry continue to compete in that market, and are we fair traders?

Miss Carney: Mr. Speaker, I am happy to respond to Mr. Steel who knows the answers to those questions far better than I do since he is one of my chief advisers on the steel issue. Yes, we are fair traders. Yes, we can compete in the U.S. Our problem is that we are taking a greater share of their markets than the Americans would like us to. That is precisely the kind of issue we want to address in these free trade negotiations.

Mrs. Finestone: Mr. Speaker, the Minister has been referring to intellectual property and the need to negotiate. Is the Minister including in her negotiations Canadian cable companies which are distributing programs that occupy our Canadian air space?

Miss Carney: I appreciate the Hon. Member's concern, but this again gets into the details of negotiations which are not appropriate for discussion at this time. We are discussing the over-all agenda and the areas in which we are seeking these kinds of agreements. I do not feel that it is useful at this point in the negotiations to start cherry-picking what specific items are involved.

[*Translation*]

Mr. Deputy Speaker: The Hon. Member for Argenteuil—Papineau (Mrs. Bourgault) for a question or comment.

Mrs. Bourgault: Mr. Speaker, Madam Minister, when I go back to my riding, I keep being asked by several of my constituents about the Canada-US relations, especially with regard to the triangle that involves Japan. Could the Minister explain the medium-and long-term benefits for Canada of a bilateral agreement with the United States as concerns our relations with Japan, for instance, which did not invest enough in Canada because our access to the American market was uncertain? Could the Minister tell me, or explain to my constituents what an agreement with the United States could mean to us by reason of the triangle with our second trade partner, Japan?

[*English*]

Miss Carney: Mr. Speaker, the Hon. Member raises an important point and she is entirely correct. Foreign investment in Canada means jobs. Our investment has historically been less than it could be because of uncertainty of access to the U.S. market. As long as we have the present countervail system and the present trade remedy laws, as long as there is great uncertainty about what we can and cannot do in order to access that market, it will be a drag on investments. All of my discussions with Japanese investors and the Japanese Government encourage me to believe that should we have security of access to the U.S. market and give the U.S. equal access to our market, that would be an access secured by a long-term, binding treaty. Foreign investment from Japan and other places would flow in increasing quantities to Canada and create jobs.

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, I, too, welcome the opportunity to participate in this debate. It is two years late in terms of timing. The musty quality of the Prime Minister's (Mr. Mulroney) speech which we heard this morning reflects the fact that it was drawn out of the vault, rather than being a contemporary analysis of the important issues and concerns facing Canada. Nevertheless, this is an opportunity for us to examine the anxiety as well as the opportunity Canadians expect from any trade strategy. First, I want to reiterate an important point made by the Leader of our Party this morning. The Liberals believe in expanding trade. Liberal Governments have been the most important architect of developing an international trade system. It was Liberal Governments that helped develop the GATT, that moved the trading realm into the broad reach around the world.

• (1540)

It was Liberal Governments that negotiated the Auto Pact which the Minister for International Trade (Miss Carney) said was one of the important elements of present day progress.

May I remind her that the negotiation of the Auto Pact had nothing to do with the kind of trade the Government is negotiating. It was a managed trade agreement with guarantees on both sides of the border about jobs, investment, and content. Any attempt to try to sell the Auto Pact as being the model the Government is following is another example of the maladroitness of the Government to try again to raise a smokescreen rather than deal with facts. Therefore, we take no backseat in terms of a commitment to expanding the horizons of international trade opportunities.

At the same time, I believe the peculiar genius of Canadian trade policies since the Second World War until this Government has been the recognition that while one must expand that trade it must be done both by strengthening international rules so that big, middle and small countries were equally protected and building up our own distinctive institutions at home to preserve our identity as a country and preserve the right to make our own economic decisions in Canada. It is necessary to preserve our right to make choices in order to maintain that important balance in sharing the North American continent with one of the largest and most powerful countries in the world. That has served us well until now.

The Government has deliberately veered from that course and made a major shift in the basic Canadian understanding that we must expand trade but not sacrifice our rights and freedoms to make choices about ourselves, our institutions and our economic programs. That is the cause we are raising today: how to adopt a trade strategy that expands trade but does not sacrifice the very basic elements of sovereignty in this country and the right to make economic choices for ourselves.

Let us examine what has been said today. The Minister, the Prime Minister and, I suppose, the resolution allude to some kind of commitment to this international trade system. However, the Government has cut back the number of embassies and consulates. It has cut back funds for the Export Development Corporation. It has downgraded the place of the ambassador for multilateral trade so that she plays second fiddle to the Canada-U.S. negotiators when the opposite should be true.

All the Government's actions have been designed to restrict our capacity to broaden our trade base. Perhaps the clearest example is in the Prime Minister's comments this morning about his objectives. He said he is trying to achieve a special deal for Canada, that there are a lot of unfair traders in the world whom the Americans do not like but since Canadians are fair we will negotiate a special deal for ourselves. Is that the way to reinforce and strengthen the international trade system? Is that the way to provide a proper balance of interest to ensure that there are rules that apply to large and small alike? Is the Prime Minister not really abandoning the Canadian tradition and the interests we have tried to pursue in strengthening that international system?

The Government has contradicted its objectives by its actions. We hear the rhetoric, but when it comes to action we see that the Government is not interested in multilateral trade or expanding its international options. It is preoccupied with getting this kind of trade arrangement with the Americans which carries with it very serious implications for this country.

The Government says that the reason it wants this agreement is to create jobs. No one will object to creating more jobs, but where is the proof that more jobs will be created?

The Government refers to the Macdonald Royal Commission. Unfortunately, the figures it used were out of date and did not take into account the reduction in tariffs that had occurred under the GATT system. The Macdonald Commission devoted all of three paragraphs to the surface industries which generate some 60 per cent to 70 per cent of new jobs in this country. There is no research or examination, just three paragraphs outlining the job impact on the surface industries.

What proof does the Prime Minister have for stating that a flourish of regional development will result from this proposed trade deal? There was certainly nothing in the paper the Government tabled several months ago to prove that. Yet I can refer to the study by the Canada West Foundation which generally purports to support free trade but says jobs will be lost in western Canada in food processing, in furniture making, in the service industries, in the horticultural industries, in poultry and in dairy industries. Do we hear the Prime Minister say there will be a loss of jobs in the balance? No. While certainly there will be some benefits, there will also be losses but there is absolutely no recognition of it. The study "l'actualité" in the Province of Quebec revealed that 280,000 jobs in the Province of Quebec alone were in jeopardy. There is the Radwanski study for the Government of Ontario which indicated that hundreds of thousands of jobs in the service industry were at risk.

The fact is that there is no clear evidence that an incredible bonanza is being created.

It is useful to refer to a study commissioned by the Province of Manitoba. It states:

> For the sake of discussion, let us assume that free trade with the U.S. will now generate a further five per cent increase in real GNP. Since any liberalization of trade would be phased in over ten years, we could only expect GNP to increase each year by about half a percentage point more than would be the case if we maintained the *status quo*. Given that, over the past ten years, the average amount by which real growth rates varied from year to year was 3.4 percentage points, there is no way we will notice whether or not we have obtained our extra half a point of growth or not. In other words, we may never even notice the benefits of free trade, even if they do occur.
>
> It is worth considering whether the problems associated with free trade will be equally invisible.

The fact is that when we consider all the evidence, all the computer print-outs from the high-priced economic think tanks, do we really have the kind of guarantee of the bonanza we hear about from the Prime Minister or the Minister for International Trade? There is absolutely no such assurance. In fact, we must begin to ask how many more jobs will be at risk and what will be the results if we do not provide the adjustment programs that our Leader talked about this morning to at least insure there is some kind of cushion.

If the Minister for International Trade is so smart, she will vote for our amendment. She will support our amendment because it includes the kinds of requirements we believe are important, such as a major adjustment program. The Government forgot to include such programs in its motion. It will let everyone hang in the wash, and all those workers who are affected can go on the scrap heap, as far as the Government is concerned.

The Government can show that this is not its policy by supporting a Liberal trade policy. We have the experience to show what must be done in this country to provide a rational approach. The Minister accused the Opposition of engaging in scare tactics, but she does not understand. We are not frightened of expanding trade, we are frightened of the Government's approach to it. We are frightened of a Minister who negotiates a deal on softwood lumber that imposes a 15 per cent tariff on our industry, throws the secondary manufacturing industry in to sweeten the pot somehow by accident, and agrees to increase stumpage fees, building in another $300 million or $400 million. She does not take into account the exchange rate so we will have higher costs. This is a Minister who says: "Trust us". This is a Minister who has probably committed one of the great all time give-away sell-outs in the history of trade and she says: "Have confidence in me. I am going to do a great job". What earthly reason can we have, after the debacle of the softwood trade issue, to have any confidence in this Minister or this Government? Can the Government explain why we should trust it when we see what it has already done in the cultural industries? It tells us that culture is not at stake, but it gave away Prentice Hall. It tells us not to worry about industry, but it gave away our patent production. Every time we turn around the Government is negotiating on its knees once again, yet it says: "Don't worry about it. We will do it okay next time".

• (1550)

The reason we raised in our amendment the kinds of very clear conditions we did is that Canadians are equally afraid of what the Government has done. They know full well, whether they are farmers in southwestern Ontario or in the interior of British Columbia that they are at risk when it comes to negotiating the supply systems and the export and import controls. The Minister says: "I am going to bring down tariffs". Does that mean the Government is going to negotiate the seasonal tariffs? Does it mean the Minister is going to put the farmers in Ontario and British Columbia, the farmers in the Fraser Valley and large parts of southern Ontario and New Brunswick out of business? That is the implication of her remarks. That is the clear message she is giving. That is what she is negotiating away if she is going to reduce those tariffs. Our Party kept them in there because we recognize the need to protect those industries.

What is it that the Government is trying to negotiate? The Minister began to give her own little shopping list, and that really begins to telegraph clearly why this debate should have happened much earlier. It should have happened at the time the report of the joint committee of the Senate and the House of Commons indicated that there should be a debate in the House of Commons first before we get into negotiation. The former chairman is here and will know that I certainly supported that recommendation. The fact is that what really is at stake is that level playing field about which the Americans like to talk. It is the idea that we are going to negotiate away our right to choose for ourselves what subsidies or programs we will be able to apply domestically to support our own industries. The Minister has conceded that this is on the table. She has said that we are going to negotiate subsidies, services and investment. We now know that the Government is engaged at the present time in negotiating away the kind of independence Canada will require in order to initiate and control its own economic formula.

I would like to refer for a moment to a Manitoba study done by a Dutch economist, Göran Therborn, on the 15 OECD countries. He analysed them from the point of view of which countries have succeeded in gaining full employment and those which had the worst record. When one takes those 15 countries and analyses the factors, one asks oneself, is it related to export performance? No. Is it even related to economic growth figures? No, it is not. What Mr. Therborn analyses is that the primary rationale, if one compares the top five countries and the bottom five countries in the OECD, and their capacity for creating employment, was the capacity to have an independent economic decision-making so they could choose the kind of policies and programs they need when they need them. That is exactly what the Government is negotiating away. It is exactly what is on the table. The kinds of rights the Government is abandoning is the right of the Government to be able to select the mixture of programs we can apply as a country to secure more employment for Canadians. That is the kind of analysis which should have been done by the Government, but it was never done. That is one reason we believe it is very important to establish those kinds of conditions and requirements to ensure we preserve the right to choose what subsidies we apply for high technology development, what kind of support programs we have in the area of regional development, to ensure the Government does not negotiate Bill C-58, another service industry, to ensure we do not abandon the kind of guarantees we have in telecommunications, trucking and other service industries which provide a large percentage of our jobs. But we now have the admission that that is what is being negotiated away. That is what is on the table.

I would say to the Conservatives opposite that if they want to provide confidence that in fact they will not negotiate away those rights, because they say that somehow we are putting up a screen, then they have one very clear way of proving it. They can vote for our amendment. They can give us right now in this House all the assurance and guarantees which Canadians need, but I do not think they are going to do it. They will not give those assurances because that is what they are negotiating away.

The Government tries to pretend that this is the only alternative, that the only way we can have a dispute settlement mechanism is through a bilateral agreement. It tells us that the only way we can deal with countervail powers is through a bilateral agreement. Of course, that is not true. The fact is there are already in place perfectly good mechanisms under the GATT system for dealing with those issues.

Mr. McDermid: They don't work.

Mr. Axworthy: The Parliamentary Secretary says they will not work. We know the level of understanding he has about trade matters. Canada has already taken seven matters to the GATT and has had five decided in its favour. We have already used an impartial panel to determine what is right or wrong. The Minister tells us we are going to get an impartial panel of Canadians and Americans to decide this. If we really want an independent panel, Mr. Speaker, perhaps we should have an impartial panel of people who do not have any vested interest in the issue at all.

We also know full well that we could have within the existing system of GATT other kinds of applications to offset the matter. However, the one time the Government had the opportunity to prove that it believed in the international system, to prove we could make the system work, it backed away. In fact, it foreclosed the right of Canada to go to GATT on the softwood lumber case. We signed it away as part of the agreement. We did not even have the guts or courage to pursue that issue. We signed it away. Do not think, Mr. Speaker, that that does not set a precedent. Do not think that many other countries around the world are not seeing how Canada is putting its tail between its legs and running for cover. That does not contribute to the enhancement and growth of the international trade system.

It is true that the world is heading towards the emergence of regional blocks. There is no question that that is one of the clear and prevailing dangers in world trade. However, is it the solution or antidote for us to join the pack? Is it our solution to try to push that trend along as opposed to offsetting it? Should we not be fighting against that trend and showing we have a different solution?

We know, of course, and it is clear, that one has to continue dealing with the Americans. We have made many deals in the past as a Liberal Government. In fact, one of the last successful commercial arrangements signed was when I negotiated in the transportation area back in 1984. It was certainly more successful than anything the Minister for International Trade has been able to sign until now. Of course, we know we have to continue talking, discussing and negotiating. But we should make it very clear that the attempt to provide for the wide open, unrestricted, all inclusive ambition which will incorporate the concept of national treatment and prevent us from maintaining our capacity and ability to decide for ourselves what kind of economic blueprint we want for Canada, is what is really at stake.

That is why the amendment we put forward clearly recognizes the need to support the international system, to avoid the kind of entanglements an all-inclusive trade agreement would provide, and that any negotiations should seek to preserve the rights of Canadians to maintain their freedom of choice. That is the basis of our trade policy. It is far more clear, cogent and effective than anything we have received in the kind of resolution the Tories put forward today. That is why we think Canadians are turning against the Government. They do not have trust or confidence that it can negotiate well or is negotiating towards the right objectives.

Miss Carney: Mr. Speaker, I have three questions I would like to put to the Hon. Member. First, if the softwood settlement was so devastating to the industry, as the Hon. Member and his Leader suggest, could he explain to me why the stocks of MacMillan Bloedel have gone up 100 per cent since December 29, the day before our settlement, which is leading to the first stock split since the two companies were merged in 1959? Can the Hon. Member explain this 100 per cent increase in the stock of MacMillan Bloedel and the 127 per cent increase in the stock of Canfor?

• (1600)

Second, can the Hon. Member explain why he would have preferred $600 million going to the U.S. Treasury under the countervail when, under our settlement, that money will stay in Canada?

With respect to the GATT, the Hon. Member's Party was opposed to the duties on books which were imposed in response to the shakes and shingles issue. Can the Hon. Member explain how, if we had won before the GATT, therefore winning the right to seek compensation in the form of other duties against American goods, he would have imposed $600 million worth of duties on American goods coming into Canada which would have hurt our competitive position?

Mr. Axworthy: Mr. Speaker, it is unfortunate that the Minister has not taken the time to read the proceedings of the committee which has been examining Bill C-37. If she had she would have had her questions answered for her. In light of the fact that she has not taken the time to read the transcripts of the testimony, I can relate to her the type of evidence that has been given. Perhaps it will stimulate her into actually examining the issues at hand.

With respect to the softwood lumber settlement itself, the Minister says that the stock market is now the arbiter with respect to whether this is a good deal or a bad deal. She seems to think that the stock market will indicate whether there is a healthy economy or not. What has been pointed out is that the burst in the price of MacMillan Bloedel stocks was due to the progress being made in the pulp and paper industry. Many of the companies dealing exclusively in softwood lumber are in fact being negatively affected at the present time. Between 80 and 100 companies have been forced to go out of business in the secondary remand areas.

Mike Apsey, who is the Executive Director of COFI and who appeared before us, said that the fact of the matter is that whatever boom is being experienced in the lumber industry is a result of the completion of inventories after the strike. As they head further into the third and fourth quarters they will face a downturn in the industry. The 15 per cent added cost differential means that the threshold of closing of mills and the threshold of losing money is so much higher than it was before that many of these companies have lost their flexibility. If the Minister thinks that good trade policy should be based on what goes up and down on the Toronto Stock Exchange from day to day, then I say that that is an awfully good reason why Canadians should have even less confidence today than they had yesterday in the capacity of the Minister for International Trade.

The Minister asks whether or not we would have liked to keep the $600 million here in Canada. We said all along that we had a good case. We were convinced that we could have won, in which case no one would have had to spend $600 million on anything. This is $600 million which has been imposed on the Canadian forest industry. It cuts the capacity to expand. It cuts the capacity for capital investment. It also raises the threshold of plant closures. The fact of the matter is we believe that the country could have successfully pursued the case through either the American tribunal or the GATT tribunal. We believe, as does the industry, that the case could have been won or that we could have had the tariff reduced.

It is ironic that this is a Government which says that the market-place is right, that we must listen to private enterprise, but if it comes down to a choice of obtaining the advice of the industry then the Government turns its substantial other cheek and says: "No. We will not listen to that advice".

With respect to going to the GATT, as our Leader said this morning we had already paid for access of our softwood lumber to the American market under the Tokyo round of negotiations. We had given very broad-based access to American goods in the computer business equipment area, which makes up close to a $10 billion market. That was part of the deal that was negotiated. The Americans broke the deal. We were an accomplice in the breaking of that deal by going along with it. The fact of the matter is that if we had been given the right to retaliate, if many American industries, the big multinationals—the IBMs and the Burroughs, which presently have open access to the Canadian market because of the softwood lumber case—had felt they would be restricted, there might have been a very different set of political pressures brought to bear in the United States.

Once again, that is the reason we need a Government that can think through a trade strategy and that does not simply react to some Pavlovian stimulus provided by the Premier of British Columbia whose last job was running Fantasy Land and whose next job may be doing the same thing. That is why we are arguing in our amendment for something that begins to make sense.

I suggest that if the Minister wants further elaboration on these important points there are several hundred pages of transcript that might provide useful reading for her.

Mr. Langdon: Mr. Speaker, like many Members of the House I have been studying this omnibus resolution. That is what we called it at our convention this weekend since it covers just about everything. I wish to ask my good friend, the Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy), if this resolution were to pass would it indicate an acceptance of a comprehensive bilateral deal with the United States or would it indicate a rejection of such a comprehensive deal? I have trouble trying to sort this out, which may be my fault. I have trouble trying to sort out whether the conditions, if they were accepted, would be sufficient to put the Liberal Party solidly behind this initiative.

Mr. Axworthy: Mr. Speaker, I am always interested in helping the Hon. Member for Essex—Windsor (Mr. Langdon) in trade matters and to give him the best advice I can to develop his understanding of these matters. With respect to the question he raised, there is a very easy and simple answer. The Hon. Member should read the first paragraph of our amendment in which we state that we oppose an all-inclusive trade arrangement with the United States. I do not think I can be much clearer than that.

In listening to the speech of the Hon. Member's Leader this afternoon I heard him say that members of his Party are not against negotiating with the Americans but that they have certain conditions as well. That sounds to me as if the NDP is about ready to support the Liberal amendment. Considering the events of last week, I think that would be only fair under the circumstances.

The amendment speaks for itself. We oppose an all-inclusive agreement which would set out a whole series of conditions which we feel must guide any other form of negotiation or agreement that is being made. We welcome the support of the New Democratic Party in this regard, just as we welcome the support of the Conservatives in the establishment of a clear trade policy.

Mrs. Collins: Mr. Speaker, I take exception to the remarks of the Hon. Member with respect to the Premier of British Columbia, who we feel is doing an excellent job on behalf of British Columbia. I am sure that the Leader of the Hon. Member's Party would want to dissociate himself from the comments of the Hon. Member. It would not be the first or the last time, I am sure, that the two do not agree.

Speakers this morning have cited many quotations. I would like to add to those which have been put forward this morning and read the following:

> Yielding to protectionism under the guise of economic nationalism is self-defeating for Canada. This country has always proposed freer rules of international trade. *Ad hoc* retaliation here and there is not ultimately in the Canadian interest. If any of the current reciprocity Bills before the U.S. Congress ever become law, Canadians will learn what retaliation is all about.

I am sure Hon. Members think that perhaps those are the words of one of our Ministers or a member from this side of the House. In fact, it is a statement made by the Hon. Member's Leader back in 1982 when he was with McMillan Binch. I applaud the comments of the Leader of the Opposition. I think he takes the right approach, an open approach to free trade.

Can the Hon. Member advise me how he can reconcile the views of his Leader, which were so forcefully and appropriately set out in 1982, and the view which he has just stated that his Party is against an all-inclusive trade arrangement with the United States? The amendment which has been put forward contains so many caveats and so many ifs, ands and buts, it is like sending a boxer into the ring with both hands tied. How can one negotiate an arrangement with all that? In fact, it reminds me of a cross between a horse and a donkey. We all know what that would end up with. It would be a mule that is sterile and cannot produce. With this type of amendment the Liberal Party will not be producing either. Would the Hon. Member care to enlighten me on the discrepancy between his Leader and himself with respect to this particular issue?

• (1610)

Mr. Axworthy: Mr. Speaker, first let me say to the Hon. Member for Capilano (Mrs. Collins) that in referring to the Premier of British Columbia I was simply stating a fact that that was his last place of employment. If the Hon. Member is disputing that, then it is only consistent with the Tories inability to deal with facts and reality by always dealing in the realm of fiction. The hon. gentleman is now the Premier of British Columbia and, of course, we will accord all the honour due that position. We will listen to him with interest as he makes statements or ruminates on matters of trade or other such matters.

I want to come to the main part of the member's question about the ability to have retaliation. There is a major difference. *Ad hoc* retaliation is what the Government used on the shakes and shingles. It brought in a sort of stupid tax on books that simply crippled the book industry, to say nothing of having deprived widows of their tea and children of their Christmas trees. That is what you call an *ad hoc* capricious, silly retaliation.

Mr. Turner (Vancouver Quadra): And the Minister finally recognized it.

Mr. Axworthy: The Minister of Finance (Mr. Wilson), who is usually nine months behind time, recognized his error by bringing in a correction to his Budget.

I was talking about a clearly determined right of retaliation under international rules. Where there is a major countervail action, as the United States took on softwood lumber which we consider to be totally unfair, given redress by GATT under the international rules we would have been able to apply a proper mode of retaliation under those rules. That is what makes those rules work, and that is the point we are after. Let us make the rules work. Let us have an international system that works effectively instead of skirting around it, trying to get out from under all the time, which has been the practice of the Conservative Government. We believe that if the system worked properly, and we think it would have worked properly—the Americans themselves say their interest is in broadening international rules—we would not have had to retaliate. The Americans would have backed down on the countervail and we would not have $600 million being applied against our lumber industry today.

Mr. Deputy Speaker: The period for questions and comments is now over.

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BUSINESS OF THE HOUSE

Mr. Doug Lewis (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I rise on a point of order. There have been discussions among the Parties. I believe that if you would put the following motion to the House you would find there is general agreement. It is basically the same motion as was put this morning with one small change to delete a dinner break. I move:

That, notwithstanding any Standing or Special Order of the House, the House sit as follows today, Monday, March 16, 1987, for the purpose of consideration of the Government motion dated March 11, 1987, respecting bilateral trade, in the name of the Minister of International Trade:

—The House continue to sit until 10 p.m., without interruption for Private Members' Business or the Adjournment Proceedings at which time Mr. Speaker will interrupt any proceeding then underway to put forthwith and successively, without further amendment or debate, any question or questions then before the House, provided that at the request of any Member at that time, a division on any question or questions will be deferred until 6 p.m. Tuesday, March 17, 1987.

—Following such question or questions being put at 10 p.m. tonight, or following such deferred division or divisions being requested at that time, Mr. Speaker shall adjourn the House.

Mr. Deputy Speaker: The House has heard the terms of the motion proposed by the Parliamentary Secretary to the President of the Privy Council (Mr. Lewis). Is there unanimous consent?

[*Translation*]

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, we agree with this motion.

[*English*]

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, after listening to the Prime Minister's (Mr. Mulroney) presentation today and hearing his presentation indicating a willingness to discuss the whole matter of the negotiated settlement prior to the final decision with Parliament, we concur that the debate take place into the evening and the vote be held tomorrow at 6 p.m.

Motion agreed to.

GOVERNMENT ORDERS

[*English*]

TRADE

CANADA-U.S. BILATERAL TRADING AGREEMENT

The House resumed consideration of the motion of Miss Carney:

That this House supports the negotiation of a bilateral trading arrangement with the United States, as part of the government's multilateral trade policy, while protecting our political sovereignty, social programs, agricultural marketing systems, the auto industry, and our unique cultural identity.

And on the amendment of Mr. Turner (Vancouver Quadra) (p. 4158):

Hon. John Wise (Minister of Agriculture): Mr. Speaker, before I begin my remarks in this debate, I want to express my appreciation to my two colleagues, the Minister of Finance (Mr. Wilson) and the President of the Treasury Board (Mr. de Cotret) for allowing me to enter the debate at this time enabling me to fulfil a long time commitment with a large number of eastern Ontario farmers later tonight.

Canadian agriculture has an important stake in international trade negotiations. And, as Minister of Agriculture, I am pleased to speak for Canadian farmers in the Cabinet, in the House and on their behalf in the bilateral trade negotiations.

The federal Government understands and appreciates the importance of Canada's farm industry. Furthermore, we believe that the family farm is and should continue to be at the heart of the industry. Canadians, too, understand that agriculture touches all of our lives every day. We do not take for granted the contribution that our farm industry makes to the national economy and to the economies of many rural towns and villages from coast to coast. We do not take for granted the 1.6 jobs provided directly or indirectly by the agriculture and food industry. And certainly no Canadian should ever take for granted this country's reliable supply of high quality reasonably-priced food. Indeed, the Government's top priority commitment to agriculture is a commitment to a strong, healthy agri-food industry and thus a strong, healthy Canadian economy.

That is why our Government has undertaken many helpful and important agricultural initiatives. Most significantly, we delivered the $1 billion special Canadian grains program, the largest special initiative ever taken on behalf of Canadian farmers by any federal Government in the history of Canada. This and many other actions are tangible proof that we have acted in good faith on behalf of farmers. In the same way we are acting in good faith and in the best interests of our farmers in our international trade negotiations.

Canada's farm industry truly reflects the trading heritage of this nation. Close to half of last year's farm cash receipts in Canada, about $9 billion, were derived from export sales alone. That is why it is essential we get the best possible deal for agriculture in our international trade negotiations.

Let me speak first about the problems of international trade and grains. The ill-conceived export subsidy war between the treasuries of the EEC, and the U.S. is making victims of Canadian farmers. The Government of Canada is determined to see an end to this insane subsidy war. We are fighting for fairness in world agricultural trade. Most Canadian farmers understand and appreciate our many efforts. For example, Canada played a key role in having agriculture put on the table in the new round of multinational negotiations. We are now pursuing the Canadian interest with vigour at the GATT. At the Tokyo Summit last year, the Prime Minister (Mr. Mulroney), the Minister of Finance, and the Secretary of State for External Affairs (Mr. Clark) expressed the need for an end to the international subsidy war as a matter of urgency. I am positive the Prime Minister will be doing the same at the upcoming summit. My colleague, the Minister responsible for the Canadian Wheat Board, has met twice to discuss grain trade problems with the five major grain exporting nations. Canada, in fact, initiated the first meeting. There will be more. We must find a solution. We must restore fairness and equity to the international trade world.

These multilateral initiatives do not stand alone. Canada is also acting on another important international front, namely, bilaterally, to improve our trading relationship with the United States. The Americans are by far Canada's largest export customer for farm products. When you realize that the United States is a relatively small customer for our major farm export, grains and oil seeds, then the significance of the U.S. market becomes even more obvious and apparent. More than half of our non-grain and oil seed farm exports are sold to the U.S. market. Sales of our farm products to the United States equalled 10 per cent of all farm cash receipts in Canada.

• (1620)

The importance of the United States market varies from one commodity to the next, but that is Canadian agriculture. It is an important point to remember. For instance, about three-quarters of our red meat exports go to the United States. Without exports to the Americans, our red meat industry would shrink dramatically. About two-thirds of our horticultural and special crops go to the United States, and well over half our potatoes are exported to the United States. In fact, if we look at the Canadian pork industry, we see that well over a third of all pork produced in Canada is sold in the U.S. market.

Clearly a strong future for many sectors of our farm industry is contingent upon future access to our largest market, namely, the U.S. This is why many farmers are, and rightfully should be, concerned about the increasing protectionist move which is running rampant south of the border.

We have all seen the writing on the wall. Action by U.S. pork producers resulted in the imposition of a countervail duty on live swine. A number of midwestern states restricted imports of our live animals and meats for more than a year. It was allegedly done for health reasons, but it was really to keep

Canadian products out of the U.S. market. U.S. potato producers in Maine continue to try to restrict Canadian potato markets in that particular region. The legal costs of this action and the imposition of special inspection procedures create a hardship for potato producers in the country, particularly those in eastern Canada.

There were anti-dumping and countervail duty investigations into British Columbia raspberries. Restrictive import quotas were imposed on certain sugar products. This has caused an estimated trade loss to Canada of about $40 million. Now there is an investigation of beef imports from Canada.

Canadian farmers are not standing still during this process. Many farm groups are beginning to take successful action on their own to protect their own interests. Even as we negotiate nation to nation for new and better rules governing agricultural trade, we cannot and will not leave ourselves disarmed.

A good example is the corn countervail decision which was issued on March 6 by the Canadian Import Tribunal. It found that American subsidized corn was causing injury to Canada's grain corn industry. This decision was a direct result of farmers' own actions.

All these disputes point to the troubling changes which are taking place in our trading relationship with the United States. For our farmers these disputes create uncertainty about the future and future market opportunities. Unless there is an effort on both sides of the border to discuss and resolve these difficulties through the negotiation of a new trade deal, we can bet that there will be more problems and indeed more trade barriers.

The benefits for Canadian farmers will be tremendous, if we are able to negotiate a new trade deal with the United States. It must be a deal that prevents many disputes from happening in the first place. It must be a deal that establishes a reliable and fair mechanism for handling disputes which arise in a manner that does not involve new trade barriers. It must be a deal which, once and for all, regulates technical barriers in order to prevent their use to block trade, and a deal which gives Canada more secure access to our largest agricultural market.

From an agricultural standpoint, that is what these negotiations are all about. They are about fighting off the ground swell of protectionism in the United States, and they are about securing Canada's access to a large American market of some 235 million people.

To get the best deal possible, we are consulting fully with the industry, with all sectors, and with all provinces. I should like to make mention of the membership of Walter Kroeker and Ted Turner on the permanent International Trade Advisory Board. In addition, we have some 15 sectoral advisory groups on international trade. We also have one of the largest sectoral groups on agriculture, food, and beverages, with about 34 members.

More than half the total farm cash receipts in the country are derived from the sale of commodities covered by marketing boards. Producers of many commodities from grains to turkeys to hogs have been served well by the marketing board system. Today there are about 125 active marketing boards in Canada, and the vast majority of them are promotional in nature and established under provincial legislation.

However, an important distinction must be made for dairy, poultry, and egg farmers who operate under a full supply-management system. I appreciate the concern among some of these producers about what our negotiations with the United States may mean for them. My cabinet colleagues are well aware of those concerns as well.

The Secretary of State for External Affairs, the Minister for International Trade (Miss Carney), and the Prime Minister have stated the Government's position on the issue very clearly. In fact, the motion before the House clearly addresses itself to that problem. I have repeated the message time and time again that the Government will retain the right to decide in Canada what kind of marketing systems are best for our agricultural commodities. We are not about to dismantle the Canadian Wheat Board or any other marketing boards, whether or not they have supply-management powers. Let me make that statement very clear. We are talking with the Americans about trade, but we will not sign any deal unless the deal is a good one for Canadian farmers. Obviously any deal which is a good deal for Canadian farmers is a good deal for Canadians generally.

The Government's position on agriculture in the trade negotiations reflects the high priority we place upon the country's agri-food industry. We believe that our positions, our policies, and our actions must and do reflect a commitment to a healthy and viable farm industry in Canada.

I welcome whatever time is remaining for questions.

Mr. Hovdebo: Mr. Speaker, I want to ask the Minister to expand a little on what he is saying about marketing boards, in particular the Canadian Wheat Board and the grain commission. Mr. Yeutter, the U.S. Trade Commissioner, has stated very specifically that they cannot accept the grading system established in Canada and that it is unfair to them. In fact, he called it "phoney". That grading system has made us the producer of the best grains in the world, and the United States has complained about it for many years. It has suggested that it wants the system out of the way and that if we are to have a level playing field, it must be out of the way. I want the Minister to assure us that the Government respects the grading system which is in place as far as grains are concerned.

Mr. Wise: Mr. Speaker, I suppose I can take some satisfaction from the fact that at least the question is a different one. For the last six months or eight months certain people have been travelling around the country deliberately stirring up some uneasiness and anxiety by indicating "forget it, fellows, you are going to lose your marketing system". They have indicated to people who have operated so well under supply-

management—and some of them have done so for 50 years—that it will go down the tubes.

I hope we have established the facts very clearly today. When the Hon. Member started his question, I thought he was about to raise again a question about the possibility of the Canadian Wheat Board being dissolved or disappearing after the talks. The fact of the matter is that it will not be. We have deliberately used the term "agricultural marketing system". I indicated that we have about 125 boards in the country. Some of the boards have supply-management and some do not. Some are marketing commissions. Some are not much more than associations. Some are groups of producers who sit down on behalf of their membership to try to negotiate contracts with processors and so on. Maybe we are making progress here in respect of the Canadian Wheat Board.

• (1630)

I suppose the grading system is like any other grading system for a whole variety of products. We have some real problems with the grading systems in reference to our U.S. counterparts, and we would not mind talking about that at all. They have a habit of changing these things overnight without even giving us the courtesy of notifying us. They happen to use all sorts of things that give us problems, and I think that is one of the trade irritants about which we should talk.

I can tell the Hon. Member one thing and that is that we will not make any decision on changing the grading systems until such time as we fully utilize the advisory group that exists and until we touch base with the industry people. My colleague, the Minister in charge of the Canadian Wheat Board will, I am certain, be using each and every occasion to seek the advice of the leadership of the grain trade before we make any move on that particular aspect of it.

Mr. Axworthy: Mr. Speaker, the Minister's colleague, the Minister for International Trade (Miss Carney), indicated earlier today that the Government would be seeking to reduce customs duties, to reduce tariffs and to negotiate in the area of investment and services. Taking that into account, I would like to ask the Minister some explicit questions.

If investment is to be negotiated, would that affect the way U.S. grain companies compete with prairie grain co-operatives and pools which now have special investment advantages? Second, if by negotiating import quotas and tariffs we allow for import restrictions on U.S. grain to be lifted, how will that affect the two-price wheat system? Third, if customs duties on imported fruits and vegetables are revoked or removed, would that not affect our emergency protection laws as well as our seasonal customs duties that now apply for the protection of the horticultural industry? Fourth, how would this affect the wineries in British Columbia and Ontario? The Minister for International Trade said that we would negotiate away government procurement. The wine and beer industries are based on the special advantages they now enjoy with liquor commissions across Canada. Have all those applications of the Government's plan been examined?

Mr. Wise: Mr. Speaker, I appreciate those questions. In response to a question which I believe was posed by the Hon. Member's colleague, the Hon. Member for Algoma (Mr. Foster) earlier today, I made it very clear. When we make a clear statement dealing with agricultural marketing systems like the one we made in today's motion, there should be no doubt that we are sending a clear signal across the country that we will maintain the right to decide in Canada what system of marketing a particular commodity deems advisable for its own use. We are also recognizing the continuation of supply management.

Some marketing boards have supply management, but the Canadian Wheat Board is a little different. It does not have supply management powers but it does have powers to issue import permits. We have sent a clear signal that the Canadian Wheat Board stays and that marketing boards, even those with supply management powers, stay. At the same time, there must be a recognition that certain underpinnings are required and will have to remain in place. There is no way the supply management system can operate unless it continues to have other trade advantages.

Let us look at the dairy industry, for example. We can compare any dairy farm in Canada with a dairy farm in the State of Florida. The farmer in the State of Florida will probably not have any more money in his entire operation than the average dairy farmer in Canada has in his or her milk house. That is just common sense. Those who understand the industry know that there is no way Canadian dairymen could compete against dairymen south of the State of Georgia because of weather conditions alone. The same is true of the middle states. Any state further south of Georgia has two crops a year. How in the world can we compete against that? We must recognize that reality. We will not shut them down at all.

With reference to Sections 56 and 57 of the fruit, vegetable and honey regulations, again I indicated in answer to the Hon. Member's colleague that I have an option to express my views on that in accordance with the new rules of the House and I will do so. I will exercise my option on behalf of the Canadian fruit and vegetable industry on Wednesday, I believe. I hope that all Hon. Members, regardless of political affiliation, will join with me in support of that motion so those regulations are not rescinded.

I have spoken of geographic locations and the economy of scale. We always have to be conscious of those. We live in half of the North American continent. Americans can put 10 per cent of their produce into this market and occupy 100 per cent of it. We could put 100 per cent of our produce down there and it would only impact on about 10 per cent of the market. We know that. In fact, I have established a Canada-U.S. port advisory group which has worked well together and will continue working together. There is a respect for our need to pay special attention to those items which impact on Canadian agriculture and particularly the fruit and vegetable industry at certain seasons of the year.

• (1640)

As I have travelled across the country, I have experienced some frustration. A member of my staff told me that I made 190 speeches last year, and I will probably make as many in the future if I have the good fortune to remain in this particular position. As I travel around the country, I find that almost without exception, people are pretty edgy on the trade issue, particularly those who work in supply-managed commodities. I acknowledge that. However, we have decided, and it is the right decision, that we should only say certain things at certain times. I know my colleague, the Minister for International Trade made that point today in answer to my colleague across the way. Whatever we do, we must not jeopardize our chances of striking the best possible deal. We have satisfied ourselves at this point in time that we can be very definite on marketing systems with supply management. The process will go on and as time goes by and negotiations continue, we will be making more definite statements on other aspects as well.

Mr. Henderson: Mr. Speaker, I would like to ask the Minister a couple of questions about Canadian dairy farmers. Of course, the Minister probably has a copy of the letter that was addressed to him by the president of their association dated March 13. The dairy farmers made a number of points on the free trade deal with the United States as it relates to the dairy industry to which I would like the Minister to respond.

First, dairy farmers say that their domestic market must not become a disposal ground for U.S. overproduction. The Minister already stated that certain parts of the United States can certainly produce more cheaply than we can in Canada due to our geographic dislocation, if you will, and climatic conditions. This is what bothers the dairy industry, certainly in my province, about free trade. I am sure they would like to have some assurances from the Minister that the import control list is a fundamental element of the Canadian supply management system and it must not be weakened under any conditions in these negotiations. On the contrary, they say that if any changes are to be made they should go towards strengthening of the list, notably through the addition of dairy products such as yogurt and ice cream. If we do not have some way of stopping the import of those products, especially those in the dairy sector, given their longer production runs and their ability to compete against us, then supply management will be thrown out of the window as far as Atlantic Canadian farmers are concerned.

Mr. Wise: Mr. Speaker, I believe I dealt with that question earlier in Question Period and in my other remarks. This Government provided dairy farmers with a five-year commitment of $1.5 billion. This motion we are debating today indicates that supply management stays. The long-term dairy policy stays. There is no question about that. The Hon. Member should take some comfort from that. I also said that would require the retention of certain underpinnings now in place in order to maintain the commitment to that long-term dairy policy. Dairy farmers can take some satisfaction from all three statements. However, the observation I wanted to make dealt with the example I used previously of the difficulty a dairy farmer has here in Canada compared to one south of the State of Georgia, particularly in Florida. I also wonder if the Hon. Member knows that the U.S. dairy industry can send ice cream across the bridge from, say Detroit but we do not have access to the U.S. market. That concerns me. It might well be an interesting item to raise, but we will not be raising it unless we are requested to do so by the industry.

Mr. Deputy Speaker: Resuming debate with the Hon. Member for Essex—Windsor (Mr. Langdon).

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, let me start off by saying that my sympathies lie with the Minister of Agriculture (Mr. Wise) as he tries desperately to defend his farmers, as he sees them, against the assault posed by the free trade agreement. He is, as I see it, agonizing his way along as toughly as he can. Frankly, I wish him luck, but I also have to say that I think farmers across the country will find some very rude surprises in what is going to take place.

Miss MacDonald: That is your wish.

Mr. Langdon: That is not my wish.

Miss MacDonald: Indeed it is.

Mr. Langdon: That is not my wish. I have dairy farmers in my riding.

Mr. Wise: Not many of them. How many?

Mr. Langdon: Far fewer than there used to be, and that is a commentary on past agricultural policy. However, those who are there are very concerned about what may happen not just because of the potential threat to the dairy industry, but also because of the potential threat to cross-boundary product movements which could undercut the industry and in turn undercut farmers and the farm sector itself. I wanted to make that point at the beginning.

This is perhaps one of the most important debates which has taken place on the economic future of this country since 1867. We have to choose the direction we are going to take, and that has tremendous implications for our future as a sovereign nation. There is, too, a broader issue involved in this debate. That issue is crucial to all Canadians. That is, the question of the integrity of Ministers who now stand behind this policy when they stood behind quite a different policy prior to their election. The Prime Minister (Mr. Mulroney) started this debate with some quotations and I want to do the same. I would like to begin with a quotation from the Secretary of State concerning free trade with the U.S. This is from *Maclean's* in 1983: "It is silly. Canada must improve relations and trade with the United States, of course, but our natural destiny is to become a global leader, not America's weak sister." Let me quote as well the Minister of Finance (Mr. Wilson) from the same source: "Bilateral free trade with the U.S. is simplistic and naive. It would only serve further to

diminish our ability to compete internationally." Either the Minister did not believe it then or he is agonizing over supporting what is taking place now. Finally, let me quote the Prime Minister from that same source: "Canadians rejected free trade with the U.S. in 1911. They would do so again in 1983. Canada must increase its share of total world trade which has dropped by 33 per cent in the past two decades."

What we have here is a series of leading economic Ministers who, when they were seeking the leadership of the Conservative Party, and I could quote the Secretary of State for External Affairs (Mr. Clark) if I wanted to on this issue, indicated very clearly that they were against free trade. Yet once elected with this vast majority, they led the country in the direction of a comprehensive agreement with the U.S. That carries some extreme dangers, not just for our future sovereignty but for our economic well-being. Those remarks apply to what the Minister for International Trade (Miss Carney) said today. She made the most remarkable statements about the Auto Pact being an example of free trade and how she wished all the country could share in it. Those of us in southern Ontario who benefited from the Auto Pact and therefore from free trade should be willing to share our goodies. Let me make it quite clear that if the Minister still believes that an agreement which has safeguards both with respect to numbers of cars which must be produced in this country and with respect to Canadian content is in fact free trade, then she simply does not understand anything about the definition of the portfolio in which she is required to work.

• (1650)

I must take this point further. In his remarkable speech this morning, which in so many words said so little, the Prime Minister came at one point to a rather remarkable conclusion. He said that every research study had shown that there would be tremendous economic benefits for this country. I have here on my desk enough research reports which have shown exactly the contrary to keep this House busy for hours. I have one from the University of Maryland which says that among 28 industrial sectors analysed in this report the net employment is positive in 5 industrial sectors and negative in the remaining 23 sectors.

I can quote as well from reports of the Government of Ontario undertaken by Jack Baranson, an American who is unlikely to be biased on this. He makes the point very forcefully in that research report that there will be a tremendous outpouring of American branch plants from this country.

I can make the point with respect to studies done by the Province of Quebec which indicated significant job losses which would take place in Quebec. I can make the point with respect to another study done for the Government with respect to the Auto Pact and its conclusions which said that the Auto Pact should not be permitted in any way to be affected by this negotiation. It is quite clear now that it will be affected by this negotiation if across-the-board tariff cuts are going to be put into place.

Abundant research reports have demonstrated that the Prime Minister's points to us this morning and to the nation were not, as they should have been, reflections of reality but instead were reflections of hope. If he actually read the research reports which have been done on this subject by a great many groups across the country which include sectoral studies which have finally been produced, not by the Government publicly, but by the—

[*Translation*]

Quebec Coalition against free trade, groups which commissioned those studies carried out by Quebec economists, which clearly stated that in all the industries which were considered, there will be terrible losses as a result of that free trade arrangement.

[*English*]

That is in fact what the studies have shown us and that is in fact what the Prime Minister should be aware of as he speaks to this House and the nation.

He also spoke this morning about the resolution which came out of the New Democratic Party's convention over the past weekend. In that, too, he was selective. He chose the one point which he wished to attack without making clear to the nation that in that resolution was a very broad and detailed trade strategy that would take us in a different direction which would give us trade expansion with the rest of the world including the United States but would not sell us out as the present trade initiative is clearly going to do.

I could talk about some of those alternatives. I could talk, for instance, about the support for small business and medium-sized firms which the Government has not been prepared to give in the export sector through the EDC as it should have. I could talk about the necessity of working to build up more production and import replacement in high-tech sectors in this country through planning with business and labour. I could talk about an extension of the approach that has been taken in the Auto Pact and its 60 per cent Canadian content rules which would give us thousands of new jobs right across the country. I could also talk about the realities as opposed to the myths of GATT presented by both the Minister for International Trade and the Prime Minister.

The reality is that GATT is urgently trying to deal with many of the problems which we are being hit by from the United States; the problems we have seen in softwood lumber, the problems we have seen in fish, and the problems we experience in Ontario in pork. That is a route which can be taken which would give us rapid action toward solving the problems that face us.

I could talk, as well, about the need to establish dispute settlement mechanisms which I think would be quite helpful between ourselves and the United States. That is the kind of strategy which can and should be taken in this country. However, that is not the direction which is being taken and across the country, contrary to the quotations which the Prime Minister read this morning. There is a crescendo of opposition

emerging to this free trade thrust, opposition which I am predicting will lead to this thrust being rejected in the end despite the brave words of the Prime Minister this morning.

I could quote from the *Gazette* of March 14 which suggests that the Government should clarify its position on Monday because it has not clarified it yet. I could quote from Wonnacott's, economists who have supported free trade in many respects and who say that because a free trade arrangement is bound to create a number of specific problems it would best be undertaken when major disturbances such as widespread unemployment or an international financial crisis are absent. That, as we all know, represents the conditions which face us at this stage in Canada with 9.6 per cent out of work.

I could quote from Albert Breton, a member of the Macdonald Commission, who says:

> I continue to hold that anti-Americanism in Canada can be better kept in check and the prospect for free trade over the long term better protected, if unilateral reinterpretation of fair trade laws by the U.S. Government is directed at all its trading partners, rather than if a bilateral agreement calls "special" attention to Canada.

As Breton says, what will stop the U.S. Government from unilaterally reinterpreting and redefining any agreements, however formal, between Ottawa and Washington? Certainly not a sense of fairness or responsibility or even respect for the written word. I could quote from Arthur Donner who states:

> All of this suggests that Canada should not count on a free trade pact with the U.S. to rescue it from its productivity doldrums. Aside from the politics of the issue, Ottawa should be looking at other ways of boosting the economy and productivity.

• (1700)

I could quote Peter Francis, a small boat manufacturer who owns ACF Grew Inc., who states:

> If free trade becomes a reality, I expect to see some U.S. companies retreat across the border and serve the Canadian market from their larger and more efficient plants. I would not be at all surprised if we find Canadian companies establishing their new plants in the U.S. sun belt, where unions are practically nonexistent and a large number of employees work for minimum wages and benefits.

I could quote the head of Labatt's, who says:

> The costs of free trade are very high. Under present conditions, any economic advantages of free trade to the American brewing industry would be offset by severe financial and human dislocation in the Canadian brewing industry.

Perhaps I could finish by quoting George Grant, who has been a member and supporter of the Conservative Party for many years. He says:

> There seems to be no doubt that Canadian political sovereignty would be put in question both domestically and internationally if our two societies were homogenized economically. For example, social security policies: we just could not have policies that put us at a taxation disadvantage.

That is the reality that faces us if this path is taken. There is another path by which this country can get back on its feet. This Parliament must address itself to those dreams of our children and communities throughout the country of a free, independent sovereign nation which will be able to direct its own affairs so that it will not be told, as in the case of softwood lumber, what it can and cannot do. We must look toward a sovereign future in which Washington does not tell us what we can and cannot do in a free trade agreement. We must direct what takes place and decide how we shape our regional development policies, our agricultural strategies, our cultural policies and our development.

That is not the direction in which the Government is taking us. Rather, we are faced with camouflage by the Government and must rely on information that leaks from the chief negotiator and Canadian press in order to get a sense of what is on the negotiating table.

If the Government wanted to regain its sense of leadership on this issue, today was its opportunity to do so by giving the House a real progress report instead of a bogus set of presentations that have not explained what is taking place in the free trade talks.

We want the dream of the future, we do not want bogus directions which will be so devastating for all of us in the future.

* * *

BUSINESS OF THE HOUSE

Mr. Doug Lewis (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I wish to advise the House that tomorrow will be day number four in the budget debate, and Wednesday will be an allotted day.

Mr. Riis: Mr. Speaker, I rise on a point of order. There is an understanding that at ten o'clock tonight the debate will end and the vote will automatically take place at six o'clock tomorrow. Is that correct?

Mr. Lewis: Provided that is satisfactory to the Table Officers, we have no difficulty with it. In other words, my friend is saying that the vote will automatically be at six o'clock tomorrow rather than being called at ten o'clock for six o'clock. In other words, we know that the vote will be at six o'clock, if it is all right with the Table Officers.

Mr. Deputy Speaker: The House has heard the motion. Is it agreeable?

Some Hon. Members: Agreed.

• (1710)

GOVERNMENT ORDERS

[*Translation*]

TRADE

CANADA-U.S. BILATERAL TRADING AGREEMENT

The House resumed consideration of the motion of Miss Carney:

That this House supports the negotiation of a bilateral trading arrangement with the United States, as part of the government's multi-lateral trade policy, while protecting our political sovereignty, social programs, agricultural marketing systems, the auto industry, and our unique cultural identity.

and the amendment by Mr. Turner (Vancouver Quadra) (page 4158).

Mr. Blais (Bellechasse): Mr. Speaker, I listened carefully how the Hon. Member for Essex—Windsor (Mr. Langdon) undertook... Yesterday, his leader promised his scant delegation from Quebec, and I want to quote from *Le Devoir*: "This morning, Broadbent goes to war against free trade". I would like to know, and perhaps the Hon. Member for Essex—Windsor would be able to answer my question... He said earlier that some Hon. Members on the Government side were inconsistent in that before the election they had been against free trade and now they were in favour of it. He said that at the beginning of his speech.

I was surprised to hear him say so, because in fact that is the very essence of the New Democratic Party, Mr. Speaker. That is how they have always operated. They are opposed to a measure until it turns out to be a good thing, and then they try and give the impression they invented it in the place. That is what happened in the case of the Auto Pact and what they are doing now with the language question. After being opposed to this particular measure for a couple of years, and after criticizing Quebec to the nth degree, now they are almost messianic in their defense of the province of Quebec. They even got the help of the Premier of Manitoba, who a few weeks ago was very critical of certain government decisions, and who now said yesterday: Of course Quebec is the best province in Canada. Invest in Quebec. That is a lot of hypocrisy, Mr. Speaker.

How can the Hon. Member's party be constantly opposed to free trade and object to the whole concept to the point of going to war against free trade? It is all very clear. The message is clear. They do not say why. They say we are on the warpath, we are against it.

They are also opposed to a Canadian policy which, I think, Canadians generally have acknowledged as being a more aggressive stance in the drug sector, a policy aimed at creating hundreds and thousands of jobs in Quebec and Ontario and attracting investments in excess of $1 billion over the next few years. At the same time the New Democratic Party was opposed to the sale of Canadair which will put an end to an annual waste of billions of dollars on a company which was unable to operate in the black. We sold it back to the private sector so as to be able to recoup these losses and put Government management on a sounder footing. But all we get from that Party is opposition and a negative approach, yet a few years ago they did manage at times to come up with challenging initiatives which at least had the merit of being original. They have become naysayers from the word go. They are prophets of doom, ever retrogressive and pessimistic. None of their recommendations or positions has even a whit of constructive elements to create jobs for Canadians.

The Prime Minister—he quoted him this morning—said: He made an intervention, an admirable speech. Yes, I am getting to the point, Mr. Speaker. He said: He made an admirable speech. The main reason why it was admirable is that it was positive. He said: We must forget partisanship, Mr. Speaker. And because Canadians find our 9 per cent unemployment rate intolerable we will do our best to find new markets, we will try to find new customers for our companies located in Bellechasse, Beauce and elsewhere, for our small- and medium-sized businesses from coast to coast in Canada. That is what we need. But we hear them say: No, no, let us not upset anything, we will try to sell that, we will create new state-owned companies, we will trade among ourselves. I cannot imagine what they want, but they have no ideas, Mr. Speaker. As the Prime Minister said this morning, what do you intend to do to help us bring down the unemployment rate? What do you think you can do to create jobs, since you don't think we can do it by working together with our customers, our neighbours to the South, who can provide us, quite honourably, I believe, with a market of 250 million people next door? What kind of positive contribution do you have to make? What can you do to provide jobs for Canadians on this side of the border? Because that is what we need, Mr. Speaker. I wish they would come up with something positive, because we haven't heard anything positive for months.

Mr. Langdon: Mr. Speaker, at last we have someone from Quebec who sounds just like the Minister from Newfoundland. We have a remarkable addition to the House.

Mr. Blais (Bellechasse): I have been around for two and a half years.

Mr. Langdon: I must say I couldn't find many ideas in all those words. They say, for instance, that we as a party are opposed to trade. In fact, that is not the case. For instance, we could mention the resolution made on the weekend which indicates that we really want to increase our trade, not just with the United States but with many other countries. We could also say that the resolution contains suggestions for supporting small- and medium-sized businesses, because it is this sector of our economy that is the most important one in terms of improving the economy and producing new types of exports. Today, we do not have any agencies to back up these small companies. If the Hon. Member does not agree, he would do well, as I did, to listen to what a group like the Export Development Corporation does, which has been supporting these small companies quite well.

There are other ways of creating jobs. For instance, we said it was necessary to set up in Canada a system to replace imports in the high tech sector, because these sectors are very important for the future. But to do all these things, we have to concentrate on economic issues. We don't have to conclude a wide-ranging agreement with the United States. The U.S. has enough problems of its own nowadays, including the issue of productivity.

[*English*]

Mr. Deputy Speaker: Order, please. Could I ask the Hon. Member to conclude as his time has expired.

• (1720)

[*Translation*]

Mr. Langdon: I suppose the answer is pretty long for the question, but in concluding, I want to say that on the weekend in Montreal, we discussed a lot of ways to expand the economy, and it isn't necessary to get involved in issues like free trade that will cause problems in this country with respect to the future of our sovereignty.

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, it is with great pleasure that I take part in this debate on a matter of utmost importance for our country, and Quebec. It is now over a year since Prime Minister Brian Mulroney announced in the House of Commons Canada's intention to conclude a trade agreement with the United States in order to preserve, improve and guarantee our access to the world's largest market for goods and services.

Because of the size of the U.S. market, we must not only safeguard what we have already achieved but also negotiate an agreement which will at the same time facilitate and stimulate growth in our commercial activities in the United States. As you know, Mr. Speaker, our bilateral trade amounts to $200 billion per year—the largest volume of trade between any two countries. Two million and a half jobs depend on U.S. sales, and nearly 80 per cent of our goods and services are sold there.

These negotiations are particularly important to Quebec and its people. The province's exports in 1985 were worth nearly $22 billion, and sales to the United States accounted for two thirds of that amount, or about $14.5 billion. Since Quebec is now selling 66 per cent of its exports on the U.S. market, it is crucial for the province, as it is for the jobs of hundreds of thousands of Quebec workers, that the trade boundaries between the nations—and especially between Canada and the United States—remain open. The necessity for us to take action to protect our access to this market quickly becomes obvious when we look at the protectionist action taken against us recently. The Americans do not hesitate to use measures which create costly trade restrictions.

The trade measures taken against Canada in the past few years have already affected our exports of nearly $7 billion. As an example, Mr. Speaker, I would like to mention here the farming sector, which was affected by countervailing and anti-dumping measures against Canadian exports of hogs, potatoes, raspberries and even cut flowers. Hog exports alone bring in nearly 20 per cent of the total cash farm revenue in Quebec. The Americans have threatened to take this type of action against other farm products as well.

If we could succeed in defining some clear rules limiting the use of such action, Quebec and canadian farming would benefit tremendously.

These protectionist measures apply to a whole range of products, such as lumber and cedar shakes and shingles. Quebec's interests have been seriously affected by the measures taken to counter the protectionist threat by the United States against the softwood lumber. We must realize, Mr. Speaker, that softwood lumber exports are important to many regions of the province, and that in 1985 they accounted for just over 5 per cent of Quebec's sales of primary products to the United States.

We must negotiate an agreement that will ensure stability, fairness and predictability, by establishing effective methods of settling disputes. Since we are commercially dependent on the United States in terms of jobs and revenue, that is a threat to Quebec's and Canada's prosperity which we cannot ignore. It clearly makes good sense to try to maintain, expand and protect our bilateral economic relations, by concluding a long-term trade agreement with the United States.

The Americans also consider it in their interest to strengthen their access to their largest export market.

That is why Prime Minister Mulroney and President Reagan have initiated negotiations to provide for, and I quote:

"The broadest possible set of mutually beneficial reductions in the obstacles to their trade in goods and services."

What, then, is at stake in the bilateral trade negotiations with the United States? First there is the objective of freeing up trade—mutually reducing and eliminating customs tariffs, establishing agreed-upon rules for origin and improving customs procedures. Already, 80 per cent of our exports to the United States, and 75 per cent of U.S. exports to Canada, cross our border duty-free. Both parties have an interest in making it possible for the rest of their goods and services to be exported freely and easily.

If that were the only objective, the negotiations might not be too difficult. Greater liberalization of tariffs could be progressively achieved in any case from the new round of GATT negotiations, in which Canada is participating actively. However, such long processes will not solve our most immediate problems.

The bilateral negotiations with the United States cover more important matters: the exceptional U.S. protectionist measures, a number of non-tariff barriers to trade and, for the first time, negotiation of agreed-upon rules for trade in services, measures relating to investment and protection of intellectual property rights like patents, copyrights and trade marks.

Those are questions of access that interest both our countries. We are also talking about better mechanisms for settling

disputes, and about the adjustment process required by application of an agreement.

Thus both parties want to eliminate or reduce tariffs, over a transition period established in terms of the adjustment problems of specific industries. That transition period will last five to 10 years. No one will be caught short overnight by decisions ratified in this government. Also, the tariff concessions on both sides must be equivalent in value.

These trade negotiations are difficult and complicated. No one has said the road will be smooth. The sectoral disputes arising during the negotiations certainly do not make them any easier.

But everything boils down to this, Mr. Speaker: there will be no agreement with the Americans unless we can obtain one that is good for Canada and for all Canadians.

Mr. Speaker, it is our responsibility, our collective responsibility as Government members, the responsibility of the leader of the Government to undertake this kind of negotiation, because we are talking about the future, we are not talking only about ourselves, we are talking about our children and grandchildren, we are talking about the year 2000, Mr. Speaker, we are talking about a country which seeks its own place under the sun, in a competitive world, in an international world. It is the kind of *avant-garde* policy which the Government has proposed to Canadians and is proposing to its trading partners to ensure a challenging, promising, fair and equitable future.

Mr. Speaker, no matter what certain Members of the Opposition—official or otherwise—or the media may have claimed, we are negotiating on a one-to-one basis; if our negotiations prove to be successful, the agreement must benefit both parties. And unlike in many other economic sectors, it is possible to arrive at mutually beneficial agreements in the international trade sector. It is not a question of abandoning something at the expense of the other. Of course, it is the kind of agreement which our partners to the south are seeking as well, the kind of agreement we are negotiating, and this is why we are confident we will find a solution which both parties will accept as being fair and equitable.

Our negotiators meet every month, and the rythm is picking up as they have reached the practical timeframe for detailed negotiations. Besides security and possibility of access, both parties want to open up public and regulated markets. If Canada succeeded in obtaining only 1 per cent more of the U.S. public market, it would earn $5 billion more per year, which would translate into the creation of 75,000 new jobs, as the Prime Minister said this morning. It shows how important are those negotiations now under way.

The U.S., for its part, is interested in concluding arrangements in the new areas of services, investment and intellectual property. Both Governments consider it important to liberalize trade in farm products, along with better regulation of export subsidies for those products. I hasten to add that this will be done without putting in jeopardy our farm product marketing boards. In this area, Quebec could benefit from continued and wider access to the U.S. market through conclusion of an agreement on the U.S. restrictions on livestock, meat and packaged products, and from an agreement on technical standards, which have been used to block Canadian exports. The questions on trade in farm products are also a priority for the GATT negotiations.

Now, Mr. Speaker, what will an overall trade agreement give us? It will give us a guaranteed environment for investment, new production facilities, economies of scale and specialization, better productivity and better jobs, more secure jobs, jobs with a future. That is what we are striving for in this negotiation which we believe is so important to our country's future.

In Quebec we see the possibility of guaranteeing modernization of the industrial structure. That is why the private sector, particularly the *Conseil du patronat*, the *Chambre de Commerce* and the Canadian Manufacturers' Association, are so strongly in favour of a trade agreement with the United States.

Among the manufacturing sectors in Quebec which would benefit most from a Canada-U.S. trade agreement, we should mention a substantial portion of exports of resource-based products, such as pulp and paper and chemicals. Other important manufacturing exports (like public transit, telecommunications and aerospace equipment) could benefit from better access to the U.S. public markets for civilian and military goods. Quebec's equipment and hardware industries could benefit from lower U.S. customs tariffs and from removal of the threat of countervailing measures, which would encourage investment in Canada and in Quebec.

Quebec's services sector—70 per cent of the province's economy, and over two million jobs—is looking for new outlets. Although much remains to be done to determine the advantages involved, many firms in such sectors as life insurance, construction, consulting engineering and business services have stated they would benefit from freer trade.

Although we have given only a few examples, it is clear that the benefits will not all go only to one region or one sector in Quebec, but to all our people. From Gaspé to Abitibi, from the Eastern Townships to Saguenay—Lac-Saint-Jean—and in my own riding, I would hope—from urban factories and financial houses to forest, farm, mining and fishing firms—free and guaranteed access to our neighbour's large market will help us build up Quebec and create the jobs on which our prosperity depends.

The Conservative Government has also undertaken to maintain the social security net which enables Canada to adapt to the evolution of the world economy. A new trade agreement with the United States will strengthen this adaptability and open up new opportunities for economic growth, which is in fact the best policy for adjustment.

In conclusion, Mr. Speaker, in its dual trade negotiations—bilateral negotiations with the United States and multilateral negotiations in GATT—the Government is trying to solidify

and strengthen Canada's economic base. It is also working to manage change, which is the economic reality of today, to promote production, employment and revenue, which are the basis of our physical, social and cultural well-being. We are working to build a stronger Canada in a stronger world.

Ms. Copps: Mr. Speaker, I would like to ask the President of the Treasury Board (Mr. de Cotret) whether he could expand on the copyright issue. He referred to this matter in his speech, and I wish he would explain exactly what he thinks will happen in a free trade agreement on this issue.

Mr. de Cotret: Mr. Speaker, the question has been raised before. I mentioned it because it is very important in connection with our Canadian cultural industries. It is of course a matter we would like to look at very closely. I think it is far too early to prejudge any decision that might be made in this area.

Ms. Copps: Mr. Speaker, the Minister of Communications (Miss MacDonald) said this had nothing to do with free trade. It was the Minister himself who mentioned the subject in his speech, and I think its importance should be increasing steadily, especially in the Province of Quebec. So since this has nothing to do with free trade, according to the Minister of Communications, why did the Minister bring the subject up in his speech?

Mr. de Cotret: Mr. Speaker, I referred to the matter in my speech for a very good reason. Throughout our discussions on bilateral trade negotiations, we talked about a host of issues. This is one question that was raised, just as the patent issue was another question. It is a matter that concerns us very much, and the same goes for the Americans. It is a matter on which we must reach some kind of solution. We intend to defend Canadian interests, and there are certainly no two ways about it. We intend to defend Canadian interests in this respect as we intend to defend them in many other areas we have just mentioned. However, it is just not true that the subject will never be raised. It already has been.

Ms. Copps: Mr. Speaker, it is the Minister of Communications who says it has nothing to do with free trade. So now we can see that the Minister is turning his back on the position announced by the Minister of Communications with respect to the cultural industry, including copyrights. Can he be more specific? This is the first time we hear the Government say that copyrights will be on the negotiation table. Before today they claimed that culture was not negotiable, but now we see that it is. Can you be more specific about the position of the Conservative Party?

Mr. de Cotret: No, no. Mr. Speaker, I should like to set the record straight for my colleague. I never said the question was there to be negotiated. I said: It is a question which had been raised. It is a question we will defend. Mr. Speaker, I can tell you that long before the end of our negotiations and the end of the great debate on this issue the Minister of Communications will have quite a lot to say about it.

• (1730)

[*English*]

Mr. Axworthy: Mr. Speaker, the President of the Treasury Board (Mr. de Cotret) knows the Minister for International Trade (Miss Carney) has said that procurement is one of the major objectives of this particular negotiation. He also knows that the Prime Minister (Mr. Mulroney) has indicated in past speeches that the principle of national treatment will apply to all these negotiations, meaning there cannot be any law, regulation or guidance from the Government which discriminates against countries on either side of the border. Under those conditions, the President of the Treasury Board would remember that in making the CF-18 decision he made quite a strong case that Montreal was to be an aerospace centre and Canadair was a Canadian-owned company. The President of the Treasury Board said that all the other reasons would clearly discriminate one company against the other. Would he now admit that that would be impossible under the Government's proposed free trade negotiations? Those kinds of judgments that the President of the Treasury Board made could not be made in the case of the CF-18 contract.

Mr. de Cotret: Mr. Speaker, first, I would like to disagree with one of the premises of the Hon. Member. We never at any time said that the ownership issue of the company which got the CF-18—

Mr. Axworthy: Yes, you did.

Mr. de Cotret: Mr. Speaker, I would like the Hon. Member to try to find any quote that I ever made to that effect.

Mr. Axworthy: I will.

Mr. de Cotret: I will be very happy to see that quote.

Mr. Axworthy: It will be a point of order tomorrow.

Mr. de Cotret: What we did in that case was to ensure that the technology transfer was going to the company best able to transfer that technology. Under any kind of an agreement we make with the United States following this comprehensive trade agreement, we will still be able to do exactly the same thing.

When we talk about procurement, we are talking about access to a multi-billion dollar market for Canadians in the United States. We are talking about giving small, medium-sized and large Canadian companies a chance to bid on both military and civil contracts being handed out by various levels of the U.S. Government. It is a very important market. As I mentioned, only 1 per cent of that market would mean $5 billion more of exports in Canada per year and 75,000 jobs. I think that is a very worthwhile objective for us in that particular area of negotiations.

Mr. Berger: Mr. Speaker, how does the President of the Treasury Board (Mr. de Cotret) really expect anybody to take his Government's free trade proposal seriously with the

implications that there are for the competitiveness of Canadian industry? He as President of the Treasury Board and the Government are undercutting the foundation of a competitive Canadian industry by cutting spending on research and development, which they have done consistently since taking office. The President of the Treasury Board approved the short-sighted cuts in spending on research and development at the National Research Council. He presided over the freezing of budgets for university research that we saw in the decision of his Government last February, 1986. He presides also over the national science and technology policy announced last week in which the Government made no mention of the target of doubling spending on research and development. That target or that idea has been abandoned by the Government. The Minister knows very well that spending on research and development in the United States is more than twice the level that is being spent in Canada.

• (1740)

How will we possibly compete in the American market or the global market against countries which have strong support from their Governments in terms of spending on research and development when all we have seen from the Minister and his Government are cuts on research and development spending and the abandonment of the goal of doubling spending on research and development?

Mr. de Cotret: Mr. Speaker, the comment or question astounds me.

Mr. Berger: It should astound you.

Mr. de Cotret: It astounds me. I have confidence in our industry. We are competitive at the moment. We have some world-class competitors. We have a surplus on merchandise trade. Perhaps the Hon. Member does not know that. I will be happy to provide the numbers for him.

We are competitive. We are productive. We are moving ahead. What we are trying to do with this particular initiative is to give Canadians, in whom we have full faith, one more opportunity to expand production, to expand sales, to expand employment, to expand investment, and to expand productivity. That is a reflection of our faith in the ability of Canadians to compete anywhere in the world at the moment, and they do not have that confidence.

Mr. Caldwell: Mr. Speaker, I have two questions for the Minister. I was very pleased to hear him refer to the type of action taken by Americans on cut flowers. We do not have much export in cut flowers, but it indicates the retaliatory actions which Americans take when they go against another country that really hurt Canada in the meantime. Does the Minister see any more of this type of action if we do not reach an agreement?

In that the Province of Quebec is a major milk producer, has the Minister or any Minister in Quebec ever indicated that our milk marketing system would be up for negotiation?

Mr. de Cotret: Mr. Speaker, in answer to the first question, we certainly see the potential for more protectionist or more restrictive measures if we should unfortunately not reach a comprehensive agreement. If we look at what is already on the roster before the American Congress, we readily appreciate the fact that we are getting caught in a net, often designed against those who would be involved in unfair trade. Nonetheless, we are being caught in that net. I see the potential for a number of other restrictive actions on their side.

One of the major reasons we are engaged in these discussions is to ensure that Canada, as a fair trader, gets it fair share of the U.S. market and gives the Americans a fair share of our market.

In terms of milk marketing arrangements, I can assure my hon. colleague that we have no intention of playing around with it, putting it on the table, discussing it, or making any kinds of concessions on it. I think it is in the resolution. It is very clear that it is not our intention to negotiate on that basis.

Mr. Foster: Mr. Speaker, I was interested in the Hon. Minister's response concerning supply-management and milk marketing quotas.

A couple of week ago, Daniel Amstutz, United States Under-Secretary for Agriculture, who was the principal adviser on trade in agriculture, said that in his opinion agriculture had to be included in a free trade agreement with Canada and that the United States would be demanding a fundamental change in supply-management arrangements. He had no opposition to marketing boards, provided that they were only for promotion, quality control, and so on. However, he indicated that they would be demanding that supply-management methods commonly used by Canadian agriculture, whether it be the feather industry, the dairy industry, the Canadian Wheat Board, or others, would have to be fundamentally changed. He also said that in his opinion there could not be an agreement without those fundamental changes.

Will the Government cancel the negotiations and walk away from them, if in fact the United States demands that those supply-management systems and the import controls which go with them be done away with in the free trade negotiations, whether immediately or whether caught up in an umbrella agreement in which supply-management marketing boards would be phased out over a period of time or through an arbitration process?

Mr. de Cotret: Mr. Speaker, the question is very hypothetical—if they do this, if they do that, if they ask for this, if they cannot agree with that, what will we do at the end of the road?

I will tell the Hon. Member what we will do at the end of the road. We will sign an agreement which is beneficial to Canada and for all Canadians. That is what we will do at the end of the road. That is our commitment, and we will stick by that commitment.

Mr. Speaker: I regret to advise that the time for questions and comments has expired.

[*Translation*]

Hon. Donald J. Johnston (Saint-Henri—Westmount): Mr. Speaker, I wonder why we are having this debate today. I stayed in the House to listen to the Prime Minister's speech, and when he finished, my conclusion was that there was nothing in it.

[*English*]

The Prime Minister (Mr. Mulroney) has an expression that he sometimes uses, which I thought he should have used at the end of his speech—"you ain't seen nothing yet". We have not seen nothing yet. It is quite extraordinary to engage in a day's debate and at the end not know one scintilla of information more than we knew yesterday or the day before, and it appears that we will know nothing more tomorrow.

I was struck by the document produced by the Right Hon. Leader of the Official Opposition (Mr. Turner) during the course of his comments. The document to which he referred from the office of the United States Trade Representative set forth in great detail the issues the United States hopes to resolve, as they say, "in the course of these trade negotiations". They deal with issues of tariffs in detail, provincial liquor boards in detail, and the Canadian Wheat Board. They indicate actions to be taken. They indicate the cost which they estimate is being suffered by United States industrial sectors and exporters by reason of these trade barriers.

Why have we not seen such a wish list from our Canadian negotiator or, more important, from the Government? Why do we not know today, as we were promised, what in fact is the status of these negotiations?

I sought by independent means to determine whether such a list exists, and I have not been able to lay my hands on one. I have not been able to ascertain from any official source available to us as members of the Opposition, and of course to the public, what are the specific concerns which we must address in these negotiations in order to secure access and to protect access in the United States market.

The motion of the Government is curiously and perhaps surprisingly silent on this point. It makes no reference to securing or protecting access in the United States. This is why the amendment produced by the Leader of the Official Opposition and seconded by the Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy) specifically indicates that "any such negotiations are designed to gain greater access to U.S. markets by limiting the operation of contingency protection and non-tariff barriers such as current U.S. and State government procurement regulations", cited as an example, "and restoring previous access for softwood lumber in U.S. markets".

Obviously the elimination of tariffs is significant in any trade debate. That is what the United States asked for in the document produced by the Leader of the Opposition this morning. However, as we know, that is happening anyway.

[*Translation*]

Mr. Speaker, according to the experts, when the Tokyo Round tariff cuts become effective this year, nearly 80 per cent of Canada's exports will enter the United States duty free, while 15 per cent will have a duty of 5 per cent or less and only 5 per cent will be subject to a high customs tariff.

• (1750)

[*English*]

Of course, the great irony of what has taken place in the American market and undoubtedly elsewhere is that these tariff reductions during multinational negotiations like the Tokyo Round in which Canada participated so actively have moved domestic industries in the United States to seek other means of protection, to use the so-called import relief laws and regulations to their advantage and to harass Canadian industries. Of course, some of these relief laws are sanctioned by the GATT, but they can also be abused. I would suggest that in many instances they have been abused.

Where in the motion, where in the Prime Minister's speech, where in any of the material that has been before the House, are we told what specific areas of complaint Canadian negotiators are trying to pursue as the Americans in turn are pursuing opposite us? The GATT has been relied upon by some domestic industries in the United States. Article 6 of the GATT provides for countervail against subsidies and for anti-dumping where goods enter a jurisdiction under normal value, and in that case it is necessary to prove material injury. One would expect, of course, that this would be a non-political process.

Article 19 of the GATT in turn provides for safeguards, often in the form of quantitative restrictions by way of quotas. Again, in this case, one must show serious injury. As the House knows, there are compensatory provisions which can apply. These are sanctioned by the GATT and, as I said, one would hope that these would be insulated from political pressure. Recent experience with the United States suggests, however, that this may not be the case. Canadians are under the impression that there is harassment and, I might add, many have endured the painful experience of legal harassment and of expensive and prolonged judicial proceedings in order to attempt to obtain access to the United States market. They have been faced with what looked like arbitrary trade barriers.

While we are told that the process is non-political, the decision of the United States International Trade Commission on Canadian softwood exports reversing its 1983 decision without any major changes in the situation, the facts or the law, as my Leader pointed out today, raised many doubts as to whether or not the process is indeed immune to political interference.

I would ask the Government what it will do to remove this harassment in the course of these negotiations. What does the Government have on its wish list in this regard? That is what we came to the Chamber today to find out. It would appear

that we will leave the Chamber empty handed. Will the Government protect access? Will it secure more access? Is this its ambition and desire? What is its strategy for negotiations in this regard?

The Government caved in dramatically, as pointed out by my Leader this morning, on the softwood issue. He called it the greatest sellout in the history of Canadian trade negotiations. What is the Government doing now with respect to these other areas where harassment has become the order of the day? How will such actions as we witnessed in softwood and shakes and shingles be limited in future? That is what Canadians are waiting to hear and that is what we in the Chamber are waiting to hear. We thought that was the purpose of this debate.

It is critical that access be assured, as indicated in the amendment moved by the Leader of the Opposition and seconded by my colleague, the Hon. Member for Winnipeg—Fort Garry. Any negotiations should be designed to gain greater access and to limit the operation of these contingency protection rules and regulations and non-tariff barriers such as the one mentioned in the resolution, that is, procurement. It is an important issue, not only for the sectors that have come under fire, for the softwood sector, the potash sector, the steel sector and other sectors to which I will refer in a moment, but it is a terribly important issue for Canadian new-wave industries. Those are the industries which depend upon intellectual capital as much as financial capital and require access to world markets and of course to the United States market. They do not want surprises, they want to know that when they establish themselves in Canada, they have ensured access to the United States market. Any arrangement into which the Government enters with the United States must provide that assurance or it will fall far short of the objectives that must be set for such an arrangement. This motion and the debate so far tells us nothing in this regard.

It has also been pointed out that import relief laws applied in the United States are much more damaging to Canadian markets than vice versa. That is because ours is a smaller market. It is because our exporting companies usually export a much greater percentage of their production than United States companies in similar sectors. When a market area such as the United States is closed, Canadian companies do not have immediate access to other jurisdictions as American companies do. When an American company is threatened by a Canadian tariff barrier, it can change its focus to another part of a U.S. domestic market. That is not the case in Canada. That is why the issue of secure access is so critical.

There can be no risk of arbitrary trade barriers. Has this been appreciated by the Government? Again, we simply do not know. Given the Government's negotiating record to date, forgive us if we have serious doubts.

[*Translation*]

Mr. Speaker, we therefore have here a series of non-tariff barriers restricting our exports to the United States, and as I said before in the course of my comments, the very prospect of procedures authorized by GATT but implemented arbitrarily removes the climate of certainty and confidence that is necessary to attract new industries to Canada, and will in turn oblige our own entrepreneurs to set up shop in the United States.

In fact, there are other non-tariff measures that restrict our exports and create this climate of uncertainty. There are for instance the federal customs classification rules and administrative procedures that add excessive costs to Canadian exports. Another non-tariff barrier, Mr. Speaker, is the U.S. federal production standards that are at odds with current Canadian standards.

Furthermore, there are the discriminatory practices arising from the Buy American policy of the U.S. federal Government and the States' governments. Mr. Speaker, it is absolutely essential that any arrangement proposed by the Government provide for ways to eliminate the damaging effects of U.S. legislation and policies on Canadian exports.

[*English*]

Where on earth in this motion do we see that thrust? Is the Government really pursuing these issues? It is certainly not evident.

Sadly, we do not know these things. It is almost tragic that we should finish a day's debate without knowing these things. However, one of the principal purposes of the amendment proposed by our Leader is to eliminate that uncertainty and to establish that competence.

• (1800)

Look at some of the current issues which are a problem at the moment for Canadian exporters. It is these kinds of problems we must get at, and this amendment will do that. Take softwood lumber. Apart from the debacle of the softwood lumber negotiations, there was also incompetence in that now, apparently inadvertently we hear, remanufactured products using softwood lumber are not covered by the Canada-U.S. agreement and are therefore subject to tax on their value-added price rather than on the softwood lumber content. Can you imagine how destabilizing that is to anyone who manufactures products using softwood lumber? What is the answer? Is it to move the plants south of the border? I would hope not. The answer is to include this kind of issue in this bilateral arrangement we are hearing about. Do we know if that is the case? We do not.

We also know what the U.S. Trade Bill is likely to do to us unless it exempts Canada in many important respects. We have had other very recent examples and that is why this amendment calls for a standstill arrangement during these negotiations. On March 3 there was an anti-dumping investigation initiated into imports of line pipe. A preliminary injury determination is due on March 28. This involves annual exports of $3 million. Look at potash. An anti-dumping case has been initiated there. Again we will find out on March 27

whether there is a preliminary determination of injury. Then we have cement and railway rolling stock. The U.S. House of Representatives passed a Bill reauthorizing the Service Transportation Assistance Act. That Bill would extend the "Buy American" requirements to include cement and increase domestic content requirements for rolling stock and increase the bid differential for foreign manufacturers. That is another major non-tariff barrier we have to face. Then we have the famous customs user-fee, of course, and that will be reviewed by a GATT panel.

Then we get into the issue of new technology companies which are of great concern. These are the industries we wish to attract and build upon. An anti-dumping case concerning colour picture tubes has been initiated and the preliminary determination is due May 5. Exports of colour picture tubes are estimated at $10 million. Finally, another kind of harassment which many of our manufacturers have encountered and which has to be addressed by this Government is the application of U.S. patent law. For example, dealing with smoke detectors, a complaint has been filed with the International Trade Commission alleging that certain smoke detectors imported from Canada infringe on U.S. patents. Therein lies the problem. It is not enough to have a legal determination to use down the road and $500,000 later as to whether it does or does not infringe. The Canadian company will be out of the market by that time. This is a perfect example of using the law to harass Canadian exporters to the U.S. Those are the kinds of issues we expect the Government to address and that is why we have asked for access and it does not appear in the Government's motion.

This motion is sadly deficient and I hope Conservative Members of this House, notwithstanding their allegiance to a badly-drafted text, will take a very serious look at the amendment proposed. I find it hard to believe that most Members over there would not agree that this amendment proposed by our Leader and seconded by the Hon. Member for Winnipeg—Fort Garry does what should be done. For example, apart from the issue I have dealt with, namely that of secure and greater access and the identification and elimination of non-tariff barriers in the U.S., the motion calls for ensuring Canadian independence for domestic programs, policies and legislative authority in areas such as social policy, agricultural marketing, supply management and support programs. Does anyone in the House take issue with that? Silence, I presume, means consent.

Mr. Ellis: No one is paying attention to you.

Mr. McDermid: I am sorry, Don, we were all asleep.

Mr. Johnston: Subsidies and assistance for regional and development programs, including high technology development. Does anyone in the House take issue with that? Is anyone prepared to say they will not permit these kinds of programs?

[*Translation*]

Mr. Speaker: As they say, no news is good news.

[*English*]

Mr. Johnston: The Auto Pact. Does anyone here think the Auto Pact should be opened up? Again we seem to have consent.

Mr. Wilson (Etobicoke Centre): Are you for a deal or not?

Mr. Johnston: Bilingualism in labelling. Anyone want to stand here and criticize that part of our motion? Culture, including cultural industries.

Mr. Turner (Vancouver Quadra): They would not understand that.

Mr. Johnston: Financial and service industries. Looking around, it appears to me we have almost complete agreement on the substance of this motion. The only thing left is to stand and support it.

Finally, a very important issue which I am sure all Members on all sides of the House will be sympathetic with and supportive of. That is, that the Government table transitional adjustment assistance proposals to protect those workers, sectors, firms and businesses which may be adversely affected by such a trading arrangement or arrangements. I am sure all Members of the House will support that kind of program. Obviously it would be fundamental to any trading arrangement that would adversely affect them. Again I hear no one raising a voice in protest.

Mr. Epp (Provencher): Everyone is asleep.

Mr. Johnston: With those comments I close my remarks by urging my colleagues in a non-partisan spirit, as the Prime Minister preached to us about this morning—

Mr. McDermid: Say that with a straight face, Don.

Mr. Johnston: —to seriously look at this amendment which does much more than the government motion. It is a trade policy statement and one they should be proud to support in the vote tomorrow night.

Mr. Speaker: Questions and comments.

Mr. St. Germain: Mr. Speaker—

Mr. Epp (Provencher): That was not a bad speech considering the one he really wanted to give.

Mr. St. Germain: He certainly did not excite this House to any great degree because he asked questions and people did not appear to be listening. However, I have heard the Hon. Member get up and speak on trade issues, namely the shakes and shingles issue which surfaced in this House a few months ago. He was totally unaware of what type of industry he was dealing with. If he knew anything about the West Coast and some of the outer regions of this country, he would understand

how important a trade agreement with our greatest trading partner, the United States of America, really is.

What really surprises me is when we as a Government put forward an ideal motion, as we have, covering agriculture and the automobile industry, he stands and suggests that we consider an amendment from a Party which really has no policy. That Party does not know exactly where it is coming from. The vote will most likely indicate that. We have seen in the recent past where one Liberal voted on this and another Liberal voted on that. However, the final judge of that indecisive group of individuals will be the electorate.

Some Hon. Members: Hear, hear!

Mr. St. Germain: They are clapping. They were leading in the polls before the last election and thank goodness they were because we came through with the largest majority this country has ever seen. The ladies and gentlemen of the Official Opposition will see that again after the next election.

The Official Opposition has continually brought up the question of culture, social programs and agriculture. They have tried to put fear in the minds of Canadians over a trade agreement which is absolutely imperative for this country. The European Common Market has arrived at a comprehensive trade agreement. I do not believe that the French in France have lost any of their culture or their sovereignty. I do not believe that is true with regard to Great Britain or the rest of the European nations involved in that agreement either. I would like the Member to explain why, if a comprehensive trade agreement in a close-knit continent like Europe has had not had that effect, they feel threatened and want to bring forward fear tactics which take away from the intelligence of the Hon. Member for Saint-Henri—Westmount (Mr. Johnston).

• (1810)

Mr. Johnston: The only thing that Canadians are afraid of at the moment is the Government.

Mr. Turner (Vancouver Quadra): And its negotiating skills.

Mr. Johnston: Or the lack thereof. We have looked at the motion and listened to a speech. We have very little to evaluate this "arrangement" on. We have heard nothing substantive today. I would ask the Hon. Member to take a very close look at the amendment which we proposed. It does not strike me as anything which should strike fear in the hearts of Canadians. It seems to me that it should give them a sense of confidence and security that if there is a deal it will be a good deal. I hope the Hon. Member will subscribe to that.

Mr. Crofton: Mr. Speaker, I listened with great interest to the speech of the Member for Saint-Henri—Westmount (Mr. Johnston). It sounded remarkably like the speeches of his colleagues. I would characterize it as trade if necessary, but not necessarily trade with the United States. Earlier today his Leader chastised the Prime Minister (Mr. Mulroney) in one breath because we were giving away too many cards and said he would love to play poker with the Government. About two sentences later he entered into a long dissertation, saying that we were not providing enough information and he wanted us to face up a whole lot of cards which clearly would not be in Canada's interest.

The Member for Saint-Henri—Westmount was quoted in *The Citizen* on November 22, 1986, as saying that after reading the latest in a series of drafts of the Member for Winnipeg—Fort Garry (Mr. Axworthy), no clear message emerges as to what the specific Liberal Party position should be. Today they had the opportunity to discuss meaningfully what their position is. We end up with an amendment to the resolution which I consider to be the Maginot Line of negotiation. The 39 or 40 Liberal Members have each had their kick at the amendment and they have come up with an omnibus amendment. It is a Maginot Line of negatives. I have sat here patiently all day waiting for the Liberal Party spokesmen to say something positive, constructive and helpful in these negotiations rather than giving an endless litany of things we should not talk about.

Mr. Foster: Mr. Speaker, when the Hon. Member for Saint-Henri—Westmount (Mr. Johnston) said that the only thing the people are concerned about or afraid of is the Government, I was reminded of the discussion paper put out by the Ontario Ministry of Agriculture and Food a few weeks ago with regard to the implications for Ontario and Canadian agriculture with respect to the Canada-U.S. trade negotiations.

In that paper it is pointed out that if Canadian producers were to go to American prices for farm commodities they would lose some $492 million in the dairy industry, $353 million in the poultry and egg industry, and $109 million in the fruit and vegetable industry across the country for a total of $791 million of income. That is on page 53 of the document. On page 55 you see that if we gave away those incomes in those sectors and added in the support programs which Canadian farmers receive, the net farm income would drop from $3.6 billion a year to $1.1 billion, a drop of $2.4 billion. That means that the net income of Canadian farmers would drop by almost two-thirds.

I raise this because we hear the soothing noises of the Minister for International Trade (Miss Carney) and the Minister of Agriculture (Mr. Wise) saying that farm marketing boards are not on the table. What is on the table? The negotiators are negotiating about agriculture today. Obviously agriculture is on the table and supply management systems are a key point in that regard.

The chief American adviser on agricultural trade, in his interview with CBC a couple of weeks ago, made it clear that in his opinion there had to be fundamental changes to the supply management systems, and that includes the import quota systems which we have for eggs, dairy products and grains, or there would be no agreement. He also said that in

his opinion if agriculture was not in the agreement there would not be an agreement.

Does the member believe that the Government would walk away from a trade agreement just because the agriculture issue was not resolved? The Government says that if it is not a good deal for agriculture, they will walk away from it. That is what the Government is saying, but the Americans are laying it out plainly and clearly that agricultural support and supply management programs must be on the table or there will be no deal.

We are concerned about this because we saw what happened on the softwood lumber issue. The Canadian Forest Industries Council spent $10 million fighting that countervail deal and then were sold out. The Prime Minister (Mr. Mulroney) was receiving telegrams while the Minister for International Trade was fighting on the beaches of Hawaii. We must be very concerned when the Government says, "Trust us". The Canadian Forest Industries Council trusted the Government and today it is struggling with a $600 million export tax which, when transferred to stumpage, will be a $800 million or $900 million tax. That will be devastating for that market, which is not very strog.

Does the Member believe the Government is prepared to walk away from a deal just because it includes an aspect harmful to our agricultural sector which, in many ways, is a much better system than that in the United States with regard to supply management and marketing boards?

Mr. Johnston: Mr. Speaker, it is almost impossible for me to respond to that, but I have grave concerns which are obviously shared by many members on the government side. They should support the amendment which the Official Opposition has put before the House in order to have those concerns laid to rest.

• (1820)

Mr. St. Germain: Mr. Speaker, the Liberal Party is living in the past. The Hon. Member, referring to the Member for Saint-Henri—Westmount as a Minister, is clearly living in the past. They are the dinosaurs of the House of Commons.

Our Prime Minister (Mr. Mulroney) is leading this country into the 21st century with an initiative that the Liberals cannot tolerate because they know it is unequivocally the best policy that will benefit all Canadians. The Right Hon. Leader of the Official Opposition (Mr. Turner) referred to the Member from Mission Impossible. Perhaps the shake and shingle issue was impossible in his eyes, but I can stand proudly in the House today and say to all Canadians that the Right Hon. Prime Minister and the Right Hon. Secretary of State for External Affairs (Mr. Clark) took the initiative to correct the situation and make it tolerable.

The problem that I faced with the shake and shingle industry would not have been a problem if this initiative had been in place at that time. The softwood lumber problem would not have arisen if we had a comprehensive trade agreement with the United States of America. All the fear and doom and gloom that the Opposition wants to preach is for naught. We will have a trade initiative, as the majority of Canadians want. I suggest to the Hon. Member for Saint-Henri—Westmount that he knows we would not have had the shake and shingle fiasco and the export tax because a free trade arrangement would have dealt with these problems.

Mr. Johnston: Mr. Speaker, I believe I answered that during my comments. Neither the Prime Minister nor anyone in the Government has told us what specific problem areas it has on its list of complaints it wants to address during these bilateral negotiations. It is strictly a dialogue of the uninformed in this House. That is why this debate should never have taken place.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I am very pleased to participate in this historic debate today because it is not simply a debate about trade policy, but a debate about the future of our country and our children and the standard of living and opportunities that will be available to them.

[*Translation*]

We have repeated this so many times that Canadians must know it by heart now: Canada is a trading nation. Our prosperity depends on the sale of our products on foreign markets. It has always been and will always be so.

[*English*]

The Opposition forgets that trade creates wealth. It is the kind of wealth that pays for our health care, our income security programs, regional development, our national cultural institutions, all of the institutions, policies and values that define the Canadian way of life. We would all be much poorer if we could only sell to other Canadians. A third of our income comes from trade but the world in which we have to sell today is no push over. It is tough and changing fast.

For a long time we got along by exporting natural resources or the resources that other people wanted. However, that has changed and we have become a major industrial power. More and more, we must live by our wits by turning more of our resources into products that the world wants and will buy.

Shortly after this Government took office we issued an agenda for economic renewal. The Leader of the Opposition (Mr. Turner) wanted to know the national economic policy of the Government. The national economic policy of the Government was in that economic renewal agenda in November, 1984, that focused clearly on all the policies necessary to improve and increase the competitive position of the Canadian economy. One of its keystones was expanding our trade. The main goal of our comprehensive trade agreement with the United States is to secure and expand the horizons for Canadian goods and services in the broadest way possible in the world's biggest and richest economy with a market that is 10 times the size of ours. That is the opportunity and the challenge we face today.

The stakes are high. Success would bring us a vastly larger market in which to sell. That would expand not just our trade but our whole economy. Social programs of the kind all of us want cost money. The more vibrant our economy, the greater the range and the scope of the social benefits we can undertake to provide for our people. The same holds true for the future of our cultural endeavours.

Let us talk about sovereignty. A nation that has the economic power has always had more independence and strength than a country that is down and out. If the stakes for success are high, the cost of failure would be exorbitant. We cannot go on the way we are. The forces of protectionism are growing again in the world, particularly in the United States. We have already felt their impact with shakes and shingles and softwood lumber. They are symptoms of the protectionist disease, and perhaps an early warning sign of things to come.

Those in Canada who oppose a free trade agreement are ignoring the protectionist reality of today's world and they are blind to the opportunities of the future. They have their heads in the sand. They offer no alternative to a trade agreement and no way to give Canadians greater access to that U.S. market. They offer no means to deal with the protectionist threat. They offer no solutions.

Protectionism would bring us nothing and take much away. It would lead to higher prices for consumers and a shrinking market for the goods we sell. Yet, there are some people who take on the colours of protectionists in places one simply would not expect to find them. The Government of Ontario is one example. Of all the provinces of Canada, Ontario has gained the most over the years from freer access to the United States. Ontario has much more to gain from securing this access to the U.S. market and expanding it. Ontario has much to lose if that access is restricted. Ontario sells more to the United States than the rest of Canada combined; two jobs out of five in Ontario are related to trade with the United States and, in northern Ontario, the number rises to seven out of every 10 jobs.

The pay cheques of Ontario workers have certainly not been threatened over the years by trading with the United States, but have been enlarged. Ontarians, like other Canadians, have proven that they can compete successfully in the United States. Without a trade agreement, however, we put their hard work at risk. Indeed, without an agreement, we put at risk the livelihood of untold thousands of Canadians whose jobs depend on U.S. trade.

The attitude of many critics, including members of the Ontario Government, is perplexing. Sometimes they are cynical, sometimes they are only doubtful, but above all, they are timorous. They are afraid of their shadows. Coming from Ontario myself, I find it impossible to believe that cynicism, doubt, and fear are the dominant features of Ontario society. I know that is not true.

The people of Ontario remember what Premier John Robarts used to say: "What is good for Canada is good for Ontario too". However, where does Premier Peterson stand? Does he look outward from Queen's Park or inward? Does he stand with those who want Ontario and Ontario's industry, not to mention the rest of Canada, to reap the advantages of free and secure access to the largest most lucrative market in the world, or is he saying that Ontarians cannot compete?

• (1830)

Does he stand with Ontario's manufacturers who do not want to be confined by the straightjacket of a small domestic market? Does the Premier believe that we need a new relationship with our largest trading partner? What is his answer to U.S. protectionism and preparing the economy for the cold competitive world of the future? How is he going to preserve the access the Ontario steel industry, for example, now has to the United States? Does he have any answers? From what he has been saying, it is hard for Canadians to tell. Surely the answer to these questions is to seize the opportunity of obtaining for Ontario, and the rest of the country, the economic and employment gains which a free trade arrangement with the United States will bring.

There are those who say there is nothing wrong with the trade arrangements we already have with the United States. The *status quo* is just fine, they tell us, let us keep going in the same way. I have news for them. There ain't no such thing as a *status quo* any more. What is working today will be questioned tomorrow and may not work in the future. There are those who claim that a free trade agreement with the United States would cost hundreds of thousands of jobs. That is just not true. If it were, we would not be negotiating. What is true, and what the history of Canada shows, is that trade creates jobs, good jobs for Canadians. The Member of Parliament for Winnipeg—Fort Garry (Mr. Axworthy) and the Hon. Member for Essex—Windsor (Mr. Langdon) ask where is the proof, where are the studies? The proof is in our history, Mr. Speaker. The lesson of history is that a free trade agreement with the United States would create jobs because it would lead to a stronger and larger economy for Canada. In short, it would mean a bigger pie for all Canadians.

Those who predict job loss have not seriously reviewed the evidence. They are merchants of fear. Jobs would be lost and opportunities would be lost if we tried to rely on the *status quo*. However, the fear merchants do not see that. They are too busy ringing the alarm bells over a kind of agreement which no one is proposing, an agreement which would force massive adjustments in a very short period of time. That kind of agreement is not in the cards. It is not on the table. It is a straw man. Both we and the Americans want to phase in the new arrangements in order to give both countries plenty of time to take change in their stride.

Let us be realistic. We live in a world of change. All change brings adjustment. We have always adjusted in the past. For the past 40 years we have been adjusting to round after round of tariff reductions by the world's leading trading nations, including Canada. Forty years ago our average tariff on

imported goods was 30 per cent. Today it is less than 9 per cent and with American goods it is 5 per cent. Not only have we adjusted to these changes but we have prospered from the adjustments.

Lower tariffs have always meant increased trade, both exports and imports. This gave us a broader base for our industries to expand, to specialize, and to achieve the economies of scale which make them competitive internationally. The past 40 years of progressively freer trade have given Canada growth, modernization and, yes, better jobs. That is what has made us competitive not only in the United States but in overseas markets as well.

Let me emphasize that last point. The increased competitiveness and efficiency of Canadian producers which will come as a result of a trade agreement with the United States will be the key to opening up markets in the rest of the world. I ask the opponents of a trade agreement, what makes them think we will not be able to adjust and prosper in the future as we have been able to do in the past?

The Leader of the New Democratic Party tells us that if we sign a trade agreement, U.S. companies will close their Canadian operations and move back home. That is nonsense. Why is that investment here in the first place, to sneak under our high tariffs? No. If tariffs were the reason, foreign companies would have gone home long ago. They are here for sound business reasons such as proximity to customers, market potential, the quality of our labour force and the return on their investment. We will not sign a trade agreement with any country which will undermine those factors. What a trade agreement will do is make Canada an even more attractive place to invest from outside the country as well as from inside. However, our opponents both here in the House and in the Government of Ontario have not offered any ideas on how to deal with the future. They have no policy for the future and to cover up this lack of vision, they keep raising a false issue, the Auto Pact.

Let us look at the Auto Pact. First, we like it. It works well. Second, the Americans also like it, so it works to the advantage of both countries. Third, it has served us well in terms of investment, output and employment. Fourth, the Auto Pact demonstrates clearly the benefits of free trade. So I say to the Leader of the New Democratic Party that the Canadian automotive industry has been so successful it is operating far in excess of the minimum production levels built into the pact. We have been successful because Canadian auto workers are good at making automobiles. If one needs proof, just last week the managing director of the Honda Motor Car Company of Canada, a company outside the Auto Pact, said the best Honda Accords in the world are built by Canadian workers right here in Alliston, Ontario. He said that Canadian Hondas are better than the ones they make in Japan.

For all practical purposes, free trade has existed between Canada and the United States in products covered by the Auto Pact for many years now. Investment, production and trade decisions are governed by market forces. This has worked to the benefit of both countries. The Auto Pact can be terminated by either party on one year's notice. However, it has not been terminated because it works for both of us.

Let me direct some challenges to the Leader of the Opposition and the Premier of the Province of Ontario. Surely they cannot be afraid that a trade agreement with the United States would extend to the other provinces of Canada the benefits of free access that the Auto Pact has given Ontario. Surely they would not deny those benefits to the provinces which need them most and to the regions of the country which count on industrial diversification to create jobs. Surely they would wish to achieve respite for Ontario producers, and those in the rest of the country, from American protectionist forces. Surely they would like to have a mechanism to resolve disputes in Canada—U.S. trade. We have the largest single trading relationship in the world and the U.S. buys more of what Ontario produces than any place else in the country. Surely they can do more than equivocate and vacillate on the most important issue of our generation. Surely it is not too much to expect them to stand up and be counted. Surely the Government of Ontario could display some leadership. Surely it could reflect more of the traditional concerns the people of Ontario have for the vital interests of the whole of Canada.

I issue a challenge to them and to those in this House who are not with us, to those who snipe at the trade negotiations we are conducting with the United States. That is what we saw today. I say to the Right Hon. Leader of the Opposition, the Hon. Member for Winnipeg—Fort Garry, the Hon. Member for Saint Henri—Westmount (Mr. Johnston), the Leader of the New Democratic Party and the Hon. Member for Essex—Windsor, and to anyone else who cares enough to listen, I have one question. What would you do? Do you have a better idea? If so, let us hear it because we have not heard it yet. All we have had is sniping, picking away at the process, but no substantive ideas. All we have heard is fear-mongering and false arguments.

• (1840)

The Leader of the Opposition and the Leader of the New Democratic Party say that they want to work through the GATT. So do we, and we are. Our Government was one of the leaders in getting the current round of multilateral negotiations under way. We are prepared to go as far as anyone in the GATT, and as fast as possible. But we all know that that will take time, and so do they.

The last GATT round took six years. They know that they are using the GATT as a cop-out, as a device for not taking a position. I ask you this, Mr. Speaker. How can those who support the removal of trade restrictions in GATT argue against their removal bilaterally? How can a good multilateral deal make sense and a good deal with the United States not make sense? I do not understand that.

[*Translation*]

I put the question to you: How can those who advocate doing away with trade restrictions under GATT argue against

doing away with them under a bilateral agreement? How could a good multilateral agreement be sensible, whereas a good agreement with the United States would not be so?

[*English*]

Let me conclude with a personal comment. I have confidence in Canadians. I often have the opportunity to meet Canadians, people from our business community, not just the captains of industry but the entrepreneurs, the risk-takers, the small business people, the people who are creating jobs, the people who have their money, their life savings, on the line. At these meetings we invariably talk about a trade agreement with the United States, the pros and the cons, who is against it and who is for it. The outcome is always the same. Unanimously and unequivocally they all want the chance to compete in the great big market. They are confident of their ability to make it. They know that they can compete, and they cannot wait to get on with the job.

Some Hon. Members: Hear, hear!

Mr. Caccia: Mr. Speaker, the Minister of Finance (Mr. Wilson) must have noticed that the Government's motion does not include any reference to the environment. I am sure he realizes that there are a number of potential effects that could be exerted on the environment by way of a free trade agreement.

Mr. Turner (Ottawa—Carleton): The environment is not for sale.

Mr. McDermid: We are not trading the environment.

Mr. Caccia: By way of background, I will only mention the question of non-tariff barriers, environmental programs and regulations, perhaps tax incentives. Then, in another category, pollution control programs, the whole capacity of the Canadian thrust in protecting our natural ecosystem, endangered species, wildlife and the like could be put into question.

The question I wish to ask of the Minister is twofold. First, why was the environment not included in the Government's resolution, considering the fact, with which I hope he will agree, that in the long term environmental and economic interests do converge? Second, can the Minister assure the House that countervailing action will not be taken by the U.S. Government against the Canadian acid rain abatement programs which, as he knows, provide for the modernization of non-ferrous smelters and for the modernization and improvements to some of our major public utilities, particularly those in New Brunswick and Nova Scotia?

Mr. Wilson (Etobicoke Centre): Mr. Speaker, I do not know how many times we have to tell the Hon. Member and Members opposite what is in and what is out of the negotiations. The Canadian environment is not for sale. The Canadian environment is not subject to negotiation.

Mr. Caccia: Then why was it not mentioned in the motion?

Mr. Wilson (Etobicoke Centre): This is something that is very clear, and has been very clear. The Hon. Member asks how he can be assured that a countervail will not be used. What we are trying to achieve is a dispute-settlement arrangement that will not involve countervail, that the disputes, if there are any, will be on the table through a separate organization, a separate tribunal, an entity that can deal with disputes. I wish to draw that point to the attention of the Hon. Member. We are not looking at countervail. This is something that will be dealt with outside the normal countervail laws.

Mr. Orlikow: Mr. Speaker, I would like to direct two questions to the Minister of Finance (Mr. Wilson). First, our representatives are dealing with representatives appointed by the President. They are trying to sort out some of the difficulties. Surely, the Minister of Finance remembers the reaction of Senator Packwood when the Republicans still had a majority in the Senate. He must realize that the American system is different from the Canadian system. Even if we reach an agreement with the administration, with the President, which I believe to be very doubtful, the fact is that Congress—

Mr. McDermid: The voice of negativism!

Mr. Orlikow: The Hon. Member says that I am the voice of negativism. The fact is that almost every day members of the House of Representatives and members of the Senate introduce Bills which call for further protection for various aspects of American industry. The Chairman of the House Ways and Means Committee, Congressman Rostenkowski, introduced a major trade Bill a few days ago. There are no provisions in those Bills for making an exception for Canada. Even if we reach an agreement, a tentative agreement with the President, what assurances are there that after we have reached that agreement, after the Government and even Parliament has approved such an agreement, that we will not have a repeat of the Georges Bank fish story when Congress simply said: "No way"?

The second question I have for the Minister is this. He has talked about how we have to go out and compete in the world market. He has said that we have to be more efficient and all the rest of it. When the Conservatives were in opposition they criticized the Liberal Government because our expenditures with respect to scientific research and development put us virtually at the bottom of all the industrialized countries belonging to the OECD. The Prime Minister (Mr. Mulroney) said that a Conservative Government would move us to expenditures of 2.5 per cent of GNP for scientific research and development. The fact is we are now allocating even less for scientific research and development than we were when the Liberals were in power.

The only way in which the Government sees that we will increase those expenditures is if the private sector puts in substantial amounts of financial resources, at which point the Government will match that funding. At this point in time the Government has virtually frozen its funding in this respect. Even if the Government's expectations come to full fruition we

will still not be spending anywhere near the 2.5 per cent which other countries are spending. I know that the Minister is aware that scientists in universities, government, research industries and the private sector do not believe that the Government's expectations will be met. If we are not going to increase our efforts in scientific research and development, then how can we possibly become as competitive as we need to be in order to compete with other countries?

Mr. Wilson (Etobicoke Centre): Mr. Speaker, I have commented in the House on how unfortunate it would be to be a New Democrat, walking around this life with a cloud over my head, being a pessimist on everything that crossed my path. We are not pessimists on this side of the House.

Mr. Althouse: We are realists.

Mr. Wilson (Etobicoke Centre): We are confident in getting this deal negotiated with the United States administration. We are also confident that the Americans will see the benefits of such a deal. I am not sure whether the Hon. Member realizes it or not but over the three-year period 1982-85, and I am not sure what the figures were for last year, total exports by the United States world-wide increased by 1.5 per cent. The increase in exports to Canada during that same period was 38 per cent.

• (1850)

There is a value to the United States of having a deal with Canada, having an open market with Canada, and being assured that the Canadian economy is a strong economy, capable of accepting their goods along the lines of that three year period. The Americans see the benefit. We heard from Senator Benson and three of his colleagues in the Senate when they were here in January, that in a broad strategic sense of doing a deal with Canada, being able to demonstrate to the rest of the world, it is possible to reduce protectionist and trade barriers.

We all know the GATT is under way. Ninety-two countries are involved. If the United States and Canada can demonstrate over the course of the next year that we are capable of negotiating a comprehensive trade agreement, the positive signal that that sends out to the other 90 countries is powerful. The Americans understand that. We understand that. It is more important, proportionately speaking, to the Americans than it is to us, but it is very important to us too. That is why I have confidence in our ability to negotiate this arrangement.

The Hon. Member said there will be no exemption for Canada to these trade laws. He is absolutely right. There will not be an exemption to these trade laws for Canada. That is why we must have a comprehensive trade agreement. It is not pick and choose the way the motion of the Liberals picks. It has to be comprehensive. We will not be able to do a deal that picks out the little things that we might like. It has to be a broad deal, something that is good for both sides. That is why we must have a comprehensive deal. There are other reasons in connection with our obligations under GATT for a comprehensive deal, but in a negotiating sense, we need a broad deal.

Let me move to the second question the Hon. Member raised, namely, the competitive strength of the Canadian economy. First, let me tell the Hon. Member that the Government of Canada is spending $4 billion on science and technology in support of research. Second, we increased, I believe in the last Estimates, the Budget for the National Research Council. Third, we have increased the funding for the granting councils for the universities. Fourth, we have introduced a program to try to encourage a greater working together between the research laboratory scientists and the private sector so that we bring the inventions and discoveries of the laboratories closer to the market place. The Prime Minister (Mr. Mulroney) is the Chairman of the National Advisory Board for Science and Technology which he has inaugurated. He will be chairing these meetings on an ongoing basis. This will give us the guidance, the understanding of what must be done by the Government in order to achieve a stronger research and development output.

The economic agenda paper of November, 1984, set out in a broader way how we were going to become more competitive, what the Government could do in deregulation and privatization, of getting the deficit down, of getting interest rates down, doing that range of things to strengthen the Canadian economy. Research and development was a key part, but it is much broader than just research and development. I think we have demonstrated with the strengthening in our economy over the past two and a half years that that program instituted in November, 1984, is a good one, and it has been successful.

Mr. Deputy Speaker: Resuming debate. The Hon. Member for Skeena (Mr. Fulton).

Mr. Jim Fulton (Skeena): Mr. Speaker, in opening my remarks in the debate this evening I must say, having read with care this motion before the House by the Minister for International Trade (Miss Carney), that I smell a rat. I say that because when the Prime Minister (Mr. Mulroney) rose to speak he told us nothing. Ministers who have spoken this afternoon and this evening have told us nothing. One or two things we do know is that across the country support among Canadians for the Government is at an all-time low. It is running at about 20 per cent. Only one adult Canadian in five presently supports the Government.

The Government in its motion does not use the words "free trade". It talks about the negotiation of a bilateral trading arrangement with the United States. The attempt is to get a vote, which will come tomorrow afternoon at six o'clock, and it is pretty clear now what the result will be. Conservative Members will vote together giving about 75 per cent support of the House to the motion with the Official Opposition, the Liberals, and the New Democrats voting against it. What does that really mean? That is why I say I smell a rat. The agenda would appear to me for Ministers to do some travelling and to say that there has been a debate in Parliament.

We are now more than two and a half years into this Parliament and there has not been a debate on supposedly the key economic agenda item of the Government, that of free trade, yet the first time the Government brings it before the House it drops the words "free trade". Clearly part of the intent of the motion is to smoke out the Liberals, to find out where they really stand—I will deal with that in a few minutes—and to pass a motion without using the words "free trade". We have to ask ourselves why that is happening. It would appear to me from what we heard from some Ministers that June appears to be the point in calendar time when Mr. Reisman is to wrap up his negotiations and get something off during the summer to the U.S. administration to try to get it dealt with in the United States on the fast-track process that is under way.

Canadians want some answers out of this debate. It now appears unlikely that the Government will give any. There will be no solace to a sawmill worker in Terrace, to a fisherman in Prince Rupert or Newfoundland, to a clothing or textile worker in Quebec City, to a farmer on the Prairies or to northern Canadians. The Government is purposefully staying away from that, even from the kind of thing that I think this House could intelligently debate, namely, what really is the dispute settlement mechanism the Government is talking about.

As we have heard during the debate, there are some things that we know. We know that fully 80 per cent plus of Canadian products going to the U.S. market are duty free now. Effectively it is the other 20 per cent that the Government is talking about. One of the things the Government should be doing is talking more openly rather than providing the sort of glib disinformation that I hear time and again inside and outside of the House. For example, the Hon. Member for Mission—Port Moody (Mr. St. Germain) just this evening said that if we had this free trade agreement there would not be the problem with the 35 per cent tax on shakes and shingles. That is simply not true.

Mr. Althouse: We had a free trade agreement on that.

Mr. Fulton: We had 50 years of absolutely unrestricted free trade. It was during the term of this Government that the problem arose. This agreement being proposed by Mr. Reisman and by the Government will not deal with the 35 per cent tax on shakes and shingles. It will not deal with the 15 per cent export tax on softwood and it will not deal with the CVDs against hogs, fish, raspberries, steel and all of the other commodities. The Government fails to listen to things being said in the U.S. Senate and in the U.S. House.

A very important point made recently by Don Munton, Research Director of the Canadian Institute of International Affairs reads:

> If Congress was in a mood to be protectionist, it wouldn't make much difference if there was a Canada-U.S. free trade treaty or not.

Mr. Althouse: And it hasn't.

Mr. Fulton: That is right. It hasn't, Mr. Speaker, even during this process. One of the key things I want to deal with this evening is in terms of the softwood issue. Canadians have to judge a Government as a Government goes into this kind of a process by the actions it has taken to protect existing free trade, commodities that were traded freely prior to the Government coming to office and how they were handled.

There are some other things we have to address during this debate. I hope all Members of the House will at least attempt to do that. The U.S. is obsessed with its over-all world deficit in trade which last year exceeded $150 billion, over $20 billion of which was in its trading relationship with Canada. The U.S. has made it very clear that it intends to reduce that deficit because in the last half dozen years it has lost 1.6 million manufacturing jobs. The U.S. has been losing manufacturing jobs and it now has a huge trade deficit. It is in the process of bringing capital back into the United States.

• (1900)

If one looks at the only bilateral treaty negotiated so far—and that is the one with Israel—there was no discussion, no comment, no side letter, or anything else when it came to the countervailing duty actions available to the United States.

We have a pretty good idea of what is the agenda of the Government. We know now that the Government is attempting a cut and run act. If we look at the speeches given today in the House, particularly the one of the Prime Minister, we see that the words "free trade" are fast disappearing. The Minister for International Trade is still trying to prop up those words, but the other government Members who have spoken have meticulously tried to keep them out of their vocabulary.

A key point was made a moment ago by the Minister of Finance (Mr. Wilson) when he said that between 1982 and 1985 the United States increased its exports to Canada by 38 per cent, while world-wide it only increased its trade by 1.5 per cent. There are some Canadian sectors at which I think we should look because they are highly relevant. Home appliances is a good example. Ten years ago there were dozens and dozens of small plants producing home appliances such as coffee percolators, toasters, microwave ovens, and stoves. All that equipment was made in Canada. Ten years ago 90 per cent of it was made in Canada. Now 90 per cent is made in the United States because its assembly lines are capable of producing highly competitive, consumer oriented products such as refrigerators with an ice machine on one side in blue, green, or orange. They have three trays inside and such things. There are also one, two, or three-slice pop-up toasters and such stuff. They are able to produce large amounts of highly selective consumer products in the United States to flood into Canada.

Let me refer to the key argument used in terms of the softwood issue. The Americans were concerned that now we held about a third of their market in softwood lumber. They said that we had penetrated too far. The fact of the matter is that 10 years ago we held 28 per cent to 29 per cent or almost

exactly the same amount of the U.S. softwood lumber market as we hold now.

Let us take a close look at how the Government handled the softwood lumber issue. It is a very important one at which to look. We could go back half a century to a similar kind of mood in the U.S. Senate and in the U.S. House of Representatives, in the days when the Smoot-Holley Bill was passed. Actually it was more than half a century ago, but for the last half century we have freely traded in wood commodities with the United States.

What brought about the 35 per cent duty against shakes and shingles, which has had an impact upon the profitability of those operations in B.C., something which I know the Hon. Member for Mission—Port Moody will not dispute? I talk with the same people as he does. In terms of softwood lumber we all know what a horrific impact that will have in the not too distant future. The pipeline is filling, particularly with wood from British Columbia. U.S. housing starts have been far ahead of the market. Even though interest rates are staying low, they have been massively over-producing in housing starts. There will be a slump, and there will be a horrific effect upon the Canadian industry.

Let us take a look at the anomalies. If we had such a good relationship between Simon Reisman and Peter Murphy, if we had such a good relationship between the Minister for International Trade and Mr. Baldrige and Mr. Yeutter, could we not have come up with something more appropriate? The Minister for International Trade and the Secretary of State for External Affairs (Mr. Clark) proclaimed in the House that the Americans cheated, that the Department of Commerce cheated, that the international trade administration cheated, and that the 15 per cent ruling which came down on October 16 was illegal. Whatever became of that? How can they trust an administration which will cheat them on one commodity that we have been freely trading for a half century with them? They use double mathematics. They fail to reflect upon the 1982-83 *de minimis* finding of their own administration on the same products that were going into the United States. Provincial stumpage regimes have not substantially changed in Canada. The change was that there was a protectionist mood in the United States.

Members of my Party and I, as well as government Members and members of the Official Opposition, returned to the House two years ago and warned the Government about the protectionist mood in the United States. We warned the Government that there were steps it could take in getting to U.S. consumers, in spending money, in opening trade consulates throughout the United States, in getting to home builders, contractors, realtors, newspaper and magazine editors, and in getting the information across the United States, as do most other countries in protecting their largest source of balance of trade, which is the forest industry in Canada.

The forest industry was alarmed. It spent $10 million in Washington fighting the legal case. It could not fight the case with U.S. consumers because the industry would not have credibility. How could MacMillan Bloedel go to Georgia where B.C. wood is half the Georgia market and say: "If you guys allow any kind of protectionist action, there will not be as much B.C. wood here and your prices will go up"? That would not sell down there. It had to be sold in a very carefully articulated way through the Government of Canada, and it was not done.

What has come home to roost? We are supposedly talking about free trade, but obviously we are not. The resolution of the Government refers simply to support for negotiating bilateral arrangements. It has been toned down substantively, because obviously the Americans have said that there is a pretty good corral of items which will simply not be on the table. Canada is now coming forward with a pretty sizeable corral of its own in terms of what cannot be on the table. However, let us look at the softwood issue because Canadians can judge the credibility, integrity, and competence of a Government by what happened as recently as December 30.

People think that it is just a 15 per cent export tax on softwood lumber going to the United States and that it will cost about $600 million per year. It is much worse than that. Remanufacturers in British Columbia are being nailed with it. Even though Mr. Campbell and the Minister of International Trade have gone to Washington to try to get some additions to Schedule B and some further changes, the Americans have refused to move at all. Some groups in Canada are exempted, some 20 corporations. However, there are at least another 80 which are on exactly the same footing. They were found to be *de minimis* in terms of subsidy or in terms of obtaining any government money. An unlevel playing field has now been created for our forestry sector.

Let us take another example. What about Quebec mills which bring their wood from New Hampshire, Vermont, and other states into Canada? They bring in raw logs which are milled in Canada and exported back to the United States. They have to pay the 15 per cent export tax, even though the U.S. Government in its illegal, illogical, and unfounded ruling made it clear that 14.6 per cent of the 15 per cent countervail duty related to Canadian stumpage policies. The most they could logically, under their own illegal ruling, go after Quebec mills for is .4 per cent, which is almost *de minimis* again. What is happening? They are being nailed with it.

I am talking about competence, sheer competence at this moment. If a Government cannot find a way to stick handle the softwood lumber issue through the U.S. administration, the Congress, the ITA, and the Department of Commerce, there is no way—and all Canadians should know it—that a Government which bungled on softwood lumber can possibly come up with something that would be more comprehensive in dealing with one-fifth of Canada's exports to the United States.

Let me deal with the attachment which the Liberals are proposing because it is interesting in its lack of logic. The amendment speaks to free trade necessarily but not necessarily free trade. The government motion indicates "that this House

supports the negotiation of a bilateral trading arrangement with the United States", and it goes on from there. The Liberals propose to delete the words after the word "arrangement" and to add "or arrangements with the United States, as part of Canada's multilateral trade policy, while protecting Canadian sovereignty through the application of the following conditions". What the Liberals are attempting to say is that the Government brought forward a pretty wishy-washy motion. It is a motion which no Canadian in her or her right mind should support because it really does not say very much. To attempt to amend it in a way that allows the words following it to negative the intention of the motion as the Speaker ruled earlier today is somewhat ridiculous. I think Canadians want to know where politicians stand and what the logic is behind their arguments on issues of vital importance.

• (1910)

Let me describe some of the baggage attached to free trade. Some of the legislation going through the House now, including Bills C-18 and C-19, is attached to the free trade issue. The Government likes to crow about deregulation being so good in rail, marine, air and interprovincial trucking. The Americans tried this, and what happened? A lot of workers in the United States have a message for Canadians.

In the U.S. airline industry, under deregulation which is tied to the free trade initiative, 40,000 workers lost their jobs. Not 250 but 250,000 U.S. truckers lost their jobs as a result of deregulation. It has happened in all fields. Another good example of this is telephone deregulation in the United States. The rates were cut on long-distance calls, and that was good for those who make a lot of business calls, but for 80 per cent of people who use the phone mainly for local calls including shut-ins, the elderly, the disabled and those who live in rural areas, rates increased by 37 per cent. The same thing has occurred in almost all areas where there has been deregulation which is of the same tone as free trade.

Let me spend a moment talking about British Columbia. The debate has not often come to the doors of British Columbians and I think it should do so more often. Actually, some British Columbians are just now getting home from work and are turning on the tube. They might be interested to know that for the first time in two and a half years, something is going on in shakes and shingles and softwood lumber. What would the benefits and disadvantages of this so-called negotiation be for them?

The Government already knows about the highly sensitive industries in British Columbia. The most recent information we have is that which came through access to information for 1982. In that year, the highly sensitive industries in B.C. accounted for 30,000 jobs, or 21 per cent of all B.C. manufacturing employment. Those industries produced $1.1 billion of value added to the B.C. economy in that year. Those businesses include textiles, clothing, the wood industry including sashes and doors, household and miscellaneous furniture, finished paper products, printing and publishing, metal and machine fabricating, ship and boat building, chemical and non-metallic mineral products and so on. Sensitive industries in B.C. accounted for another 44,000 jobs or 31.1 per cent of the B.C. manufacturing employment total. That is a very varied sector but is basically industrial and includes metal and machine fabricating and the high-tech sector including communications and scientific equipment.

There are a number of healthy things this debate can do. One is to keep disinformation out of the minds of the public. That disinformation is that getting a free trade agreement will get rid of countervailing tariffs the Americans have recently brought in or that it will preclude future actions. Don Munton, a true expert in this area, has made it very clear that that is not the case.

British Columbians and other Canadians in highly sensitive and sensitive employment areas should be kept fully informed. Not only are their jobs at risk but we must make it very clear that the Americans want something in return. As we get access for those one-fifth of Canadian products that presently face tariff and non-tariff barriers, the Americans are asking for something else in return. A we talk about the dispute settlement mechanism and sensitive and highly sensitive industries, we should also talk about the kind of process in which the Government is really involved without bringing fluff motions before the House, motions that are no more than an attempt to create an opportunity for the Canadian Government to propagandize this issue through the $12 million slush fund of the Minister for International Trade.

Mr. Winegard: Mr. Speaker, I have listened with some interest to my colleague on the left. From what I could gather, he does not believe that Canadians can compete with Americans in the steel industry. He does not believe that we now compete with them in the manufacturing industry. He certainly does not believe that we can compete with them in the appliance industry if we had that kind of market. In fact, he just finished talking about jobs being at risk if we move on with the new trading arrangement.

My sense is that the Hon. Member is afraid of free trade. He is afraid of a different trading arrangement with the United States. Yet, a 1979 NDP discussion paper says that the NDP is in favour of a move toward freer trade because its members think that as a trading nation, we would benefit in the long run. A 1984 NDP discussion paper says that New Democrats will continue to fight for fair trade agreements in order to protect the jobs of Canadian workers and, get this, to create new opportunities.

Members of the NDP cannot have it all ways. I wish they would tell us whether or not they really believe in a different trading arrangement. I have been here throughout most of the day listening to NDP and Liberal Members, thinking I was back in a high school or university Shakespeare class with Hamlet saying: "To trade or not to trade, that is the question". Our Liberal friends the other day were saying: "To Cruise or not to Cruise, that is the question".

Would members of the NDP make up their minds? Would they respond to their 1979 discussion paper which called for a move toward freer trade because they think as a trading nation we would benefit in the long run? Is that not what we are trying to do here today?

Mr. Fulton: Mr. Speaker, that certainly is not what the Government appears to be pursuing. I am happy to respond to the question of the Hon. Member.

We are competitive and are one of the best steel producers in the world. We can learn a great deal about what the Americans now plan to do in the steel industry from the softwood lumber issue. I would hope that the Hon. Member would not support the Minister for International Trade in making a one-time-only out-of-court offer of a 10 per cent tariff on Canadian steel.

New Democrats stand for fair trade. We are not—

Mr. Winegard: Do you want to sit and do nothing?

Mr. Fulton: Do we want to sit and do nothing? One of the trade objectives of our Party is to try to get into markets all over the world, the Pacific Rim, the United States, the Third World, and Europe. The Minister of Finance touched on one of the difficulties that will be created. He said that if Canada and the U.S. can reach this agreement by June and get it ratified on fast track by the fall, it will send a booming signal around the world about what great bilateral arrangements can be made.

Let us not forget what happened with softwood lumber. We traded freely for half a century with exactly the same people. We only made this ridiculous out-of-court settlement on December 30 to satisfy the protectionist mood in the United States. If the Hon. Member thinks Simon Reisman, backed up only by a timorous little motion brought forward by the Government that says that we support a bilateral trading arrangement with the United States, will have a more powerful hand in negotiating with the U.S. Congress, the Hon. Member is out of his mind.

Mr. St. Germain: Mr. Speaker, enough is enough. Members of the NDP have said time and again that enough is enough. Well, this is enough.

The Hon. Member for Skeena (Mr. Fulton) has inadvertently misled the House again on the softwood lumber issue and on a multitude of other issues including shakes and shingles. He is trying to make Canadians believe that the countervail action was the act of Government. He knows that that is unequivocally and totally wrong. Yet the Hon. Member continues to preach fear.

I have a very succinct question to put to the Hon. Member. There are a multitude of major organizations in Canada that support the free trade initiative. Mr. Bulloch of the Canadian Federation of Independent Business has said that those who will not listen will either walk with the turkeys or soar with the eagles. I do not want to say what the Hon. Member for Skeena will be doing, but I can assure the House that he will be at ground level.

Roger Phillips of IPSCO, one of the major steel producers in Canada, has said that we are dealing with the well-being of our grandchildren. He advocates a free trade initiative. The Shakes and Shingle Association of British Columbia advocates it. The new Premier of British Columbia, in his Throne Speech, gave his stamp of approval to a free trade initiative. The Hon. Member for Skeena would say that this is for nought. Jack Munro, President of the International Woodworkers of America, represents in excess of 70,000 workers in British Columbia. He supports a free trade initiative. The Leader of the NDP in British Columbia, Mr. Skelly, supports a free trade initiative like the one we are suggesting. Where does the Hon. Member stand? Is he against Jack Munro and Mr. Skelly? Mr. Speaker, please have the Hon. Member for Skeena reply to that question.

• (1920)

Mr. Deputy Speaker: I am sure the Hon. Member will reply.

Mr. Fulton: I do not really know where I want to start with that Hon. Member. He knows that Jack Munro and I are just like that. He knows that Bob Skelly and I are just like that. I am not sure I am quite so close to Mr. Bulloch or the Chamber of Commerce or Premier Vander Zalm, although I have had a couple of very nice chats with him. What it really comes down to, as the Hon. Member knows, whether it is 35 per cent on shakes and shingles or 15 per cent on softwood, is the competence and political clout of the Government dealing with an issue like that.

The Hon. Member has sat in the committee dealing with forest issues. He knows that every single person to come before that committee has condemned the Government for its actions on the softwood issue. Most of those people are the Government's friends, the largest forest companies in the country. They say the Government is a bunch of bunglers. The message we are taking out of this Chamber to Canadians is that if those guys can bungle that badly on softwood lumber, save us from any further moves on free trade because they will destroy the country. That is what we are saying.

Mrs. Collins: Mr. Speaker, even in that respect the Hon. Member for Skeena (Mr. Fulton) is incorrect because Jack Munro supports what we have been doing with respect to countervailing duties. Members from British Columbia have been speaking, and I also appreciate this opportunity. We know there are problems in British Columbia. The City of Vancouver has an unemployment rate of about 14 per cent, the highest of any city in the country. We are going to work hard and do something about that. One of the most important things is trade, trade in value-added goods, trade in services, trade in the shipbuilding and ship repairing industry. Our most important trading partner is the United States, a country with 250 million consumers. We need this agreement for the future of British Columbia, so I find it astonishing that the Hon.

Member, as a representative of our province and knowing the feelings there about how important this is, would not be up here cheering and telling us to keep on with it. Instead, he acts as if he were a Luddite. I am surprised. I thought social democrats were supposed to be progressive. We are the progressive Party and those Members are the Luddites.

I do have a question. We heard the figures earlier today, and I am sure the Hon. Member is familiar with them, with respect to U.S. government procurement contracts. If we could get just 1 per cent of those contracts as a result of working out a new trade arrangement it could result in 75,000 jobs. I look at the shipbuilding industry on the West Coast. If we could break through the restrictive barriers concerning ship repair work for the U.S. Navy, if we could do away with protectionist measures such as the Jones Act, it would be a tremendous opportunity for the thousands of workers who want a future in British Columbia. Does my hon. friend not agree that we have to proceed with this initiative in order to ensure that we have the jobs his Party has been talking about, jobs for British Columbians, jobs for all Canadians?

Mr. Fulton: Mr. Speaker, I will not describe the Hon. Member as a Luddite, but I would point out that she should educate herself on a few of these issues. To start with, shipbuilding. I am sure the Hon. Member is aware of the Jones Act. American commodities can only be carried in U.S. bottoms which are produced only in the U.S. We are not about to start producing all kinds of great vessels for the U.S. in Vancouver or anywhere else.

Mr. McDermid: That is not what she said. Listen to what she said.

Mr. Fulton: That point flies out of the window.

The present restrictions on government procurement policies in Canada cost the United States an estimated $105 million in lost trade each year. Let us look at what the Hon. Member is proposing because the President of the Treasury Board (Mr. de Cotret) proposed much the same thing. If—and that is the key word—if we can capture 1 per cent of U.S. government procurement contracts, military and civil, that means 75,000 jobs in Canada.

Let me return to the example I used which was that of home appliances. Obviously the Americans will have access to Canadian government procurement contracts. Where you have long production runs, whether it be of toasters or desks or airplanes or cars, and you have a very select market niche you are going to get into, and that niche is much larger in the larger country, you are going to be able to produce at a much lower cost for the smaller niche of a market.

The other point that the Hon. Member and many of her colleagues tend to want to sweep under the carpet concerns the hourly wage structure, and I am talking union and non-union, in the U.S. Deregulation was the biggest union-busting operation in the history of the U.S. The thing about a lot of the policies talked about by Premier Vander Zalm and his friends and the Hon. Member and a lot of her friends is that they do not want to look at North Carolina, South Carolina, Georgia and other areas of the U.S. where the production of some commodities is at a $1.50 or less per hour. What they are asking many British Columbians to do is to take a job, particularly in the service industry, than not just at the national minimum wage but at less than any imaginable livable wage. We already have enough Canadians living below the poverty line.

Mr. McDermid: That is nonsense and you know it.

Mr. Deputy Speaker: Resuming debate with the Hon. Minister of Transport (Mr. Crosbie).

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, I rise with a great deal of diffidence to engage in this historic debate because the Chamber is so historically full, the media are so historically present, and we are engaged in a historic event. I am going to do two things in my speech. I will address this issue from the point of view of Atlantic Canada. Second, I will address it from the point of view of the two opposition Parties.

If I might say in starting, Samuel Johnson, in 1791, summed up perfectly the attitude of the NDP of 1987 when he said: "I am willing to love all mankind except an American". That expresses the NDP policy. Anything American is jaundiced. Anything American they are automatically against. They are flat out against this resolution. However, at least they have the courage of their convictions. They are going to vote against this resolution. What is the resolution? That this House supports the negotiation of a bilateral trading arrangement with the U.S. as part of our multilateral trade policy while protecting our political sovereignty and certain other things. They are against that. They do not want any bilateral trading arrangement with the U.S. In their ignorance and in their opposition we can at least see plainly what they are. Thank God for that.

The Official Opposition is a little different. They are summarized by the speech given to us by the Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy). He reminded me of something that Ambrose Bierce said in 1906. He described positive as being mistaken at the top of one's voice. That is what the Hon. Member for Winnipeg—Fort Garry has been, very positive. I want to refer to the Liberal amendment just to show you how I am going to address it in a few moments' time. I will first be statesmanlike in my approach, then will gradually degenerate into realism and deal with the Liberal Opposition. The motion says "That this House supports the negotiation of a bilateral trading arrangement with the United States" and so on. The amendment reads:

• (1930)

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

"or arrangements with the United States, as part of Canada's multilateral trade policy, while protecting Canadian sovereignty through the application of the following conditions,

Namely that:

There not be an all-inclusive free trade arrangement with the United States since such an arrangement would undermine Canada's political, economic and cultural independence—

Has a greater example of the word "mugwump" ever been seen in all our history? They are for our motion to negotiate with the United States as long as there is not an all-inclusive free trade arrangement with the United States. How can you be for both? The "mug" is in Saint-Henri—Westmount and the Leader of the Opposition's "wump" is in Winnipeg—Fort Garry. They are for a trading arrangement with the U.S. but against it. This is an outfit which expects the people of Canada to make a decision on whether they should govern the country. They are not fit to govern the country now, they will not be fit in a year, they will not be fit in two years, and they will not be fit in two and a half years. They are less fit than the NDP to govern the country. At least we know where the NDP is sitting.

I summarize the attitude of the NDP as Bob White and the seven dwarfs. The Member for Windsor West (Mr. Gray), the Member for Essex—Windsor (Mr. Langdon), the Member for Windsor—Walkerville (Mr. McCurdy), the Member for Winnipeg—Fort Garry, the Member for Oshawa (Mr. Broadbent), the Member for Vancouver Quadra (Mr. Turner) and the Member for Davenport (Mr. Caccia), who is in the "Caccia nut" section of the Liberal Party, are Bob White and the seven dwarfs or Shirley Carr and the "me too's". As soon as Shirley Carr announces what her position is, the NDP falls in line and not far behind is most of the Liberal Opposition.

Before I deal with the sad spectacle we see opposite us of one Party absolutely frank in its confession of ignorance and opposition to what we are doing and the other Party afraid to confess anything, I want to deal with the three objectives we are trying to achieve. We are trying to secure continuing access for existing trade with the U.S., to gain new opportunities for trade through enhanced—which means increased—access to the U.S. market.

Some Hon. Members: Hear, hear!

Mr. Crosbie: Well, they did not know. Their problem has been that they have not understood what "enhanced" meant. Third, we want to ensure that access in an agreement which is beyond the reach of short-sighted and erratic protectionist forces, that being, of course, those 70 in the opposition Parties.

This is important for Atlantic Canada, where I come from, because trade into our traditional markets in the U.S. is our economic life-blood. The 70 over there are against the economic life-blood of Atlantic Canada. In 1985 two-thirds of the exports of Atlantic Canada went to the U.S.

Don't leave. The Member for Skeena (Mr. Fulton) should stay here and try to learn.

Sixty-five per cent of P.E.I.'s exports, 71 per cent of Nova Scotia's, and 66 per cent of New Brunswick's exports went to the U.S.A. Exports to the U.S. are critical to the whole Atlantic region. In 1985 Newfoundland exports were $440 million, which is $756 per capita. P.E.I.'s exports were $73.5 million, which is $576 per capita, and Nova Scotia's exports were $1.12 billion, or $1,351 per capita. New Brunswick's exports were $1.46 billion, or $2,032 per capita. The 70 Hon. Members over there do not care about this. They are going to try to sabotage it if they can. That totals $3.1 billion or 12.6 per cent of the Gross Domestic Product of Atlantic Canada. That is what fuels the structure of our regional economy.

With regard to the Canadian figures, 78 per cent of all Canadian exports in 1985 went to the U.S. That accounted for over 21 per cent of the GNP. That is just over one-fifth for those over there who would not understand. Over 2 million jobs came from exports to the U.S. All we hear from the Members opposite is "jobs".

One would think Ontario is unaffected by the U.S. What do they care about the U.S. in Ontario? Premier Peterson does not give a fig for the United States or exports to the United States. He is quite independent. He wants to judge this and decide that. He is going to sign the treaties or he is not going to sign. Why, he is Premier Peterson of mighty Ontario. He does not understand that 91 per cent of all of Ontario's exports go to the United States of America.

Some Hon. Members: Hear, hear!

Mr. Crosbie: In Newfoundland we are not all that bright, we are not as bright as them mainlanders. Only 54 per cent of our exports go to the U.S., but we are supporting the Government's free trade initiative. What is the difference between 54 per cent and 91 per cent? Why, that would be 37 per cent. Ontario sends 37 per cent more of its exports to the U.S., and Premier Peterson does not care. He does not give a sweet damn about whether 91 per cent of their exports are going there or not. He thinks it is positively dangerous. Can anyone understand the logic of Premier Peterson or his agent in this House, the Leader of the Opposition (Mr. Turner)? No, we cannot understand. However, we know mathematics, and in Newfoundland 54 per cent is one hell of a lot of exports.

Secure access is important because the fisheries in Atlantic Canada have been harassed for years by U.S. anti-dumping and countervail actions. We have been harassed and we do not want to be harassed in the future. The Government tries to protect us from being harassed in the future because we have been harassed in the past and we know that if there is no agreement with the U.S. we are going to be harassed again in the future. We are going to be harassed more than we were ever harassed and hassled in the past. That is why we want the Government to succeed. That is why we are supporting the Prime Minister in these free trade initiatives.

Some Hon. Members: Hear, hear!

Mr. Crosbie: Sometimes those actions fail as when the Americans succeeded in an anti-dumping action against salt cod and in a countervailing action against fresh groundfish exports. We know they are our buddies and friends, but we also know that they are our competitors at the moment. We have no agreement with them. We have no secure access. We cannot stop them from harassing us unless our protector, our saviour, the Prime Minister, can bring us into the promised land of a new agreement with the United States of America.

Twenty per cent of the workforce in Newfoundland is engaged in the fishery. Six hundred communities depend upon it, and they do not appreciate the NDP trying to scuttle this. Ninety per cent of our groundfish, our main export commodity, is sold in the U.S., and these beauts are trying to fight secure access to the U.S. for 90 per cent of our groundfish. Why, I hesitate to tell you what is going to happen to these characters in the St. John's East by-election.

Is enhanced access important? We want entry of processed fish products from Canada. We do not want to send up only frozen cod blocks any more. We want it processed in Canada. Enhanced access means more employment and the creation of more wealth for us. I went to the fisheries SAGIT meeting on Friday. A SAGIT is not some queer paedophile society or something homo-erotic or homo-pathetic. It is the Sectoral Advisory Group for International Trade. They do not want the fishing sector left out. They did not beg us to leave out the fishery because they did not want to take a chance on this. They said, for God's sake, don't leave out the fishery. We told the Minister for International Trade (Miss Carney) the queen of the *pêche*, that we are not going to leave out the fishery sector. We told them that we are not going to give U.S. harvesters access to Canadian fish resources either. We told them that existing export restrictions are going to be maintained to ensure further processing in Canada. They do not want to be left because they know how important this is to them and to Newfoundlanders generally as do the P.E.I. and New Brunswick potato producers. Their livelihood has been repeatedly jeopardized by U.S. trade remedy actions taken at the behest of their American competitors. That is why the potato producers in Prince Edward Island and New Brunswick want us to enter into an agreement with the United States. How secure is the future without such an agreement? Will there be any more major industrial investments like Michelin Tire in Nova Scotia if the entrepreneurs there are uncertain whether they will lose their access to U.S. markets through protectionism? Not at all. When the Canadian public understand what these 70 members are doing, the polls will reflect a terrible, cataclysmic cataclysm that will strike those members.

• (1940)

Who is saying no to a trade deal with the United States? Is it Premier Peckford? No, he is "positive Peckford" with respect to a free trade deal. Is it Premier Hatfield? No, it is not Premier Hatfield. Is it Premier Ghiz? No, it is not Premier Ghiz because he is saying "Gee whiz", when he hears what his Leader is saying here in Ottawa.

Why is the New Democratic Party opposed to a trade deal? Why is the Liberal Party opposed, at least every second day? Do the Liberals fret and whine because we will scuttle regional development? That is not the case because the Prime Minister (Mr. Mulroney) pledged in Montreal last week: "Any suggestion that we abandon our commitment to our regional development would be completely unacceptable to this country". Therefore, the Liberals are not opposing it because it would eliminate regional development. They cannot be opposing it because of social programs or political sovereignty, the agriculture marketing system or our unique cultural identity, which my desk mate will address in a few moments in her own charming style. The Liberals do not oppose free trade for any of those regions because the Liberals have become what they once accused the Conservative Party of being: the coalition of the "antis".

Let us deal with the Liberal amendment which states they are for negotiations but attempts to ensure the understanding that they are against negotiations. It is pusillanimous pussyfooting, two-faced, slippery, duplicitous, tricky, tacky, twisting, indecisive, straddling, strained and scaredy-cat. Where is the Leader of the Opposition leading his Party in circuitous circumspections, circumcised of decisiveness, bereft of principles and dotty with deviousness? That has been the approach of the Leader of the Opposition to this debate tonight.

On October 20, 1986, the Member for Winnipeg—Fort Garry, the Liberal trade critic, called for an immediate suspension of trade negotiations. Yet today, the Liberals are pretending that they want arrangements with the United States. By the way, this afternoon, the member, "aerated Axworthy", spoke in this debate. If bluff, bluster and breathlessness were the equivalent of brains he would be the Einstein of the House of Commons.

The day after October 20 the Leader of the Opposition said that: "To walk away now—may unleash damaging countervailing action against us and may inflame the already protectionist sentiment in the Congress—". One day the Liberal trade critic said an immediate suspension should take place, and the next day the Leader of the Opposition said it may unleash damaging countervailing actions.

A week later, on October 27, the Member for Davenport said: "We do not believe that it would be in Canada's best interest to engage in a negotiation on a one-to-one basis between us, a fairly small economy, and the Americans, a very large and powerful economy". Today, the Leader of the Opposition was flexing his muscles, saying how well he could negotiate if he were there to do so. I have news for him. He will never be there to negotiate, so he can flex what he likes. These comments were made in the space of eight days. The Member for Windsor West stated on October 28 that he was flat out opposed to trade talks with the United States. Today, he is just flat out because the Liberals are pretending that they want negotiations with the United States today, although their

motion would truncate, eliminate and circumvent any negotiations with the United States.

Who can forget the great resolution of November 28, 1986, at the Liberal national convention? In the morning they passed a motion backing free trade with the United States and in the afternoon they adopted a resolution opposing it.

We know that the New Democratic Party is completely negative. We are proud of them because they are totally what we expect. They are the nattering nabobs of negativism.

Former Liberal Cabinet Minister, Donald Macdonald, said: "From the outside, we look pretty stupid". From any side; from upside down, downside up, from the left side, from the right side, from inside or outside, they are perfectly stupid looking in their position on this matter. I like the phrase used by the Member for Saint-Henri—Westmount (Mr. Johnston) when he described those opposed to negotiations with the United States—the Member for Winnipeg—Fort Garry and the Member for Windsor West—as trying to pull off the "great trade robbery". That is a fine phrase that he did not favour us with today. He said that when talking in Vancouver, pretending to be honest, straightforward and sincerely devoted to the country.

I will not even mention Marc Lalonde because he is passé. He said that our best strategy was a two-track approach. We put him on one of those two tracks, but we agree with him on the two-track approach.

The late Don Jamieson, one of the finest minds ever to participate in a Liberal Government, said on September 25, 1986, concerning a comprehensive trade agreement with the United States:

> It is guaranteed access on a fixed set of terms that are not capable of being adjusted at the whim of some politician, or because a hiccup happens to occur somewhere in the international trading system.

The late Don Jamieson knew this was the right course. It was one of the final public statements he ever made.

Canada's trading relationship with the United States is too important to Atlantic Canada to put up with the political whimsy of the Official Opposition or the NDP. They stand foursquare against a comprehensive trade agreement with the United States. Their heads are firmly buried in the sand and their ears are ringing with the self-induced applause from their weekend in Montreal. They are veritable lions in the streets between elections, but they will be tame pussycats come election day in two or three years. They will be tame tabbies, indeed.

Since 1980 there have been 22 anti-dumping investigations, 14 countervailing duty cases, and six escape clause actions levelled against Canadian exports to the United States. In 1984 alone, $6 billion worth of Canadian trade, accounting for 150,000 jobs, was in jeopardy. If we did not attempt to do something about that we should be driven from office. History would look back on us as total failures if we were not attempting to do something about that. We will do our best to get a comprehensive trade agreement with the United States. If we fail, it will not be because of us but because of the 70 Members opposite and an obdurate and insensitive U.S. administration in Washington.

We know that Members opposite are the naysayers and that your mugs and wumps are half in Winnipeg and half in Saint-Henri—Westmount. We know your Leader is out looking for the part in between.

Finally, let me end with a quotation: "He'll ne'er get a pennyworth that's afraid to ask a price". That was said by Thomas Fuller in 1732 in his great work entitled "Gomologia". We are not afraid to ask the price. When we know the price we will come back here with an agreement which we will ask the Canadian public to accept, or there will be an agreement that we will tell them to forget. We are not afraid. We will ask the price and then report to the people of Canada, and goodbye to the lot of you in the next election.

Some Hon. Members: Hear, hear!

• (1950)

Mr. Caccia: Mr. Speaker, before I put my question to my hon. colleague opposite, I would like to assure him that when I want to hear a clown I go to the circus. The main part of the Minister's speech was based on the false assumption that the Opposition does not care. He even went so far as to say we are trying to sabotage. We have put forward an amendment in which we have indicated how we feel the Canadian public interest should be protected. The Minister has just glossed over that amendment. If he is really serious about this debate, why does he not tell us whether he agrees or disagrees with this amendment and where and why he disagrees? Has he given up intellectually to make any serious effort in participating in this debate? Or is he so totally discouraged by the standing of his Party in the polls that he cannot even bring his mind to focus on the amendment the Official Opposition has put forward?

Mr. Crosbie: In all my wildest dreams, Mr. Speaker, I never thought that one of them would ask me a question about their amendment. That is why I spoke on it in my main remarks. Had I thought I would be asked a question about this spiflicated piece of mugwumpery, I would not have wasted part of my 20 minutes dealing with it. I would have waited until now. What does the amendment say? I want Hon. Members to listen. Our motion states:

> That this House supports the negotiation of a bilateral trading arrangement—

That seems clear enough. We support the negotiation of a bilateral trading arrangement with the United States. What does the amendment do? It deletes all of the words after "arrangement" and substitutes:

> or arrangements with the United States,—

That is significant. They added an "s".

> —as part of Canada's multilateral trade policy, while protecting Canadian sovereignty through the application of the following conditions,
>
> Namely that:
>
> There not be an all-inclusive free trade arrangement with the United States—

Now, Mr. Speaker, the people of Canada are entitled to say to themselves: "What in the name of God is this? Do they think we are completely dumb? Do they think we are brainless? Do they think we have not a shred of intelligence? Do they think we are automatons? Do they think we are going to follow the Gallup polls so blindly that we will not look at what they are doing in the House of Commons for the next couple of years?" Not damn likely. That Party is for "arrangements". They support negotiation of a bilateral trading arrangement with the United States, but they say there cannot be an all-inclusive free trade arrangement. Well, we are trying to get a free trade arrangement, all-inclusive. We do not want some little spavine. We want an all-inclusive free trade arrangement. That is what we want and that is what our motion says.

Of course we are going to protect our political sovereignty, our social programs, our agricultural marketing systems, our auto industry and our unique cultural identity. What are you guys going to do?

Mr. Rodriguez: Take a couple of aspirins now, John.

Mr. Crosbie: The Hon. Member for Sudbury is not what he used to be.

An Hon. Member: Nickel Belt.

Mr. Crosbie: The Hon. Member for Nickel Belt (Mr. Rodriguez) is not worth two cents.

The members of the Official Opposition say they are all for this as long as there not be an all-inclusive free trade arrangement with the U.S. Why are they against it? In their very motion they say:

> Since such an arrangement would undermine Canada's olitical, economic and cultural independence; and would jeopardize Canada's regional development policies, agricultural policies, cultural industries, financial and service industries, and the Auto Pact;

Naturally, they are not for an all-inclusive free trade arrangement because an all-inclusive free trade arrangement would do away with Canada. We would be naked as newts. There would be nothing left of us if that Party is correct that such an arrangement is going to undermine our political, economic and cultural independence, our regional development and agricultural policies, our cultural industries, our financial and service industries and the Auto Pact. We would have to be pretty damn stupid if we are going to enter into some arrangement which does that. But the Liberal Opposition has already decided. It does not know what the arrangement is yet. It is too impatient to wait to see what it is. It has already decided it is going to undermine our political, economic and cultural independence, our regional development and agricultural policies, our cultural industries, our financial and service industries and the Auto Pact. It has already decided, but it does not know what it is yet. That Party can certainly foretell the future. This is a brilliant group, these 40 feckless gentlemen opposite and ladies.

Let us be sensible and just admit that the amendment of those Hon. Members was a farce and they are farcers for producing it. Withdraw, for heaven's sakes, before you are laughed out of Canada. Withdraw.

Mr. Turner (Ottawa—Carleton): Mr. Speaker, a former U.S. President said once that we should never fear to negotiate and we should never negotiate from fear. I, for one, do not understand why the Opposition is afraid to negotiate. The well-known Canadian journalist and writer, Richard Gwyn, spoke of the importance to show self-confidence in ourselves concerning free trade talks with the United States. Today the Prime Minister (Mr. Mulroney) spoke of a new commercial and trading agreement with the U.S. which will benefit all regions. He said "all regions of Canada". Does the Minister of Transport (Mr. Crosbie) want to see Canadian businesses sell to Metropolitan Halifax, Metropolitan Montreal, Metropolitan Toronto, Metropolitan Vancouver, or does he want to see them also sell to Metropolitan America, creating more jobs for all Canadians?

Mr. Crosbie: Mr. Speaker, I am glad to have a question from one of the most brilliant, if not the most brilliant of Hon. Members of the House. The Hon. Member for Ottawa—Carleton (Mr. Turner), I predict, has a brilliant future ahead of him, just as these hon. gentlemen opposite have a brilliant future behind them.

I want to answer the hon. gentleman in this fashion; he will recall Lord Byron, he is deeply read in literature. Lord Byron said: "He who would be free must first himself strike the blow". That is the type of person the Hon. Member is. He is not satisfied to hide behind the equivocation and pusillanimous pussyfooting of the Official Opposition. He wants to be free and is ready to strike the blow, and that is what we are doing. We are striking the blow down in Washington to see if it is possible to have a free trade agreement with the U.S. which protects this country. Seventy-eight per cent of its exports go to the United States of America. It is because of people like the Hon. Member backing us up in caucus. A byronic figure such as himself is prepared to back his Leader who is unafraid, despite the equivocation, despite the backing and filling, knocking and rumour-spreading. The most conservative element of society today is represented by the New Democratic Party and the labour movement, the Bob Whites and Shirley Carrs. Yes, they pull the plunger and it springs to attention, you can be sure, Mr. Speaker. It is because of Hon. Members like the Hon. Member for Ottawa—Carleton that we are not afraid to strike the blow, and if we can get a receptive U.S. administration, we are going to bring the people of Canada into a prosperous 1990s and into an even better 21st century.

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I am indeed quite pleased to participate in this debate tonight and, Mr. Speaker, if you can get the folks opposite to pay the kind of respect to members of the Opposition that we showed to the Tories, although it was quite difficult for us to do so earlier tonight, then perhaps we could proceed with the debate.

What we are debating tonight is that resolution which was moved and which I want to read again because all Canadians should just know how wishy-washy and ridiculous this motion is. It states:

This House supports the negotiation of a bilateral trading arrangement with the United States, as part of the government's multilateral trade policy, while protecting our political sovereignty, social programs, agricultural marketing systems, the auto industry, and our unique cultural identity.

• (2000)

The motion itself should be defeated pure and simple because of all the mistakes inherent in it. Nowhere in the motion is a mention of agricultural marketing boards. Nowhere does it specifically refer to supply management. It does not mention the Auto Pact. It contains just a general statement about the auto industry. It deals with our cultural identity, not our cultural industries. It deals with trading arrangements with the United States while neglecting to refer to the fact that it is a set of free trade negotiations that the Government is undertaking.

This morning we listened attentively to the speech of the Prime Minister (Mr. Mulroney). I must say that that was one of the worst disappointments I have had since taking public office. I say that as objectively as I can. To listen to it in order to gain some information for the constituency which I represent was indeed a difficult task. There was nothing in the speech of the Prime Minister.

I would now like to remind Hon. Members of several quotations. This morning the Prime Minister took considerable time of the House to quote various people from newspaper reports and so on. The first I wish to read states:

This country could not survive with a policy of unfettered free trade. I'm all in favour of eliminating unfair protectionism where it exists. This is a separate country. We'd be swamped. We have in many ways a branch-plant economy, in many ways, in certain important sectors.

Do you know who said that, Mr. Speaker? It was the Prime Minister as reported in *The Globe and Mail* of June 1, 1983.

Another individual is reported to have said: "we never discuss free trade". Do you know who that individual was, Mr. Speaker? It was the same fellow, the Prime Minister, in an interview with *The Ottawa Citizen* of July 4, 1985.

Another quote I have in my hand states:

Enhanced trade or trade agreements impact not only on the United States but on our trading relations with allies, upon GATT (the General Agreement on Tariffs and Trade, in which Canada is a participant).

I will read some more. I invite Tories across the way to pay attention. I promise to speak slowly so that even they will be able to understand. I will read at Tory speed. The quotation states:

—in a discussion paper released last January that formally launched the debate on free trade, the government stuck to its terminology of "comprehensive bilateral trade arrangement."

That was from an interview in *The Toronto Star* of July 18, 1985, with, again, the Prime Minister.

I would now like to read another quotation in which the Prime Minister states:

"I've never used the words "free trade". I don't think any of your colleagues have heard me ever use that," Mulroney told reporters.

Obviously, that was the Prime Minister as quoted in *The Toronto Star* of November 28, 1985.

On June 18, 1986, as reported in *The Globe and Mail*, the Prime Minister said: "—we advocate Progressive-Conservative-Liberalized trade."

Later on we heard the following:

[*Translation*]

"They will probably be discussing trade irritants and they will be working toward the completion of the negotiations for a comprehensive free trade agreement between us and the United States." That is what the Minister for International Trade said here in the House of Commons on March 11, 1987.

Mr. Speaker, the Government across the aisle accuses the Opposition of failing to take a definite position on free trade, which is quite false, as everyone knows. The interesting fact is that the Government does not even know where it is going. This morning in the House of Commons—and I urge my colleagues on the other side to check this in *Hansard*—the Prime Minister said that we have bilateral negotiations with the United States under GATT Article XXIV. He said that quite clearly. Mr. Speaker, do you know what is the heading of GATT Article XXIV? Here is how it reads:

[*English*]

"Territorial applications, custom unions and free trade areas". That is the title of the section of GATT under which we are negotiating. What are we negotiating if it is not a free trade agreement? If it is something else, I would like to know what it is.

Today, in the House of Commons, Conservative Members have used the words "free trade". The Prime Minister says he never uses the words. He says that he is against free trade; he wants enhanced trade, liberalized trade. He says that he is negotiating under Article 24 of the GATT which deals specifically with free trade. What are members opposite talking about? They are asking us to state our position in the House of Commons when they have not made up their minds with respect to what it is they will do. Or is it a case of them having made up their minds yet being unwilling to tell the people of Canada the whole truth about what it is they are doing?

I would now like to read the following:

Benign neglect from a majority of Canadians may be the realistic outcome of a well-executed communications program . . . The best strategy for the government is to adopt a low-profile approach to the general public.

Do Hon. Members know what that statement is from? It is from a cabinet document of 1985 on how to con the Canadian public. It is from the "con-servative" Party and tells the Canadian public that we should not tell them too much. In the view of the Conservative Party ignorance is bliss. They seem to

say that we should not tell the people of Canada what we are doing and maybe they will forget about it. I will not allow the Tories to do that. That is not what my constituents sent me to this House for. They sent me to speak on their behalf, loud and clear. That is what I intend to do with respect to all the issues that are put before us.

I would like to remind Hon. Members of another quotation. I know these words are painful for the Tories. I quote them using their own words, which is unfair, and I know that. It is unfair to quote a Tory using his own words. I have in my hand the July 26, 1984, Progressive Conservative Agenda for Government. It has the Tory logo right here on the corner of it. I am sure you will remember it well, Mr. Speaker. You were inflicted with that partisan nonsense as well. You, Sir, being the non-partisan person you are have a good appreciation of it. It states: "The Progressive Conservative commitment—".

That is like a campaign promise, a commitment. Except for a Tory, of course, it usually means something that they break right away. This document states:

> The PC objectives in the textile and apparel industries are to ensure in the short-term stability in the industry through fair and balanced trade measures and, in the long-term, to facilitate adjustments by supporting measures that promote and reinforce the strengths in the industry.
>
> 1. Fair trade, but not free trade.

And this is a document printed on Conservative Party letterhead and dated July 26, 1984. That was the Conservative policy at that time. It is totally contradictory to the reference this morning to Article 24 of the General Agreement on Tariffs and Trade. If there is anyone who is on trial today for inconsistency it is the Government of Canada. The people of Canada have already given their verdict. It is reflected in the public opinion polls. I tell Members across the way that they had better shape up because the people have had it with that type of nonsense.

I would now like to refer to a letter that was sent by Richard Lapointe, Secretary-Treasurer of the Glengarry County Milk Committee, which is in my riding. It is addressed to the Minister of Agriculture (Mr. Wise). It states:

> Dear Mr. Wise:
>
> The Glengarry Milk Producers at its annual meeting held, Monday March 9, 1987, expressed strong disapproval of your government's intention to include supply managed commodities on the free trade bargaining table.
>
> You assured us in the past that Marketing Boards are not to be tampered with. Now, milk producers are suspicious of your position.
>
> In Glengarry County, as elsewhere, dairy farmers are anxiously waiting for you and your peers to clearly affirm that our industry is not up for negotiation.
>
> We look forward to an early reply on this matter.

The original of the letter was sent to the Minister of Agriculture with copies to the Hon. Member for Stormont—Dundas (Mr. Warner), a copy to myself and one to the Hon. Member for Algoma (Mr. Foster). The people of my riding are very concerned about this issue.

[*Translation*]

Mr. Speaker, last weekend I met with farmers in my constituency—dairy farmers who expressed their grievances, stating they could not possibly trust this Government with negotiating any agreement with anybody, still less a bilateral free-trade agreement with the most powerful nation in the world. And those farmers in my constituency—I am thinking for instance of Mr. Gérard Blanchard from the Embrun or Saint Albert area who contacted me last week, asking: "Should I buy additional milk quotas?" What am I supposed to tell those farmers? Should I tell them the Prime Minister is saying this is free trade on the one hand, enhanced trade on the other, and the next day some other kind of trade he is negotiating? What am I supposed to say to the producers in my riding when this Government cannot even tell an ounce of truth about the whole free trade question? What am I supposed to do? And I say to Members opposite—some of them who represent agricultural riding must know this as well. I wonder how they manage to evade such serious issues. Sooner or later they will have to answer the questions. They have to say yes or no. How will they ever do that?

At my office today. Mr. Speaker, I got a letter from Dairy Farmers of Canada Executive Secretary James Waardenburg who is also concerned about this issue. Among all Canadian constituencies, the electoral riding of Glengarry—Prescott—Russell is home to the largest number of dairy producers—well, I think it has the greatest number, close to 2,000 of them in my riding. So it is a major industry indeed, the bread and butter of 2,000 families. It is more than all other issues, or a great many other issues raised in the House in the past. Mr. Waardenburg states: "Our domestic market must not become a reservoir for American surplus production". In the documentation he sent me today he points out that American surplus production is powerful enough or considerable enough to flood the Canadian market. Surplus production in the United States is in excess of our total domestic production in Canada. Mr. Speaker, what will happen if we end up with a free trade agreement without specific measures to protect dairy producers? The industry would cease to exist right then and there.

A moment ago we heard the Minister of Agriculture (Mr. Wise) make statements which I would say are almost reassuring. I must add that those who are negotiating, such as the Prime Minister and the Minister for International Trade, always avoid saying, for instance, that they are going to protect agriculture. They let other Ministers who have no role to play in the negotiations say these things, and they are then free to say what they want in their negotiations with the United States without admitting that they want to protect a given sector. Mr. Speaker, first, such a strategy cannot work, and second, it does not inspire any confidence among Canadian farmers. The producers in my constituency want something better. They want some definitive statements from this Government.

• (2010)

[*English*]

I want to talk a little bit about another sector of agriculture that affects my riding to a lesser degree, but nevertheless it is

there and it is an important industry in Canada. Agriculture is always important. I am talking about supply managed production in what is customarily known as the feather industry, poultry, chickens, turkeys, which includes eggs. In the United States 62 companies have 56 per cent of the egg market. The American so-called free enterprise system with no interference has led to immense corporate concentration in that area of agriculture. In Canada, 89 per cent of the egg producers have less than 20,000 hens. Our egg sector is more diversified, and we have smaller farms, which is good because it keeps family in the business. The Government has said keeping the family farms in business is one of its commitments. It is certainly a commitment of the Liberal Party to have the family farm thrive and survive. Again, in the area of egg production, we are talking about 3,000 jobs, and a $124 million industry. According to statistics, 47 per cent of producers would be at risk under a supply managed system that would not protect them.

There are many other issues that I want to discuss in the few minutes I have left. I have raised with the House before that what we are talking about here is a free trade agreement under Section 24(8) of the General Agreement on Tariffs and Trade. The Prime Minister admitted to that in the House this morning. From this point on, it is no use for him to divorce himself from the words free trade. What he said will be in today's *Hansard*. We have to remember that we got into this thing partially as a result of the Macdonald Royal Commission report that recommended a so-called leap of faith. In other words, close our eyes and hope that we will land in an appropriate spot. That is not good enough for me or for my constituents.

[*Translation*]

The Glengarry—Prescott—Russell constituency and many other regions in Canada depend on the textile industry. I want to say to the Minister of Communications (Miss MacDonald) and to the others who are willing to listen to me that this sector deserves to be protected. In my constituency, many people in Hawkesbury, Alexandria . . . The Minister of Communications visited Glengarry last year. She is also aware that this sector must be protected.

In the case of the shoe industry, 20,000 jobs are disappearing in Canada because of the attitude of the Conservative Government. There were 450 jobs in Glengarry on the day the Minister of Communications came for a visit one year and a half ago. Mr. Speaker, I wonder whether the Minister realizes how many jobs are left at Alexandria Footwear, which used to employ 250 people. Today, they employ only 60, as a result of the disastrous policies of the Conservative Government. And why, Mr. Speaker, did the Government introduce this policy? Just to give us a foretaste of free trade. They are gradually taking apart everything that was built up thanks to the excellence job-protection policies of the previous Government. And they are doing all this to show their good faith to our friends, the Americans.

Mr. Speaker, when we talk about these negotiations, we should remember, as the Right Hon. Leader of the Opposition (Mr. Turner) pointed out earlier, that we went into the talks with a $20 billion surplus. Mr. Speaker, picture the situation. We have a little guy and a big guy. The little guy has something the big guy wants, and negotiations are started at that moment. Who is going to lose, Mr. Speaker? The little guy, of course. And we are the little guy. Furthermore, no cost-benefit analysis was made. Or if there was one, the information was never shared with the House. The Members of this House have the right to know what the benefits and what the costs will be of such an agreement.

There has been no discussion about the whole issue of free trade until today, the very first time, some two years later. It took them two years to talk about it in the House. Mr. Speaker, that is entirely unsatisfactory. Furthermore, before starting the talks, there was no consultation with provincial governments across Canada. And of course the provincial premiers would have had a lot more to do if they had been consulted from the very beginning, which was not the case.

[*English*]

I think it is important to note that the United States, right in the middle of the negotiations, to demonstrate its good faith adopted the U.S. Farm Bill, a Bill containing $70 billion worth of subsidies, subsidies which are there to displace the Canadian market. If there is any evidence required that the other partner is not negotiating in good faith, this is it. I have an easy solution to this problem, Mr. Speaker. What we need to do is to free Canada and trade the Prime Minister. Free Canada, trade Mulroney.

• (2020)

Mrs. Sparrow: Mr. Speaker, I cannot sit back and watch the country become a second or third rate economy. We must fight this thing head on. We must accept reality. We must secure a long-term, comprehensive and binding trade treaty with the U.S. We are building a country for the future.

I cannot think of another major issue of this magnitude where all 10 Premiers agreed, literally from the onset, that the risks involved were worth the commitment of dominating our national agenda. We cannot live in a world of the past and afraid of the future. Canada is a trading nation, and in order to survive we must move ahead. We need jobs, and we need a future for our children.

I come from Alberta, and Alberta has two vital interests in the Government's national trade strategy—agriculture and oil and gas. At Christmas time the FERC 256 option—and that is the Federal Energy Regulatory Commission of the United States—indicated that the U.S. did not like the way we in Canada priced our gas for export. We have been pricing our gas for export that way for decades, and we are not about to change.

I want to ask the Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria) to comment upon a couple of statements. The Hon. Member for Saint-Henri—Westmount (Mr. Johnston) spoke to the Vancouver Board of Trade in November, 1985. He told his audience that unemployment in British Columbia had been unacceptably high for too long. In part he said that it was caused by the extreme dependence of that economy on its export sector, especially in forest products and minerals. That gentleman said that we first needed an agreement to secure our access to the U.S. markets because even though three-quarters of our exports went to the United States, there was mounting protectionism.

Mr. McDermid: Who said that?

Mrs. Sparrow: It was the Hon. Member for Saint-Henri—Westmount. He also said in the same paper that a comprehensive free trade agreement could force the removal of counter-productive interprovincial trade barriers. He said that such an agreement would lead to more economic activity and more jobs. He said that a comprehensive free trade agreement would not compromise Canadian sovereignty. Also he said that such an agreement would require the removal of tariffs which have been the most important single irritant to this federation.

Also I want the Hon. Member for Glengarry—Prescott—Russell to comment upon the statement of the Hon. Marc Lalonde which he made in October, 1985 on Canada-U.S. trade. He spoke of the importance of the U.S. market for Canada and mentioned the various attempts at increasing our proportionate trade with other trading partners. He said that they had failed and that even the signing of the framework agreement in 1976 with the European Economic Community had not prevented a steady decline in its relative importance as a trading partner for Canada. That hon. gentleman said that negotiators for both countries should strive for the largest possible elimination of barriers to trade, having a broad, comprehensive free trade agreement in mind, and that such an approach would be in the best interests of both countries.

I am for jobs. I am for regional growth. Where are the Liberals? Are they against the regions? Are they against employment? What is their future for the youth of the country?

Mr. Boudria: Mr. Speaker, I was beginning to wonder whether that was a question or a filibuster. However, in the limited time remaining in the 10 minutes I will try to answer that Conservative Member's question.

She is now extolling the virtues of a comprehensive bilateral free trade agreement. I remind her, as I did Hon. Members of the House only moments ago, of the meeting of the Quebec caucus of Sherbrooke, which was held on July 26, 1984. A press release entitled "Progressive Conservative Agenda for Government Policy Area: Textile and Apparel Industries". Without reading the whole page and without filibustering, as did the Hon. Member, I will summarize it by saying that the first point indicates "Fair trade, but not free trade". That is signed by the Leader of the Conservative Party.

The same Leader of the Conservative Party told us this morning in the House of Commons that Canada was negotiating with the United States under Section 24(8) of the General Agreement on Tariffs and Trade. That section is specifically on free trade. The Prime Minister and other Conservatives can try saying two things simultaneously which are different. However, it does not work because we are wide awake over here. We know what is going on. We see through the Tory rhetoric, the nonsense we hear from the Conservative benches. In fact what they have been doing all along is specifically negotiating what they said they would not negotiate.

Just as we do not believe the Conservatives on that issue, we do not believe when some Conservative cabinet Members started to say today that maybe some sectors of agriculture will be protected, maybe not, or that maybe culture will be protected. We do not believe all that. Why do we not believe it? It is because of their record over there. It is an unbroken string of promises and deception to Canadian people.

That is why our Right Hon. Leader proposed the very appropriate and well worded motion which I have in my hand. If I repeated it to the Hon. Member for Calgary South (Mrs. Sparrow), she would be better informed about why we could improve the motion and make it at least slightly palatable, even though the negotiators across the way will be the same incompetent bunch.

Mr. Daubney: Mr. Speaker, I listened with care to the speech of the Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria), something incidentally not recommended by nine out of 10 family physicians, particularly after sampling the fare of the Parliamentary Restaurant.

I also attempted to make sense of the Liberal amendment to our resolution. I consider myself, as a lawyer and as a reasonable drafter and interpreter of legal documents, somewhat qualified to do so. However, this is virtually an indecipherable document. It can be summed up only as free trade if necessary but not necessarily free trade, just as we heard last Monday about Cruise missile testing if necessary but not necessarily Cruise missile testing. Of course 45 years ago it was conscription if necessary but not necessarily conscription. It shows how little the Liberal Party has changed since the age of Mackenzie King, particularly the leadership of that Party.

Mackenzie King, history tells us, negotiated or had his officials come close to negotiating a free trade arrangement with the Americans in the late 1940s. He backed out of it because he was gutless. He was afraid to take a bold, decisive step for the Canadian people. Just think what our history would have been had he done so; how many more jobs there would have been for Canadians and how many more Canadians there would be because more people would have come to Canada. We would have been able to welcome them to our shores.

We heard the Minister of Transport (Mr. Crosbie) in his very eloquent speech this evening describe the Liberal Party as the Party of mugwumps, the "mug" being the Hon. Member for Saint Henri—Westmount (Mr. Johnston) and the "wump" being the Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy), or is it the other way around? I want to ask the Hon. Member, who did not make it entirely clear in his remarks, which side he is on. Is he on the "mugs" or is he on the "wumps", or is he solidly in the middle with his Leader?

Mr. Boudria: Mr. Speaker, I am very proudly behind my Leader and the future Prime Minister of the country. It will not take long before I tell him where we are. Let me answer the Hon. Member who just asked his question and used unwisely the time of the House. If he wants to use quotes, let me remind him of one, and I invite the Hon. Member for Manicouagan to listen to it. It says:

> Sleeping with an elephant is very exciting until he moves a little and if he rolls over you are a dead man.
>
> That is why free trade was decided in the 1911 election. This affects Canadian sovereignty and we will hear no more of it, not even in a leadership campaign or in other circumstances.

• (2030)

The Hon. Member for Manicouagan made that speech. I do not need any lessons from a Tory on how to tell the truth and certainly not from a Tory who speaks out of both sides of his mouth simultaneously and incoherently.

Mr. MacDougall: Mr. Speaker, it is very interesting to hear the Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria) talk about speaking from both sides of one's mouth. Over the last 20 years, people in northern Ontario and the regions of Canada have seen how a Liberal Government spoke from both sides of its mouth.

Today we have heard nothing but doom and gloom from the opposition Party, a Party that was in power for 20 years but really did not have any economic thoughts for the regions of Canada like northern Ontario. Free trade or enhanced trade means that seven out of 10 jobs will be created in northern Ontario and it is extremely important.

I wonder if the Hon. Member would comment on a report tabled last week on Canada's single-industry communities. For 20 years, the Hon. Member's Government had an opportunity to do something for single-industry communities. Can the Hon. Member tell me today if the same approach is still being taken by his Party as has been taken by it for the last 20 years? He should come clean with Canadians and tell us what he will do for single-industry towns.

Mr. Boudria: Mr. Speaker, the Hon. Member has asked me to read a report that he says was tabled in the House or given to Hon. Members last week. I will answer as Tory Members often answer. I will give it my utmost consideration and will read it as soon as possible.

Hon. Flora MacDonald (Minister of Communications): Mr. Speaker, the motion before the House today supporting the negotiation of a bilateral trading arrangement with the United States as part of the Government's multilateral trade policy states unequivocally that such an agreement will only be arranged while protecting our political sovereignty, social programs, agricultural marketing systems, the auto industry and our unique cultural identity. I would like to talk for a few minutes about our unique cultural identity and the institutions which protect it.

It has been said that this is an historic debate and indeed it is. I may say that there is no conceivable task that would give me greater pleasure or indeed greater pride than to participate in this debate today. I would like to share with my colleagues and Members of the House some of the reasons for my optimism.

[*Translation*]

Free trade offers us an opportunity to capitalize on our strength as a trading nation by securing our trading ties with our biggest and most important trade partner. A successful conclusion to these talks will mean a successful Canada as we approach the 21st century. A successful conclusion will give the canadian economy an impetus that may very well prove to be unprecedented in the history of our development.

[*English*]

This is not idle rhetoric. It would give our economy a phenomenal boost. We are in fact on the verge of an historic agreement. It is not a time for the wringing of one's hands as some Hon. Members opposite seem to think, nor is it a time for sitting on one's hands as others try to proclaim. It is a time to seize the opportunity with both hands. The Government, recognizing the need for change and the danger of resting on past laurels, is doing precisely that. It is seizing the opportunity.

How does all this affect our culture? What does greater prosperity for Canadians mean for the cultural industries? It will mean a healthy cultural sector, healthier than ever before. It will mean greater purchases of cultural products by more Canadians than ever before. It will mean finding more jobs for Canadian creators and more opportunities to create than ever before. This is an opportunity that should not be lost.

Some voices have been heard decrying the effect such an agreement would have on our culture. Some critics have suggested that the Government would sell Canada short in order to strike a deal. I want to say that when such comments are made, it is a case of hoping that the sheer repetition of a falsehood will somehow convince Canadians of its validity. I want to underline the Government's repeated and steadfast commitment to the protection of Canadian culture.

Some Hon. Members: Hear, hear!

Miss MacDonald: We have stated from the outset of these talks that culture and communications are vital to the defence, the security and the economic health of Canada. Yet they are

much more than that. We may try to quantify culture by using words such as "industries" and "products" as a kind of shorthand, but in fact we all recognize that the best of our culture is intangible. It is our ideas and our emotions that make us Canadians. It is the spirit that underlies all our acts, that causes us to declare allegiance to our native land in countless and even routine ways time after time, day after day. It is our hopes and our aspirations, our way of doing things. It is our way of life. No Government would dare to ignore, could ignore, these realities. Certainly not this Government. This Government would not do that.

Some Hon. Members: Hear, hear!

Miss MacDonald: We need no prompting from opposition Parties or indeed from interest groups to make our position clear to the Americans. We have done that from the beginning. They know where we stand. Certainly they have heard from us often enough on this topic. As early as September, 1985, Prime Minister (Mr. Mulroney) declared the following:

> Our political sovereignty, our system of social programs, our commitment to fight regional disparity, our unique cultural identity, our special linguistic character—these are the essence of Canada. They are not at issue in these negotiations.

In December of the same year, the Prime Minister went on to say in Chicago the following:

> In the United States, you cast the net of national security over more areas than we; in Canada, we cast the net of cultural sovereignty more widely than you.

The myriad of cultural instruments at our disposal is one reason our country is as strong as it is today. Conservative Governments have long recognized this and that is why they helped to create so many of these instruments. We recognize that they go to the very root of Canadian identity. The Government knows well this fundamental truth. We too have created instruments, have searched for innovative solutions to meet our country's cultural needs. It is in part because of such instruments that Canada has reached the stage at which we can contemplate a new trade agreement with confidence. We can consider it in the sure knowledge that our culture is both rich and mature, that our identity is no longer subject to question but is stronger and more self-confident than ever and that our cultural institutions will be firm in their defence of each.

I am not suggesting that we are invulnerable. We all know the impact of American influence, its breadth and its depth. I am saying that despite this influence, our culture has never been more distinct or more truly Canadian, nor has it been more recognized abroad. The elements of our nationhood are all around us. This very House in which I address you, the parliamentary tradition, profoundly separates us from our southern neighbours. Geography, history, our bilingual and multicultural character, our positive attitude toward Government and its purposes, these and many other features of our Canadian way of life give us a unique perspective on the world.

[*Translation*]

Our remarkable cultural diversity began with our aboriginal ancestors and continued with our two founding peoples—english and french, exemplified by my own *Gaelic Brethern* in Cape Breton and *Les Canadiens* of Quebec, the descendants of Canada's first European settlers. This double heritage is reflected in our official bilingualism. To this rich heritage have been added all of the more recent elements of our mosaic, peoples who have been encouraged and helped to retain their own manifold cultural traditions.

• (2040)

[*English*]

This demography, this special mosaic, this diversity which all of these peoples brought and continue to bring to our vast land, this deliberate diversity so characteristic of Canada, has also meant that communications and other cultural links have a special importance in binding our nation together.

Today Canada is as well a proud member of both the Commonwealth of English-speaking nations and of the more recent *la francophonie*, an arrangement unique in the world which brings us into close association with over 100 other nations.

[*Translation*]

Our Government achieved an historic breakthrough in its relations with Quebec by recognizing the need for continued dialogue. Thus decisions affecting communications and culture are taken in a spirit of collaboration and good will, a spirit which only our government has established in relations between Ottawa and Quebec.

[*English*]

There is as well our record of government support for cultural instruments through creation of cultural agencies, support programs, regulations and tax measures. These have played a vital role in stimulating and sustaining Canadian cultural achievement. Our negotiators are making this clear to the Americans. These institutions, quite frankly, are sacrosanct. So, too, is our sovereign ability to enact new or different measures as changing domestic circumstances warrant. We are doing just that as a Government because since this Government's term in office, even before the beginning of the negotiations, my predecessor in this Department and I have been engaged in developing proposals to strengthen virtually every aspect of the cultural sector.

I would like to remind the House of these initiatives. First, in introducing the Investment Canada Act we provided special review procedures to apply to business activities related to Canada's cultural heritage or national identity.

Second, there is a new publishing policy which seeks to increase the Canadian share of the industry both through Investment Canada guidelines and through the new book publishing industry development program, as well as increased funding for the Canada Council.

Third, there is a new feature film production and distribution fund and an additional fund for dubbing and subtitling. This will assist the Canadian feature film industry to produce films and videos for Canadian audiences for exhibition in commercial cinemas.

Four, there is a program for sound recording design to assist the Canadian recording industry in production and marketing of musical programs and products.

Five, we have increased funding for the Canada Council to allow wider access to the performing arts across Canada and to help stabilize the financial situation of arts companies.

Six, we introduced payments for Public Lending Right, a program to compensate Canadian authors for library lending of their works. I may say the first payments are being made tomorrow.

Some Hon. Members: Hear, hear!

Miss MacDonald: Seven, we designated a special fund for both libraries and public archives to enhance their efficiency and accessibility in their respective fields.

[*Translation*]

Eighth, we have taken new steps regarding French-language television. We recognize the distinctivness of the French-language broadcasting system and the need for specific policies tailored to its particular realities.

The Government places great importance on improving choice on French-language broadcasting for Canadians both inside and outside of Quebec.

This is the rationale behind our involvement on an international level in TV5, whose programs are broadcast to Europe and Africa, and, on a Canadian level, in *La Chaîne française* of TVOntario.

[*English*]

Nine, we have made a commitment to introduce legislation shortly which will provide for federal Government licensing of films and videos imported into Canada. This will help ensure that Canada is treated as a separate national film and video market. I must point out that although the problems associated with film distribution have been around since the 1920s, we are the first Government to take action on this matter.

Some Hon. Members: Hear, hear!

Miss MacDonald: Ten, we commissioned the Caplan-Sauvageau report which will help us chart the future course of Canadian broadcasting. We applaud the emphasis in this report on strengthening Canadian programming and we will be moving on many of the recommendations shortly.

Eleven, the Government is preparing legislation for revision of the Copyright Act which dates back to 1924. The legislation will further protect the status of the artist and creator in Canada.

All of these initiatives have a central theme: To ensure the availability of a diversity of quality Canadian products by assisting Canadian creators, fostering the development of vigorous Canadian cultural industries, and improving the access of ordinary Canadians to their own cultural goods and services.

No clearer evidence could be provided of our Government's commitment to nurturing Canadian culture than these moves. No less important to that nurturing is ensuring our country's economic prosperity. That is what the trade negotiations are intended to do. Canada's economy and Canada's identity will continue to grow together. We can strengthen both by encouraging Canadian industries to become more competitive within a North American context. What we are talking about is a commercial arrangement, not political union or cultural assimilation. We are looking for an agreement which will inspire business confidence and help this country prosper. By increasing our wealth and by putting our economic relationship with the U.S. on a more secure footing, we will improve our ability to make choices, and the ability to choose is the very essence of nationhood and independence.

We have chosen to keep matters relating to our cultural identity out of these negotiations. My colleague, the Minister for International Trade (Miss Carney), had this to say in the House just last Thursday.

• (2050)

No one has expressed more clearly than has the Prime Minister that Canada's cultural identity and the instruments of achieving it are not the subject of discussion in the free trade talks. The Conservative Government is not discussing those subjects at the negotiating table.

As the Prime Minister has said repeatedly, as the Secretary of State for External Affairs (Mr. Clark) has said, as the Minister for International Trade has said, and as I have said throughout these debates, our cultural institutions and the instruments are sacrosanct and so is our sovereign ability to act on their behalf.

Commercial negotiations and a trade agreement with the United States will not weaken our sovereignty or our identity. Certainly no one on this side of the House believes that. On the contrary, what we are doing is an assertion of our sovereignty in an increasingly interdependent world. We demonstrate our confidence that we can be as productive, innovative, ingenious and efficient as our American neighbours.

I listened to the Leaders of the opposition Parties this morning. Sadly, what I heard was not leadership. Leadership demands that we seize this opportune moment, leadership such as that being provided by the Prime Minister of the country and the Conservative Party. I am proud, Sir, that it is the Progressive Conservative Party, the Party which founded this country, which dares to move this country into the 21st century, the Party which dares to act boldly for the future of Canadians.

Mr. Stackhouse: Mr. Speaker, I would like to make a comment and ask the Hon. Minister a question. I would like to

compliment her on the speech she has just made. It was certainly appropriate in its style and content for a Minister of Communications. I especially welcome her reference to the projected trade agreement offering protection to our cultural industries because, by strengthening the economy, surely we are going to generate the surplus wealth without which we cannot have a viable culture. Without having the surplus wealth required for universities, art galleries, museums, symphony orchestras and all the rest, how can we possibly have the culture which so many of our critics say is threatened by the projected trade agreement?

I would like to question the Minister on a point on which she adumbrated very briefly; namely, the possibilities that open up to our cultural industries. She spoke of how, by the trade agreement, our various industries can show that they can compete, not only within our country but in the United States and North America as a whole. Can she elaborate for us on some of the ways that this agreement will make it possible for our cultural industries to find scope beyond that which they have ever had before?

Miss MacDonald: Mr. Speaker, the cultural industries in this country have been growing. I know that the Leader of the Opposition (Mr. Turner) laughs at that.

Mr. Turner (Vancouver Quadra): I am just minding my business, Flora.

Miss MacDonald: Nevertheless, Mr. Speaker, there are a quarter of a million Canadians who are employed in the cultural industries throughout Canada. That has increased in recent years. In this regard we are funding new areas such as book publishing, film and video production, and sound recording. That we are in so many ways putting new moneys into new agencies to help with the development of these industries means that there is greater strength to tackle the competition in the world abroad.

I mentioned that we are competing in an increasingly interdependent world. The Leader of the Opposition shakes his head. I have to tell him that Canadians are doing well in the cultural industries. Canadians are making films which are being envied throughout other countries. Canadian writers are competing for the top prizes in the world. Canadian developers and creators are making their mark in so many ways. We want that to continue. We believe that in building the cultural industries and strengthening them here at home, as new trading opportunities open so will the opportunities for our creators and our artists.

Mr. Henderson: Mr. Speaker, I want to make a brief comment on the Minister's speech and that given by the Prime Minister (Mr. Mulroney) today. The Minister said that we are getting great leadership from the Conservative Party. I have a press article from the Halifax *Chronicle-Herald* of November 5, 1985. Press releases were quoted quite extensively today, but I noticed that this one was not. This is a quote from a great Conservative by the name of Robert Stanfield. The headline reads: "Stanfield says free trade will have political price". It reads:

> The Conservative government wants a freer trade deal with the United States but former party leader Robert Stanfield said Thursday such an agreement would reduce the power of federal and provincial governments and hurt individuals and communities.
>
> —Stanfield emphasized "that we would pay a political price for a free trade treaty".

He is talking about sovereignty there, not apolitical sovereignty. The article continues:

> "Individuals and communities would be hurt," he said.
>
> Exceptions that may be included in any treaty cannot be expected to protect all industries and institutions that require protection to flourish, he said.
>
> "We would limit our choice as to the role our governments could play in our economy."
>
> A trade deal which reduced or eliminated trade barriers would restrict regional, provincial and national economic policies, he said.
>
> "There would still be a large role for governments to play, but our current free-wheeling policy of grants, favorable loans and preferences would presumably be restricted.

He went on to say:

> "Increased exposure to the discipline of the North American market might further limit our freedom of choice".

Mr. Turner (Vancouver Quadra): Who said that, George?

Mr. Henderson: One of the former leaders of the Progressive Conservative Party, the Hon. Robert Stanfield, whom that Member worked under for some time. He is well respected. I could go on and tell you what Fred McCain—or Harrison McCain of McCain Foods is saying about free trade in Atlantic Canada. I know the Prime Minister knows who I am talking about when I say Harrison McCain rather than Fred McCain.

Mr. Turner (Vancouver Quadra): What did Fred say? Did Fred say anything? That's what I want to know.

Mr. Axworthy: Where is Fred?

Mr. Henderson: Whatever Fred said, it's noticeable by his absence.

I would like to get a few comments from the Minister with regard to those statements by the Hon. Robert Stanfield who is a great Canadian who served Nova Scotia well as a Premier. He understands the political and regional situations in Canada. The Prime Minister said today that Atlantic Canada is going to have to depend on free trade to reduce its unemployment. I think he would like to change that statement a bit. I cannot see any great benefits in free trade for the area from which I come. When I talk to milk producers and other farmers in Prince Edward Island they also tell me that they do not see any great benefits in free trade. I think the Prime Minister should look at some other ways. If it means that we will lose regional incentives we will be in serious shape in Atlantic Canada and it will be to the detriment of this Government and, unfortunately, of the poor people in Atlantic

Canada who will have to live by any agreement that the Government might negotiate.

• (2100)

Miss MacDonald: Mr. Speaker, the Hon. Member said that he has spoken to certain people in Prince Edward Island. I suggest that he talk to the Premier of Prince Edward Island to find out where he stands on this issue.

Let me also say to him that Robert Stanfield, as Premier of the Province of Nova Scotia, as Leader of the Opposition in this House, can never be accused of being a little Canadian, which is more than I can say of the people sitting opposite in this House. Mr. Stanfield needs no defence from me.

Mr. Axworthy: You are too busy working for the CIC.

Miss MacDonald: I have been waiting for someone to raise that. The Member for Winnipeg—Fort Garry (Mr. Axworthy) has raised the fact that I was a founding member of the Committee for an Independent Canada.

Mr. Axworthy: How things have changed.

Miss MacDonald: I may say with some pride that I have a letter from the current President of the Council of Canadians in which he says: "On behalf of the board of governors and the executive and members of the Council of Canadians I would like to congratulate you for your recent announcement as to your position relating to new broadcasting facilities for Canada".

Some Hon. Members: Hear, hear!

Miss MacDonald: The President is Mel Hurtig.

Mr. Axworthy: What does he say about free trade, Flora?

Mr. Langdon: Mr. Speaker, I am sure there are grounds for tremendous positive conversation on the basis of that letter from Mr. Hurtig to the Minister. I must say, listening to the Hon. Minister, that I felt a great sense of disappointment. I fear that the ghost of Sir John A. Macdonald will rise from her constituency of Kingston and The Islands to haunt her tonight and haunt her in the future as the country which she should be serving is being hurt so badly by this agreement.

I want to ask the Minister some precise questions about cultural sovereignty. First, is the Minister prepared to give some commitment to the House, which no other Minister has been prepared to give, that cross-border advertising restrictions will be kept in place?

Second, is the Minister prepared to say that advertisement restrictions on Canadian companies advertising in U.S. magazines will be kept in place?

Third, will CRTC regulations with respect to Canadian content on radio be kept in place?

Fourth, is she prepared to say that Canadian publishing restrictions will be kept in place given the recent statement made to the First Ministers that investment was now being made part of the demands from the United States for greater freedom?

Finally, will she comment on a statement from perhaps the greatest Conservative philosopher that this country has produced, namely George Grant, who told our joint Senate and House of Commons committee:

> Out of a kind of unity which does not overcome disparity there comes a country with its own ethos, what we call the Canadian ethos. This surely would be radically put in question by economic unity, even more than it is at present. Canadians, even more than they do at the moment, would simply come to see themselves as part of a great continental machine over which they had no control.

Miss MacDonald: Mr. Speaker, I am sorry that it took the Hon. Member so long to come to the question. We have been saying for some time in the House and elsewhere that Canada's culture and cultural instruments are sacrosanct and are not in negotiation.

The Hon. Member wants to know about a list of items. Broadcasting and publishing are referred to in Bill C-58. Those are the cultural instruments that are not on the table for negotiation. I thought he had understood that a long time ago, as most Canadians understood it. However, I will repeat for him that those are not for negotiation.

If he would like me to talk about Doctor George Grant, the author of *Lament for a Nation*, who saw what was happening under a former Government, I would be glad to do so. I am a great admirer of Doctor Grant and know him well. I also know that we are protecting the soul of Canada and no one will be able to take that away.

Some Hon. Members: Hear, hear!

Miss MacDonald: We happen to believe that there are Canadians who will rise to the challenge of the moment and that there are Canadians who can be called "the little Canadians", or "the small Canadians". They are the Canadians who doubt and fear. I am tired of listening to comments coming from that side of the House that show how little faith they have in this country. We believe in this country and in its future. We will be here to protect it.

Some Hon. Members: Hear, hear!

Mr. Langdon: Mr. Speaker, I rise on a point of order. This must be the fifteenth time that government Members such as the Minister have accused members of the Opposition of lack of faith in Canada.

Mr. Forrestall: Sit down.

Mr. Langdon: Lack of faith in Canada is a serious accusation and one that we reject absolutely. Lack of faith in the Government is what we have.

Mr. Deputy Speaker: Order, please. That is not a point of order. The Member for Humboldt—Lake Centre (Mr. Althouse) on debate.

Mr. Vic Althouse (Humboldt—Lake Centre): Mr. Speaker, the Minister accused people on this side of the House of lacking faith in Canada and said that she believed this is why we are refusing to accept the Government's set of initiatives in beginning negotiations with the United States. These negotiations began as an enhancement of trade, a comprehensive bilateral trade arrangement, and they have changed quite rapidly until we are not absolutely sure what the House is dealing with after listening to government Members attempt to explain it in the last two years.

We can only have an idea of what is happening by examining the results of the negotiations and the actions that have taken place thus far. We can only get an idea of what will happen by examining the American reaction and their interpretation of the negotiations.

Perhaps I am not a great optimist by nature. I have made my living as a farmer in the Prairies. Most people believe farmers must be optimists, but we are living in an area in which farmers have less than a 50 per cent chance of making a living. My family has survived for three generations, not because we were optimists or pessimists but because we were realists. When we sat down to organize ourselves for the next year or the next five years, we used all the data which was at hand and looked at all the probabilities and decided whether or not we were likely to be able to make it with that particular policy thrust. I think the Government has failed to do that, particularly in relation to agriculture. I am going to restrict most of my remarks to what it has or has not done in agriculture because I think the Government has, first of all, misread the big picture. I think it has used a reality which may have existed when the Prime Minister (Mr. Mulroney) was a little boy singing songs for some of his American friends, but which no longer exists. The Prime Minister's mind still seems to see an America which is a growing world power, and one would do very well to tie onto its coat-tails. He still thinks it is a growing, vibrant economy. The facts do not indicate that. What we see is an American economy which is still the leader in the western world financially, and it has used its dollar to maintain that position. However, we are seeing an America that has an ever-increasing trade deficit. It has not been able to produce enough goods and services for export to offset what has become a growing, continuing and accelerating trade deficit. The Prime Minister has not recognized the increasing budgetary deficits or the government spending in that country which has taken off as well at an accelerated rate. Within the next year or two, it is expected to be in effect living off its external investments. It will be relying totally on foreign investment and foreign debt to keep its economy from floundering completely.

• (2110)

That is not exactly the kind of economy one would hook one's star to. It is not the kind of partnership that I would make if I were a farmer. That would not be the kind of neighbour I would hook myself on to if I wanted to pull myself through a tough spell.

Why have we decided that the United States is the place to go? We should have known, and the Prime Minister could have known had he or his officials looked at the record, that the United States has been declining in agricultural trade as well. It has had a decline since 1981 when it exported $44 billion worth of agricultural products. It declined to something like $29 billion worth of agricultural products in 1986. That is a decline over that period of five years of $15 billion, as a result of a strong U.S. dollar, relative to other currencies, in its attempt to maintain itself as a pre-eminent economy in the West, and I have to say it, looking at it quite dispassionately, due to a less efficient and effective grain marketing system. Because it is not as efficient and effective it has lost markets and has run up a trade deficit in agricultural products. That should have been visible to the Prime Minister. When he made the initial proposal that we begin a comprehensive bilateral trade arrangement or begin talks on such an arrangement with the United States, he should have been aware that the Americans were quite worried about their declining role in agricultural trade. He should have looked at our trade in agriculture *vis-a-vis* the United States.

Contrary to the big picture the Government is always trying to put before the people of Canada and the opposition Parties, we have a trade deficit with the United States. It sells us more goods in agriculture than we sell it. It is a fairly hefty negative trade balance, running between $1 billion and $2 billion per year. If we look at our over-all trade exports to the United States of all commodities, we see we exported almost $83 billion in 1984, which is the last year for which I have firm figures. That year we shipped the United States $2.2 billion worth of agricultural products, or less than 2 per cent of our shipments to the United States were agricultural products. The United States shipped to us some $68.5 billion worth of commodities, $3.6 billion of which were agricultural commodities, or just over 5 per cent of the total trade with us, leaving a total trade deficit for our country of about $1.4 billion.

Here we are, a very small country, one tenth or one eleventh the size of the United States in terms of economy, offering to start a free trade arrangement with, at the beginning, all things on the table. What does that mean in terms of Canadian agriculture? I have looked around for a number of studies and I found one which was done by Professor Warley at the Agricultural College in Guelph. He is not a New Democrat. He is known to be a fairly good big C, small c Conservative who did an analysis of what Canadian agriculture could expect from a free trade discussion or discussions on enhanced trade.

I want to run through his assessment very quickly. Professor Warley said with regard to horticultural crops that Canadian farmers could expect from enhanced free trade talks a loss of the protection now accorded by the seasonal tariffs which protect us from being swamped with product which comes to the market ahead of ours because our season is later. We could expect an end to the prohibition of consignment selling which now assists to regulate the flow of the product into Canada, and we could expect restrictions on the use of bulk containers.

As well, we could almost certainly expect, according to Dr. Warley, an erosion of the power of some of the boards in their ability to negotiate or set prices for fruits and vegetables. Professor Warley tells us that with respect to the dairy industry, which is so important to central Canada, as well as important right across the country, we can expect a reduction in prices in Canada, for fluid milk producers of between 20 per cent and 40 per cent as Canadian prices attempt to harmonize with the prices in the U.S. border states. He says we can expect a corresponding loss of investment value in the Canadian fluid milk industry of about $1.5 billion. We can just write off that investment value because the value of the investment will drop by that much. He thinks that we can look forward to an end to supply management which attempted very successfully in Canada to match production to the demand in Canada.

With regard to industrial milk, he says we can look for prices to fall at least 20 per cent to the lower U.S. support levels, and we can look for a loss of investment in the industrial milk industry of $3.5 billion. I fail to understand how a loss of investment value in the dairy community of over $5 billion can be good for Canada, can create jobs or can be at all useful to our particular situation in this country. When Professor Warley turned his attention to the effects of enhanced trade to poultry meats and egg production, he said we can expect prices in Canada to fall by about 25 per cent. He thought that we could expect the value of quotas alone to drop by $1 billion. When we look at the assessments done by the egg producers of the country we see that their most optimistic projection is that about 47.5 per cent of egg farmers would be at risk and that the Canadian industry would lose between 1,300 and 1,500 producers. The number of producers would go from two-thirds to three-quarters of present producers. The egg industry would lose an additional $90 million to $100 million worth of economic activity each year, and there would be a loss of between 2,100 and 2,300 jobs.

• (2120)

Why would this happen? It would happen because Canada would be expected to meet the level of prices that exist just across the border. We would not lose the industry because of its inefficiencies. Canadian egg farmers are already more productive than their American counterparts. They are able to produce 1 per cent more eggs than the Americans. They have a 2 per cent advantage over U.S. producers in terms of the amount of feed required to produce one dozen eggs. On the bottom line real productive efficiency does not matter. On the bottom line cost is cost and if U.S. product comes to the market at a cost of 25 per cent less, then that will become the price for Canada, if we have the type of open border and unrestricted access to each other's markets that are being touted in the Government's proposal.

I would now like to deal with wine producers. It is quite clear that when one reads the American papers and what they expect to happen from free trade talks one will see that they are saying that they should have access to the Canadian market for wines and that they would "whomp" us, to use a word that is not in the dictionary, in that market. They would take over an additional $6 million to $7 million of our wine industry, not to mention some $100 million worth of other beverages in the beer and soft drink industries, if they could gain unrestricted access to our markets. Because the time is short I will not go into the number of jobs that would be lost in the Canadian agriculture and food industry. Suffice it to say that the losses would be very high indeed.

In the grain business there is not very much trade between our two countries. Canada is one of the major competitors of the United States in terms of international trade in this industry. What Professor Warley expects the Americans to be asking for, and what in fact has come out in some of the discussions and the position papers put forward by the Americans, is an erosion of the powers of the Canadian Wheat Board in Canada and a reduction of the Canadian Grain Commission's ability to set standards for quality in wheats, oats and barley, and the other major grains and oilseeds, in an effort for the Americans to be able to compete. Rather than bring themselves up to our standards they appear to want to bring us down to their rather low standards in these negotiations. So when we sell to foreign competitors, if the Americans were to have their way, no longer would we be able to guarantee the quality of a shipload of grain. If the buyer was dissatisfied, then recompense would be made. We would be expected to move to the type of system which the Americans use and abuse daily. It is the main reason they have lost something in the order of $15 billion in terms of agricultural sales. It is because they do not have a system of maintaining quality.

Mr. McDermid: If you think we would deal our system away, you're crazy.

Mr. Althouse: I have read the position as stated by the American trade representative as to what they expect to get from this particular trading negotiation. The Canadian negotiators and members of the front bench of the House of Commons have said that everything is on the table and that, in fact, they can put those items on the trade table for discussion.

Since the Americans feel that they are already being put upon in the agricultural sector and because they now have, and have had, a positive trade balance with Canada, and see Canada as one place where they can expand that trade balance, we are quite convinced, as is any objective observer, that they will be continuing to press for agricultural items to be on the table and for further access to our market. It is not just my opinion but the opinion of Professor Warley of the University of Guelph.

With respect to the area of livestock and meat trade, there is some possibility that Canada would continue to have a positive export in those particular sectors. We have had good access to their markets, prior to the commencement of the trade negotiations, I might add. Since the enhanced trade talks have begun, in areas in which we did have free trade on an agreement basis for as long as 40 or 50 years we have lost ground.

Prior to the initiation of the talks almost 80 per cent of the goods and services that trade back and forth across our borders were free of any financial or other trade impediment. However, two years after the summit at which the talks were initiated, thanks to the actions taken with respect to live hogs, saltfish and softwood lumber, we are now approaching 70 per cent of trade between our two nations without financial impediment. This is what Progressive Conservatives call progress!

We have gone from 80 per cent free trade down to 70 per cent free trade. It is my personal opinion that the Government has been looking at the wrong aspect of our trade relations. I think it has not put on the table at all the question of dispute settlement. Nearly 80 per cent of our products were moving free of any impediment before these so-called talks began. The main problem we had was one of how to cope with the actions of the International Trade Commission under the U.S. Department of Commerce. That quasi-judicial body is able to act must faster than is any similar body in Canada. The activities of that body have been increased because of protectionist sentiment by agricultural producers—in fact, all producers—in the United States, as they witness their deteriorating position *vis-à-vis* the rest of the world in terms of world trade. We find ourselves being constantly dragged before this court at the behest of American producers. Even though we have gone through the process and proven ourselves to be free of any subsidies, or any other problems, they continue to bring us back. Softwood lumber is just one case in point. We proved three or four years ago that we did not have an unwarranted amount of subsidy lying in the method of calculating stumpage fees. We were brought before the ITC just recently. In fact, the Government negotiated away our position and has brought us down to the point where close to 70 per cent of our commodities are trading free of any financial impediments, as opposed to the 80 per cent level at which we started.

The motion before us is an attempt for the Government to mollify people who have looked at this situation realistically and carefully, as I have and as my colleagues have. The Government is attempting to tell us that it would never allow full and open discussion on the question of protecting our sovereignty on social programs, agricultural marketing systems, the auto industry and our unique cultural identity. Because of the large majority in the House the motion will pass. There are 208 Conservative Members who will make certain that it passes. The Government will take this as its reason for continuing the talks.

The motion may pass, but Canadians will not believe that their culture, their agriculture, their social programs and their unique identity is safe.

• (2130)

Mr. McDermid: Mr. Speaker, I sat here and listened to the debate this entire day.

Mr. Gauthier: We noticed.

Mr. McDermid: I am glad the Member noticed. I want to read a couple of paragraphs into the record, which I think may explain why the Liberals are in so much trouble today, from *The Citizen* for March 14, 1987. Referring to the Liberals we read:

> But they are hamstrung by the fact that two years after Mulroney first raised the idea of opening free trade talks with the Americans and nearly four months after their convention they still don't have a free trade policy on which the caucus is united.
>
> Turner has had to appoint a committee of MPs to burn the midnight oil over the weekend, attempting to come up with a position—

Mr. Althouse: Mr. Speaker, I hesitate to raise a point of order when I like what the Member is saying about the Liberals, but I am not sure his point is relevant. I understood that comments were to be relevant to the remarks of the previous speaker. I am afraid I did not, unfortunately, refer to the Liberals at all.

Mr. Deputy Speaker: I am sure the Hon. Member will make his remarks relevant. If not, they will be out of order.

Mr. McDermid: I will get to the Member in half a second if I can just finish this one sentence. The article continues:

> —with a position for Monday's debate that doesn't make them the butt of jokes.

Obviously the Liberals are the butt of the jokes today. The motion looks as if it were put together by the Hon. Member for Saint-Henri—Westmount (Mr. Johnston) who is for free trade. The Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy) is against free trade, the right hon. gentleman is for both of them. That is exactly what it looks like.

To get to my hon. friend who has just finished his speech, I can tell you, Sir, that he quoted all the Americans and what they want. He was spreading fear among the agricultural industry. He did not say anything about what our Minister of Agriculture (Mr. Wise) said today and the stand he took or the stand the Government is taking in these negotiations. He talked about what the Americans want. Negotiations go both ways. That is what they are all about. The Member talked about increased protectionism. That is right. There is increased protectionism and that is exactly why the Government has undertaken these negotiations. Our Prime Minister (Mr. Mulroney) saw protectionism coming and wanted to do something about it. He wanted to protect the markets we have. The Member talked about the disappearance of the free trade market that we had for so long. It is not disappearing because of these negotiations, not at all. These negotiations were brought in to stop protectionism in the United States and to get a bilateral agreement that will make sense and be good for Canadians.

I have a question for the Hon. Member. New Democrats have gone across this country fear-mongering on many issues. They started way back with the Auto Pact some 20 years ago. They said it would never work, that we will lose thousands of jobs. Up until the late 1970s their Leader, the Hon. Member for Oshawa (Mr. Broadbent), wanted to renegotiate the Auto Pact. Now he has changed his tune. He said it would lose

thousands of jobs back then. When the Minister of Finance (Mr. Wilson) delivered his financial statement in 1984, the New Democrats said that it would cost Canada 100,000 jobs. We all know that 700,000 new jobs have been created since that financial statement. Then the New Democrats said that about 5,000 jobs would be lost because of the shakes and shingles issue. We all know what happened. That industry is almost working at full force again. Then the New Democrats said we would lose 17,000 jobs because of the softwood lumber issue. We knew that was phoney. It was fear-mongering. Why should Canadians listen to the New Democratic Party when it throws up all these scare tactics? New Democratic rhetoric has been abysmal.

Mr. Althouse: Mr. Speaker, I think the answer to that may lie in a couple of the assumptions which the Hon. Member has made. He began by saying that the Government has not lost ground because of negotiations. I will take him at his word there. If we have lost ground, it is because of the action of the Minister for International Trade (Miss Carney). We lost free trade on softwood lumber, saltfish and live hogs. Granted it was perhaps not due to the negotiations, but it certainly was due to the actions or inactions of front-bench Ministers.

Mr. McDermid: That is the reason for having negotiations.

Mr. Althouse: The Hon. Member said that is the reason for having negotiations. From my observations, given the activity and track record of the front bench having already lost live hogs, saltfish, softwood lumber, raspberries and a few other things, I do not feel very confident as a producer or a representative of producers in Canada knowing that that front bench is doing the negotiating for me and knowing that the economy it is negotiating with is at least 10 or 12 times as large as Canada. When I am faced not only with a smaller bargaining position but with incompetent people, I find myself feeling very uncomfortable.

Mr. Ravis: Mr. Speaker, I look forward to making a few comments to the Hon. Member for Humboldt—Lake Centre (Mr. Althouse) who is not only my Saskatchewan colleague but my neighbouring constituent. I listened attentively for 20 minutes while he spoke. He was true to form. I do not like being so partisan, but his comments were typical of the debate that goes on here in the House. In the whole 20 minutes, my colleague from Humboldt—Lake Centre could not find something positive or balanced to say about enhancing our trade or securing trade for Saskatchewan farmers. He himself farms and understands just how serious is the situation that all farmers are facing today.

I had the privilege of attending the Saskatchewan Association of Rural Municipalities convention in Saskatoon with the Minister of Agriculture (Mr. Wise) just a few days ago. Fifteen hundred delegates were there. They understood when the Minister of Agriculture spoke that the situation today in agriculture is very serious and possibly it is one of the areas where we can see a bit of light in the pipe in terms of trying to secure some markets down the road.

I want to go back to something the Prime Minister (Mr. Mulroney) said this morning, namely, that Canada has two choices. We can turn inward and watch our standard of living decline or we can reach out and compete with the rest of the world to raise our living standard. If there is one thing that Saskatchewan farmers understand, it is achieving higher productivity every year in order to stay alive. Prices have been coming down, and to keep afloat, they have increased productivity.

How much consideration will my colleague give when he goes back to meet some of his constituents in Saskatchewan and others in terms of the problems we have today with potash, the hog countervail of which he is aware, with steel and uranium? All of these things are irritants across the border. I would suggest that a Member from Saskatchewan who is a farmer and very familiar with these commodities and minerals should be giving some consideration to negotiating these items as opposed to taking the negative attitude and trying to kick the Americans in the shins.

Mr. Althouse: Mr. Speaker, if the Hon. Member had listened as carefully as he said he had, he would have caught the answer. Perhaps if he understood something about trading in commodities and trading with the Americans he would also have caught the sense of what my speech was about.

• (2140)

As I tried to make clear in my speech, the problem we have with the Americans is the problem of settling trade disputes. We have had this problem as long as I can remember.

I spent quite a bit of my life trying to trade in beef and pork with the Americans. We had a hog marketing agency set up to send sides into Los Angeles and San Francisco. As soon as we began to be effective and successful, we could not get across the border for various reasons.

Mr. Ravis: That is precisely why we are doing this.

Mr. Althouse: My friend should know that we had a free trade agreement—and it has been written out for a long time—on red meat including pork and beef. The agreement was not worth the paper it was written on when one became serious about putting products into their market.

It had to be inspected. For a while that is what it was. There had to be veterinarian inspectors, which made sense. One cannot argue with the health regulations of another country. However, one could not find a veterinarian inspector in any of the points along the border from Regina to Vancouver. One was visiting his mother-in-law and another one had a sick grandmother. One could phone ahead but could not find a place at which to get cool meat, in 80 degree weather, across the border and down to San Francisco. They were retaliating. It was some argument about a totally different commodity in Washington.

What we needed to do, if we were to solve the problem, was to sit down and discuss the ITC proposal or method. We needed some form of joint resolution of the problem, and that would have been the first logical step to solving it.

The Prime Minister (Mr. Mulroney) offered to the President to trade everything or made everything available as an incentive in that part of the talks. It was not logical and will not work.

We have not really seriously put forward a dispute settling proposal, such as a joint committee like the IJC for settling boundary disputes. We have not even put that on the table. How can we get serious about solving anything if we do not attack the problem where the problem lies?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I have listened with great interest to the debate. I want to sum up and reiterate some of the points which were made by the Right Hon. Prime Minister (Mr. Mulroney), by my cabinet colleagues, and by members on this side of the House in their interventions.

I would also ask that we might be able to challenge Hon. Members opposite to reconsider the position they have taken today. I was in opposition for some years. I understand the role of Opposition. It is to criticize, to give alternatives, and to give what the Opposition might feel is an alternate plan. However, there is another role to opposition. It is at certain junctures in the history of a country to take responsibility for catching a vision which is sometimes larger than the partisan views with which we come to the House. When a person is faced with indisputable facts, sometimes decisions must be taken, decisions which are in the best interests of the country rather than in the shorter term interest either of debate or politics.

I am proud to be a member of the Ministry and to follow the vision, courage, and dedication shown by the Prime Minister to pursue this difficult issue. It is a difficult issue. I should like to quote what the Prime Minister told the House in September, 1985, at the outset of these negotiations. He said: "International negotiations are complex and extremely challenging. Success is not a sure thing but the results of success are well worth the enormous good faith required for the negotiations".

When we embarked upon these negotiations a year and a half ago, we set three basic objectives. If Canadians, regardless of political background or regional interest, examined these objectives, I believe they would have to accept them as valid.

First, we wanted to secure our access to the United States market through new rules and procedures limiting the protectionist effect of trade remedy laws. Everyone in the House can rail against the protectionist sentiment now resident in the United States. We know the issues. However, having railed against the sentiment, surely it now behooves all of us to come to the negotiating table to try to remove that sentiment and come to an understanding between the two nations which have the largest trade between them in the world.

We wanted a clearer definition of trade distorting practices so as to reduce the threat of countervail. We also wanted to enhance our access to the United States market through more open entry to United States federal and state government procurement markets and broad trade liberalization. We wanted trade liberalization in an orderly manner through the elimination of tariffs, quotas, and other non-trade barriers over a reasonable period of time.

I think anyone who examines those propositions would accept that not only are they timely but they are in the best interests of Canada and in the interest of the trading relationship which exists between our two countries.

We wanted to enshrine our access to the United States market through a strong dispute settlement mechanism which would provide fair, expeditious, and conclusive solutions to differences of view and practice. We know that this must be done. In fact during the debate today a number of Members of the House have so said.

We also wanted institutional and other provisions which would maintain Canadian independence of action in areas of national endeavours. For example, the Minister of Communications (Miss MacDonald) touched upon those issues tonight.

We also wanted a lasting agreement which would enshrine our mutual obligation and accommodate differences in our two governmental systems. Our two governmental systems are different. Our societies are different. That being the case, that is why, despite those differences, we have come together over the years, because of geography and a common love for democracy, as two independent peoples.

However, we have developed a relationship which goes beyond trade and goes beyond the relationship of government to government or between institutions.

It also deals with people. People inside and outside the House have friends and business acquaintances across the 49th. They know that it is those relationships as well which augment the national interest in trade. When we speak about the relationship, it goes well beyond simply a document, however important a document might be. I think it goes to the very root of what we see ourselves as a nation and how we see ourselves in the larger world, especially including our relationship to the United States.

These objectives have been pursued for the better part of a year and the bargaining has been hard. However, Canadian interest has been pressed and it has been understood. The hard bargaining is continuing.

I appreciate when the Opposition—and I have done it myself from time to time—says: "Give us more facts, give us more details". All of us who have done some negotiation recognize that while more details are often desired, and possibly we would even want to put forward more details at this point in time, it is in keeping with what the Prime Minister said today that we cannot and should not, in the Canadian interest or in the national interest, put forward

details in public respecting negotiations that are taking place right now. One trusts the process, trusts the negotiators, and has confidence in one's position. That is the basis upon which one comes to the bargaining table.

At the beginning of the bargaining process last June, the Prime Minister asked how we would achieve those goals. He said that he would propose to the Americans a commercial deal which, when fully implemented, would erase the border as a factor in commercial transactions between Canadians and Americans. Today the Prime Minister told the House that we are on course, that we are meeting our objectives, that all the issues are now seriously engaged, and that we are negotiating a broad and comprehensive agreement addressing the key issues facing Canada as a leader and international trader. He also said that if the United States and Canada succeed, we will be an example to the world.

I believe that to be the case. I am convinced tonight that we can and we will succeed. We have the will as a people. We have the commitment to succeed, as I believe does the United States. Together I believe we will forge an agreement which is mutually enriching, what some would call a win-win agreement. That is the only kind of agreement in which we are interested and the only kind of agreement that has long-term stability. It is an agreement that has the support of the country. The House has heard my colleagues refer to the many prominent Canadians who have urged the Government to negotiate. I will not go through the list of these people but they have done their homework and are of the view that a new trading arrangement with the United States is in Canada's best interest.

• (2150)

We do not want just any trade agreement. The kind of trade agreement being negotiated by the Government under the leadership of the Prime Minister is one that is comprehensive and establishes clear rules. It eliminates remaining barriers to trade and will resolve disputes quickly and equitably. It is one that will be phased in gradually and fairly and will stimulate healthy growth and investment.

Our critics do not share this vision. They have raised fears and have expressed surprise that trade negotiations are about removing barriers to trade. I must ask them where they have been in the last two years. We have harnessed the trade negotiations to meet the pressing and urgent problems of economic renewal and to create the jobs opportunities and confidence which is so necessary if economic renewal is to take place.

The Minister for International Trade (Miss Carney) has clearly spelled out why Canadian business supports the negotiations. My other colleagues including the Minister of Finance (Mr. Wilson), the President of the Treasury Board (Mr. de Cotret), the Minister of Transport (Mr. Crosbie) and the Minister of Communications, have all put forward very specific trade negotiation goals for their areas of responsibility.

The person who last spoke on behalf of the NDP referred primarily to agriculture. The Minister of Agriculture (Mr. Wise) showed us that the farmers' interests are being pursued with vigour in these negotiations and at the GATT talks. We all know that there must be protection through marketing boards, but we also know that with the productivity of Canadian farmers and with a domestic market of 25 million people, we must expand the market. It has always been thus.

Perhaps I might talk about my own region for just a moment. When the West was opened up, the very first thing we had to do was to find international markets. In Red River as long ago as the 1850s, there was already a trading arrangement with St. Paul and Minneapolis. Why was this? It was because that was where the markets were and that was where the access to the outside world was. What we are speaking of today is not something new but an enhancement of and building upon that which has built this country.

My colleagues have all demonstrated that what our critics are doing is not much more than erecting straw men. After they have erected these straw men, they launch forward to destroy them, to destroy an enemy that is the creation of their own fertile imaginations and nothing more. They insist, for instance, that Americans want to change our social policies and that the social safety net of support for families with dependent children, for medical and hospital insurance, for pensions and for unemployment insurance is negotiable. This is irresponsible nonsense. It is scare-mongering and, to put it charitably, it is not true.

No matter how often we say it, no matter how often we reconfirm it and no matter how often we in the House say that we are Honourable Members and accept each other's word, they keep raising these things in the very opposite context to that which I have referred. They should use their debating techniques and their points of view, but they should use them with a basis in fact and not with a basis in fear-mongering among those Canadians who are most vulnerable. No matter what our partisan views are, that is irresponsible and should not continue.

I say as Minister of National Health and Welfare that our social programs are a fundamental part of the fabric of Canadian society. They constitute the basic entitlement of every Canadian. Social programs are a fundamental part of our way of life. They have not been discussed by either Canada or the United States and they will not be discussed at the negotiating table. I hope that is understood. To put it simply, Canada's social programs are not on the table. Those who say they are are engaging in mischief.

There are differences between how Canada and the United States organize their social safety nets. Priorities differ. However, we each devote a little over 20 per cent of our Gross National Product to the full range of social programs: health, education, welfare, pensions and unemployment insurance. In each country, about 15 per cent of personal income comes in the form of government transfer payments to persons. Some fear that the level playing field in trade relations about which

the Americans like to talk would result in some serious diminution in the extent and quality of social programs. If they are not bargained away in a trade agreement, and they will not be, our critics say that they will be eroded thereafter through what is termed policy harmonization.

Let us look at what happened in the European Economic Community. When Britain joined the European Community, it was obligated to harmonize its pensions with those of the other countries. That did not diminish the social policies and benefits of the United Kingdom's pensioners but gave them the full rights and benefits to which they had contributed. We do not yet have an agreement with England but we have one with the United States and we should build on those kinds of arrangements. Our social policies are not at risk and they are not on the table.

To a degree, such a process is going on all the time as a function of world-wide market forces. I say to Hon. Members opposite that the social policies of Canada were created by our experience, by our history and for our needs and purposes. We say again that they are neither on the table nor are the Americans asking them to be put on the table.

I would like to deal with issues relating to Manitoba and the Prairies. I will deal with just one fact because my time is fast diminishing. Manitoba is a province of a million people of which approximately 60 per cent live in one centre. In 1985, Manitoba exported $1.7 billion worth of goods other than grains and oil seeds of which 82 per cent went to the United States. Yes, we want to enhance our trade with Europe and with the Pacific Rim. However, I spoke earlier of indisputable facts. The indisputable fact is that every time there is a trade impediment with the United States, 82 per cent of Manitoba's trade comes under attack and is at risk. Surely any person, even though he might disagree with the process, would say that the objective is correct.

In conclusion, I think there is a larger view than the ones I have expressed so far. In Canada's history, there were certain debates which students of history would call part of our Canadian heritage. There was the debate on Canada's Confederation. There were strong differences of opinion at that time. The country was small and the population was sparse and scattered. Yet the people of the time put aside their partisan differences and created a country. We know about the national policy which created not only a railway but developed and settled the West. It is part of our heritage.

Not that many years ago, there were intensive debates in the House on the Constitution. There were different points of view on how the Constitution should be patriated, on what the amending formula should be, and on whether or not it should have a charter. That debate was intense but the Parties in the House came together and agreed in a vote that it was the right thing to do for Canada. I say today that a trade arrangement with the United States based on fairness, equity and the national interests of both countries is another one of Canada's great debates. It is necessary for us in this House to come together and bring together our various views. However, the overriding factor has to be agreement that trade prosperity is good for Canada, its youth, and its future. I hope this debate has moved every Canadian along that path.

• (2200)

Some Hon. Members: Hear, hear!

[*Translation*]

Mr. Speaker: It being 10 p.m., it is my duty, in accordance with orders adopted earlier today, to interrupt the proceedings now before the House.

[*English*]

Accordingly, all necessary questions to dispose of the proceedings now before the House will be taken up tomorrow, Tuesday, March 17, 1987, when they will be put to the House at six o'clock p.m.

[*Translation*]

Consequently, the House remains adjourned until tomorrow at 11 a.m., pursuant to Standing Order 3(1).

The House adjourned at 10.01 p.m.

HOUSE OF COMMONS

Tuesday, March 17, 1987

The House met at 11 a.m.

Prayers

ROUTINE PROCEEDINGS

[*Translation*]

PETITIONS

GOVERNMENT RESPONSE

Mr. Doug Lewis (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, pursuant to Standing Order 106(8), I have the honour to table, in both official languages, the Government's response to petitions Nos. 332-712, 332-721, 332-747, 332-748, 332-833, 332-834, 332-838, 332-840, 332-842, 332-883, 332-995, 332-997, 332-998, 332-1016, 332-1129 and 332-1130.

[*English*]

OPPOSITION TO PROPOSED CHANGES TO PATENT ACT

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, it is my honour to present a petition pursuant to Standing Order 106 from a number of western Canadians who are concerned about the Government's intentions to change the Patent Act relating to prescription drugs which they believe will increase drug prices for Canadian consumers and will severely restrict the ability of average Canadians to purchase those necessary prescription drugs. The petitioners call upon the Government to reject its program to implement these proposals which will result in changes to the Patent Act.

OPPOSITION TO PROPOSED CHANGES TO UNEMPLOYMENT INSURANCE BENEFITS

Mr. Nelson A. Riis (Kamloops—Shuswap): It is also my pleasure, Mr. Speaker, to present a petition from a number of eastern Canadians who are concerned that the Government plans to deprive fishermen of their right to collect unemployment insurance. They call upon the Minister of Employment and Immigration (Mr. Bouchard) to reject any recommendations that this be done and to enter into consultations with representatives of fishermen in Canada in order to improve the program offered to fishermen.

Mr. Lewis: Mr. Speaker, I rise on a point of order. I wonder if my colleague might be kind enough to give us the date of certification on the Patent Act petition.

Mr. Riis: Mr. Speaker, the date of certification on the Patent Act petition is October 1, 1986.

OPPOSITION TO PROPOSED CHANGES TO PATENT ACT

Mr. Rod Murphy (Churchill): Mr. Speaker, I have the honour to present a petition certified by the Clerk of Petitions on December 15, 1986. I regret that it has taken so long to present it to the House of Commons but there have been so many petitions to present on this particular issue. I am glad the Parliamentary Secretary gave us the chance to point that out.

In their petition these Canadians have indicated their concern that the Government intends to change the Patent Act. They expect that this will result in higher costs, not only for provincial government plans, but for those people who because of their health needs are required to purchase prescription drugs on an ongoing basis. They also believe that this is yet another example of the Canadian Government making concessions to the United States in the free trade talks at the expense of average Canadians. Therefore, your petitioners humbly pray and call upon Parliament to reject those proposals which will increase prescription drug prices for Canadians.

[*Translation*]

OPPOSITION TO PROPOSED CANADA POST CORPORATION PLAN

Mr. Alfonso Gagliano (Saint-Léonard—Anjou): Mr. Speaker, I too have the honour to present to the House hundreds of petitions from various regions all over the country, denouncing the new corporate plan of the Canada Post Corporation that creates two classes of citizens with the permanent installation of superboxes in urban as well as rural areas. The petitioners state that closing rural post offices deprives citizens of a unique federal presence and reduces vital postal services in rural areas, and the raise in postal rates, particularly on second-class mail, jeopardizes the distribution of numerous weekly and regional newspapers, magazines, and so on.

Your petitioners humbly pray that Parliament will reject the plan of Canada Post and urge it to deliver mail to all Canadian citizens without distinction.

Introduction of Bills

• (1110)

[*English*]

NORTHERN CANADA POWER COMMISSION YUKON ASSETS DISPOSAL AUTHORIZATION ACT

MEASURE TO ENACT

Hon. Bill McKnight (Minister of Indian Affairs and Northern Development) moved for leave to introduce Bill C-45, an Act entitled an Act to authorize the disposal of certain assets in the Yukon Territory that are held or used by the Northern Canada Power Commission and to provide for other matters in connection therewith.

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

Some Hon. Members: Agreed.

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

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Doug Lewis (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 30, 64 and 71.

[*Text*]

CARS USED BY MINISTERS AND DEPUTY MINISTERS

Question No. 30—**Mr. Stackhouse:**

1. (*a*) How many cars, for use by Ministers, does the Government own and how many are provided with drivers (*b*) what was the total cost of their purchase (*c*) what was the total cost in 1985 for their maintenance and operation (*d*) what was the total cost in 1985 for the salaries of drivers?

2. How many cars, for use by Deputy Ministers and officials of Deputy Minister rank, does the Government own and how many are provided with drivers?

Mr. Doug Lewis (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): 1. (a) All Cabinet Ministers are provided with a car and a driver. All cars are owned by the Government except for three which are leased.

National Defence has special arrangements for their two Ministers (Armed Forces personnel).

Also, the RCMP owns a fleet of cars located in various regions within Canada. These vehicles are used to transport and/or escort members of the Canadian Executive, resident and visiting internationally protected persons, and persons designated by the Solicitor General.

Ministers' cars.

(b) The average original purchase price was $18,140. (c) In 1985, the average cost of maintenance and operation was $4,775. (d) In 1985, the salary scale of drivers was up to $28,500.

2. Of all cars provided to Deputy Ministers and officials of Deputy Minister rank, 55 are owned by the government. Of these, 43 are provided with an assigned driver/messenger.

CIDA—CONTRACTS ISSUED TO CALGARY BUSINESSES

Question No. 64—**Mrs. Sparrow:**

In (*a*) 1983 (*b*) 1984 (*c*) 1985 (*d*) 1986, in how many proposals and for what total sum of money have Calgary businesses been successful with the Canadian International Development Agency?

Hon. Monique Landry (Minister for External Relations): These figures do not include the following services contracts which are not registered in MISD (Management Information Systems Division) network:

(1) all contracts with a dollar value of less than $2,000; (2) services contracts issued by Multilateral and Special Programs Branches; (3) Co-operants contracts.

Contractual Service Agreements
Calgary

Fiscal Year	No.	Total $ Value ($000)
1983-84	8	3,700
1984-85	7	2,100
1985-86	12	2,100
1986-87*	8	21,200

* from April 1, 1986 to January 20, 1987

Procurement Contracts
Calgary

Fiscal Year	No.	Total $ Value ($000)
1983-84	N/A	N/A
1984-85	21	16,419
1985-86	3	3,134
1986-87*	6	3,325

* from April 1, 1986 to January 26, 1987

AFRICAN NATIONAL CONGRESS

Question No. 71—**Mr. Blenkarn:**

Does the Government support the African National Congress (ANC) and has the ANC publicly endorsed the means of assassination called "necklacing" and, if so, is it the Government's intention to continue to support the Congress?

Right Hon. Joe Clark (Secretary of State for External Affairs): The Government does not recognize the African National Congress (ANC) or support the ANC's policy of "armed struggle" to overthrow the South African government.

The Government has contacts with the ANC because it is an important part of the opposition movement and would be part of any solution in South Africa.

To the Government's knowledge, the ANC has not publicly endorsed "necklacing".

[*Translation*]

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

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

Some Hon. Members: Agreed.

* * *

[*English*]

DELEGATED LEGISLATION

ANNOUNCEMENT OF DEBATE, S. O. 51

Mr. Speaker: Pursuant to Standing Order 51(2) I shall inform the House that the debate on the motion for concurrence in the third report of the Standing Joint Committee on Regulations and Other Statutory Instruments, presented to the House on Thursday, February 19, 1987, will be held on Wednesday, March 18, 1987, between one o'clock p.m. and two o'clock.

I want to remind Hon. Members that this is a consequence of a new rule and I ask that Hon. Members convey to their colleagues that the debate will take place tomorrow between one o'clock and two o'clock.

• (1120)

GOVERNMENT ORDERS

[*Translation*]

THE BUDGET

FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The House resumed from March 3, consideration of the motion of Mr. Wilson (Etobicoke Centre) that this House approve in general the budgetary policy of the Government, and the amendment of Mr. Garneau (p. 3594).

Mr. Gilles Grondin (Saint-Maurice): Mr. Speaker, it is really too bad that the very first time I have a chance to speak to the Budget, I have to admit the Budget is a big zero as far as Canadian taxpayers are concerned. When I say a big zero, I am of course referring to the quality of the Budget that was brought down and to the impact this Budget will have on the taxpayer's purse. And that is why the Hon. Member for Laval-des-Rapides (Mr. Garneau), seconded by the Hon. Member

for Saint-Henri—Westmount (Mr. Johnston), proposed the following amendment to the motion of the Minister of Finance (Mr. Wilson):

> That the motion be amended by deleting all the words after the word "That" and substituting the following therefor:
>
> "this House condemns the government for:
>
> —presenting a budget that increases taxes on individual Canadians for the third year in a row, totalling billions and billions of dollars;
>
> —widening the gap between the rich and the poor by their ill-advised and heartless fiscal policy;
>
> —cutting the crucial Regional Economic Development budget, for the third year in a row; and
>
> —once again delaying the long promised essential tax reform program thereby postponing any attempt to create more fairness in our tax system which is being eroded under the present conservative administration."

Mr. Speaker, this amendment, which will be put to a vote today, in effect condemns the policies announced and the statements made before this House by the Minister of Finance.

It is often said that the Budget is a reflection of the Government's general policies, and on February 18 there was absolutely nothing in the Budget, so I think we must ask ourselves what the policies of this Government really are.

I was astonished, disappointed and almost shocked to hear the Minister of State for Youth (Mr. Charest) tell the House that with a Budget like this one, the Conservative Government knew where it was going. I have to say the Minister of Finance certainly did nothing to help the Conservative Members and Ministers who, so far, have been trying to justify the Government's position with respect to the Budget or so-called Budget that was brought down.

We of the Liberal Party also know where the Conservative Members and Ministers opposite are going. The people of Canada are judging them and will continue to judge them in the months to come, and we know where the present Progressive Conservative caucus will be after the next general election, and it will not be in Ottawa.

Actually, one wonders about the Minister of State for Youth who seems to go to considerable lengths to accept and even praise the performance of his Minister of Finance, especially when we realize that never at any time in his response or speech on the Budget did the Minister of State for Youth mention the word "youth" or the word "young", and why should he, since the Budget contains nothing for young people. That is perhaps why the Minister has tried to publish some very interesting-looking and nicely presented booklets that unfortunately contain information that has no connection with and does not reflect the policies of a responsible Government.

Mr. Speaker, the Conservative Government has failed to live up to the promises it made in its previous Budget, the one brought down on February 26, 1986, in which the Minister of Finance said: "In my next Budget, I intend to propose further measures to reform our system of social expenditures and related tax provisions." Unfortunately, the Government appears to have reneged on this commitment to social program reform. We need merely refer to the many complaints and

expressions of discontent we are receiving from people who were promised this, that and the other, and in my own riding, during the campaign before the by-election to replace my predecessor in the House of Commons, during which the Government party was promising rose gardens right and left, among others that it would be possible to make them eligible for benefits under the Program for Worker Adjustment even if this were to require some stickhandling. After the elections, unfortunately these people find themselves in a situation where they cannot possibly be eligible for such benefits, and of course they are very disappointed and furious about the attitude of the Conservative Government.

And then of course there are the great many Canadians who had been told they could apply for unemployment insurance benefits if they opted for early retirement. Particularly in our region, quite a few people did apply under this program, looking forward to early retirement because they were convinced they would be entitled to unemployment insurance benefits. Many of these early retirees are quite disillusioned and upset because the Government has failed to live up to its promise.

I doubt that the average Canadian is strongly opposed to some kind of reform of social programs, but they ought to be more effective and take current conditions into consideration. Like my colleague the Hon. Member for Laval-des-Rapides (Mr. Garneau), our finance critic, I think a guaranteed annual income system should have been set up long ago. We passed a resolution to that effect at our November Party convention, so we will be in a position to do something about it after the next general elections when we are called upon to form the new Government.

Mr. Speaker, I should like to recall some of the points raised by my colleague, the Opposition finance critic, in the remarks he made recently. He was referring to the gap between rich and poor Canadians after the three Conservative budgets, and he went on to single out the situation of young people. There is nothing at all in this Budget to meet the needs of unemployed youths. Nor is there anything flowing from the commitment made by the Prime Minister of Canada at last year's provincial premiers conference in Vancouver when he promised to set up a child care program. Mr. Speaker, Canadian families will just have to carry a much heavier tax load than what they have been used to this far. Mr. Speaker, does it make sense that, as a result of the 1987 Budget, a working married couple with two children should be taxed $966 more than in 1984? Or that a married couple with two children and only one breadwinner earning $30,000 be asked to pay $1,020 more than in 1984? We could go on and on like this, but such figures are so depressing that we would rather not.

As could be expected, the Government did not dare tamper with the $500,000 capital gains tax exemption because this would have been a direct blow to Party supporters.

Nor did the Government do anything about big business because, here again, the friends of the Party would have been hard hit. As I see it, any Government should make sure that companies and businesses pay their fair share of taxes. Since 1984, unfortunately, 90 per cent of new taxes have been levied against individual Canadians while corporations have had to come up with a little less than 9 per cent. The least I can say is that this is unfair to the average taxpayer.

Mr. Speaker, the Conservative Government is facing a couple of problems: Canadians are not fooled, and this Government will not be re-elected two years from now. Again referring to what is generally happening to young people, throughout his Budget speech the Minister of Finance did not once utter the word "youth". As Young Liberals of Canada President Jonathan Scheiderman put it, it would seem that the Conservative Party solution to the unemployment of young people is to let them grow older. If we are to believe what the Minister of Finance said in his May 23, 1985 Budget speech, it is an ongoing priority of this Government to encourage a much-improved research and development performance in Canada. Unfortunately, since the Conservatives have been in power, the amounts allocated to the National Research Council have decreased from $520 million in 1984 to $398 million in 1986, and an additional cut-back of $20 million was announced in October 1986. How can we believe in research development when the Government is reducing the amounts allocated to this activity in its Budget?

The way the Government is treating the Ministry of Youth is a perfect illustration of the priority given to the problems of young people. The Government has cut back over $200 million from youth programs since 1984. It is hard to understand the self-sastisfaction of the Minister of State for Youth (Mr. Charest) when he is asked questions about these cut-backs. When the most important initiative aimed at Canadian youth is the new tax on chips and granola bars, how can young people have confidence in the Government? It has never shown the least concern for future generations, as Mr. Schneiderman said quite recently.

Since the Government did away with the Katimavik program, we have often been told that programs to solve the problems of young people will be introduced in due time. Yet, Katimavik was abolished over a year ago and the Government has yet to announce something to replace it, except for some minor programs which fall quite a bit short of Katimavik in giving real experience and training to young people. If the Budget is not the proper place to announce new programs, will the Minister of Finance one day tell young Canadians when it will be time to introduce the marvellous programs promised by the Conservative Government? Indeed, when will young people stop being treated like third-class citizens by this Government?

Quite recently, the Department of Employment and Immigration sent us information on the amounts allocated to job creation programs for young people. This information shows the amounts allocated in 1985-86 and 1986-87. According to this information, in 1985-86, $673.2 million were allocated to job creation for young people and 253,400 young people took part in the various programs. For the current fiscal year, 1986-87, the estimates show that $720.3 million will be allocated and that 230,000 young people will take part. This is according to the figures we have been given. It is difficult to reconcile the fact that, while the Government is saying that

$47.1 million more will be allocated to these job creation programs, 23,200 fewer young Canadians will be able to participate in them.

In the list of federal, provincial and territorial programs Youth Affairs 1986-87, which is an official document distributed throughout Canada by Employment and Immigration and used regularly by the directors of Canada Manpower Centres, a whole section is devoted to federal job-creation programs. This document is used by job counsellors in campus employment centres and Canada employment centres for students, as well as by young people themselves. If we compare this official document and the Canadian Job Strategy information provided by Employment and Immigration, we note many differences both in the job-creation programs themselves and in the amounts allocated to these programs. How can there be any coherence in the youth policy of this Conservative Government? For instance, the Section 38 program appears in the Canadian Job Strategy table, but cannot be found in the index of federal programs. In the case of the Skill Shortage program, which is related to shortages of specialized workers, the index shows that the amount allocated for young people was $4.5 million in 1985-86, while the data provided by Employment and Immigration gives a figure of $24.7 million.

In the case of job development, in the index, the total budget shown is $239.4 million while the data provided by Employment and Immigration show the amount allocated to young people alone as $308.8 million. Where is the coherence, Mr. Speaker? Where is the transparency?

To return to the *Hot 100* publication, an abridged guide to the Canadian Government's youth grants and services, that publication in itself is an excellent initiative. Young Canadians needed a guide to find their way around the programs and services set up by the Canadian Government. However, its content is highly questionable.

First, upon reading the guide, one very soon realizes that a very large majority of programs listed were already in force under the Liberal administration. New programs are very scarce, and, besides, it is clear from many of the listed programs and services that the Minister used this as some sort of a carryall to convey an impression that his Government's programs and services were very numerous, although many of them are seldomly used, of little interest to the young or have not really been designed for them.

Besides, program and service descriptions are so short that their nature and requirements are totally or partly left out. Among the programs and services listed in *Hot 100* that were not really designed for the young, there is the *Hotline* services of the Small Business Secretariat, the FDB's management seminars, the business counselling, the video clinics on management, the FDB's information services, community development, the Federal Business Development Bank's booklet *Minding Your Own Business*, the Equipment Management internal officer and Probationer Program. Also included are programs of such a general nature as health insurance and unemployment insurance, the Canada public insurance plan, family allowances, the missing children programs, the Canada Pension Plan, Federal assistance to post-secondary education, and so on and so forth.

This Government, Mr. Speaker, is constantly bragging about its youth employment policy and its funding. It would indeed be interesting to know about that policy. However, there is nowhere to be found a detailed profile of the policy explaining the details of the various programs, nor the specific budgets allocated. It is no surprise to me that over the weekend, the Minister of State for Youth should have announced, when promoting *Hot 100*, that according to a report in *La Presse*, he was shying away from a youth policy, since a youth policy never has been a feature, or a concern, or a priority of the Tory Government.

It would be important for the Government to develop a policy, and that such a policy be made available as one complete and explicit official document, if ever it comes to light.

Mr. Speaker, we are entitled to ask at which point would this Government consider the young for what they are and at their fair value? When will he give any priority to that major group, the leaders of tomorrow, that accounts for 22.6 per cent of Canada's labour force?

Research and development expenditures should increase by 4 per cent in 1986, as compared with 12 per cent and 11 per cent in 1985. Expenditures for 1986 amounted to 1.3 per cent of Canada's gross national product, which is much less than the 2.5 per cent spent in the United States and 2.7 per cent in Japan. However, during the 1984 election, the Progressive Conservative Government was committed to doubling research and development funding over the next four years in order to bring it to 2.5 per cent of the gross national product. It is that sort of statement and promise that has brought this Government to power but is today disheartening our people and driving them into rejecting this Government that has no respect whatsoever for its commitments and does not intend to honour them, if we are to rely on the figures that were published and that lead us to believe that this Government intends to follow along the same line it has been promoting since 1984.

Where employment centres are concerned, it is unfortunate to note that a drastic reduction in staff is expected, a staff that has proved to be very useful on campus in our colleges and universities but unfortunately the Government has decided to reduce the staff on duty in our various Canadian colleges and universities.

Surely, we could speak at length, Mr. Speaker, but I see that the time allotted to me is almost over but I would like to say that at the post-secondary level, by tabling such a budget the government is only fuelling the opposition shown not merely on this side of the House, Mr. Speaker, but throughout Canada.

Those Canadians are voicing their views through Gallup polls and briefs, at meetings on social occasions, and they have all kinds of responses which indicate beyond any shadow of a doubt that they are getting ready for an outright firing of all the Tory Members who approved that budget and failed to take into account, at least as far as I am concerned, that extremely important segment of the population which represents 22.6 per cent of Canadians and which will in the years ahead take over from us, and I mean our young people. Unfortunately, Mr. Speaker, I am convinced that it is too late for the Government to reverse its action, but it is not too late to at least launch programs which would show that this Government still has a heart and that it can be truly concerned about our young people and not solely about the friends of the party.

• (1130)

[*English*]

The Acting Speaker (Mr. Reimer): Questions or comments? Debate.

[*Translation*]

Mr. Pierre Vincent (Parliamentary Secretary to Minister of Finance): Mr. Speaker, having heard the speech made by their elected representative the people in the Saint-Maurice riding must be very disappointed today in view of the fact that he spent half of his time saying that the Conservative Government would not be re-elected and the other half reading remarks made by other Hon. Members or quoting from this or that. I am very sad when I see my honourable friend from Saint-Maurice (Mr. Grondin) behave this way.

If I may, Mr. Speaker, I should like to bring up again some of the points he tried to make. I honestly believed that the Hon. Member for Saint-Maurice knew what a budget is. I realize now that he does not have the faintest idea of what it is. A budget is the financial statement of a country which must be tabled once a year.

As his deskmate the Hon. Member for Saint-Léonard—Anjou (Mr. Gagliano), the Hon. Member for Saint-Maurice thinks that a budget should provide the Minister of Finance with the opportunity to announce what each and every department is planning to do during the forthcoming year. He mentioned what he felt should have been announced concerning the young people of this country, but he forgot to mention what my honourable colleague has done for women; he forgot to deal with regional development; he forgot all of that because a budget is based on detailed estimates of planned or expected expenditures.

The Department of Finance does not have to make announcements in the Budget. For instance, what would have happened last year, when Western Canadians farmers urgently needed assistance had the Government refused arguing that the Opposition did not want any announcements at that particular time but that instead they should appear in the Budget. Wait a while; in the Budget we will announce what in fact you need now. I do not think that Western Canada farmers would have been happy, Mr. Speaker. That is what the Opposition does not understand. The Budget provides each and every Department with the funding it needs, and it is up to each Minister during the year to make the necessary announcements pertaining to their respective areas of responsibility.

Mr. Speaker, the Hon. Member referred to young Canadians. What had the previous Government done for them? We have reduced the unemployment rate among young Canadians by 3 per cent. We have still a long way to go, but at least we have done something, contrary to the previous Government which simply allowed the unemployment rate among young Canadians to rise. He referred to the very good booklet published by the Minister of State for Youth (Mr. Charest). This booklet has been very well received everywhere in Canada, except in the ridings held by the Opposition. So, Mr. Speaker, you can see how that works.

As far as the social programs reform is concerned, a few things have been accomplished. The Hon. Member failed to mention the Federal sales tax credit which the Government has implemented to help low income people. The promise which the Prime Minister made last week concerning day-care centres will become a reality. Please, be patient.

The Hon. Member for Saint-Maurice did not mention—which surprises me, for I know him to be straightforward and honest—the minimum income tax which was established in January 1986, although his leader was definitely against imposing a minimum tax on high income people. He did not mention that, Mr. Speaker. On the other hand, he talked a lot about corporations which do not pay a cent in income tax. Mr. Speaker, we owe this income tax system to the Liberal Party which governed this country for 20 years, but the Hon. Member failed to mention the changes we have made and the steps we have taken over the past two years to eliminate a great many tax loopholes. He mentioned the cuts concerning the National Research Council. It is those people who made up the previous Government and who are now sitting in the Opposition who set up the scientific research tax credit which caused billions of dollars to be wasted, an abused tax credit we had to get rid of. Billions have been spent under their policy, and you have seen the magazine *Actualité* . . . when he speaks about friends of the Government, we should not forget either all these lawyers of Liberal allegiance who profited from that scientific research tax credit, or all the companies which also benefited from it. Now, he is accusing us of not taking our responsibilities as far as research is concerned. Mr. Speaker, they cleaned out the Government coffers; billions have been spent needlessly for the benefit of friends of the Liberals, rather than for our researchers—

Mr. Gauthier: This is not true. Stick to the facts.

Mr. Vincent: Look, Mr. Speaker, how much the truth hurts. It is well known that billions were spent, and you know it too.

So, Mr. Speaker, we cut that out, and nobody should be accusing us today.

Mr. Gauthier: The truth!

Mr. Vincent: We do not have any money, you spent it all. We have nothing left.

Mr. Gauthier: Hell! You are taxing enough! More than $25 billion.

Mr. Vincent: Despite all the problems we inherited from them, Mr. Speaker, we managed to create 675,000 jobs. We lowered the inflation rate. We are second, behind Japan, in terms of economic growth. These, Mr. Speaker, are the achievements of the Conservative Government. But that is never mentioned!

An Hon. Member: We have a million or more unemployed.

Mr. Vincent: Look at that, Mr. Speaker, the truth hurts. It is really worth seeing. They are shocked by the truth. That is their problem.

Mr. Gagliano: Only 18 per cent of the population would vote Conservative.

Mr. Vincent: Really.

Mr. Speaker, I challenge the Hon. Member for Saint-Léonard—Anjou (Mr. Gagliano) to come to my riding.

Mrs. Pépin: I went there.

Mr. Vincent: Yes, how many people did you get? You had 75 people between 5 and 7 p.m. There has been—

• (1140)

[*English*]

The Acting Speaker (Mr. Reimer): Order, please. Hon. Members should listen to the remarks of the Parliamentary Secretary to the Minister of Finance (Mr. Vincent) while he is speaking. Following his remarks there will be time for questions and comments.

• (1150)

[*Translation*]

Mr. Vincent: Mr. Speaker, I want to quote a few figures but the Hon. Member has just said that she came in my riding. It is true, Mr. Speaker. They had 75 people for a fund-raising supper and 15 days earlier, 900 people attended a fund-raising supper of the Conservative Party. Therefore, Mr. Speaker, whatever anyone might say, I think that facts speak for themselves and that the people of Trois-Rivières are proud and happy with the Conservative Party.

Mr. Bernier: And with their M.P.

Mr. Vincent: And with their M.P., thank you, Mr. the Hon. Member for Beauce.

Anyway, Mr. Speaker, here lies the difference between the Conservative Government and the previous Liberal Government: we work at the national level, we work to help people throughout the country and each and every Conservative Member in this House is working for the people of his or her riding. We do not work only to be re-elected, and our policies in particular are designed to improve the well-being of Canadians and not just to win the next election, as the previous Liberal Government used to do. I must say, Mr. Speaker, that they did succeed on that point. One cannot hold it against them, since their image was not too bad and they succeeded in being re-elected. But that is not what is important. What is important is that nationally and internationally, Canada take the place it deserves, and this has happened only since 1984.

Let me refer to other comments of the Hon. Member for Saint-Maurice. He spoke about the capital gain tax exemption.

Mr. Speaker, that is a good provision which has proved itself up to now as far as the economy and job creation are concerned. When I am told that it is meant to help the Government's friends, I think there are more wealthy people on the Liberal side than on the Conservative side. So let them not tell me this kind of story. They have been in power for 20 years and have made the most of it. Let them not tell me that wealthy people are only on the Conservative side. Mr. Speaker, this I suggest is only playing politics and in so doing, my colleague from the riding of Saint-Maurice (Mr. Grondin) has somewhat disappointed me.

He spoke as well about youth programs. The Challenge Program has created more jobs with less money because it has been carried out efficiently. But what is still more important, young people in 1985, 1986 and again in 1987, will have had during the summer months the opportunity not just to work but also to work in their own fields of endeavour, as against the former Summer Canada programs, or whatever their name was, under which summer work for students meant lawn mowing and house painting and all that sort of informative activities. No, Mr. Speaker, since 1984 young Canadians have been working during summer in their own fields, and I could quote testimonies from people in the Trois-Rivières riding, from young people in my riding, who think the program is great because it gave them a chance to work for four months in their respective areas of competence, and that is something new because it never did exist under the former Liberal regime.

So we need no lessons from anybody in that regard.

The Hon. Member said that the Conservative Government was elected on its promises. No, Mr. Speaker, this Government was elected because Canadians were fed up with the policies, not to say the petty politics, of the former Liberal administration. It must be recalled, Mr. Speaker, that they were elected in 1980 on the promise that they would not increase the tax on gasoline by 18 cents a gallon. One year later we had twice that increase, Mr. Speaker. When we came to power in September 1984, the price of gasoline in Trois-Rivières was 60 cents a litre, Mr. Speaker, whereas it is now 50 cents. The price of

gasoline has been reduced thanks to the energy policies of the Conservative Government. And in the riding of Saint-Maurice, the price of gaz has also decreased. I have the opportunity to go there once in a while, and I know it, Mr. Speaker.

Mr. Gagliano: The price of gas has decreased, but no thanks to you.

Mr. Vincent: And once again, I suppose that if interest rates have gone down, it is not because of the judicious policies of the Conservative Government. A mortgage of $50,000 over five years costs nowadays each taxpayer $1,500 less per year. That means that each Canadian with a mortgage of $50,000 has $1,500 more in his pockets each year.

Mr. Gagliano: Yes, but he pays more taxes.

Mr. Vincent: And the small- and medium-size businesses . . . You can see Mr. Speaker, that the truth hurts. Lately, I had the opportunity to visit in the riding of Saint-Maurice some small- and medium-size businesses which are doing very well. In Trois-Rivières also, they are doing quite well, small- and medium-size, they are expanding and people are proud of our policies. In Trois-Rivières our small- and medium-size business people realize that with a Conservative Government they save $1,000 in interest a year. These are tangible achievements the people can see when they get money in their pockets.

Mr. Speaker, personal income has increased by 5 per cent since we have been in power. These are positive achievements. The number of small- and medium-size businesses has increased by 13 per cent. It is not only job creation. Canadian entrepreneurship, now aware of its potential, is moving ahead with the help of the Conservative Government. After being crushed as a result of Liberal policies, as you know, Mr. Speaker. All these achievements are the reason why we have a Budget that everybody, except the Opposition, considers excellent. We are only criticized for not having reduced the deficit further and I can understand that. On the other hand, Mr. Speaker, you know that 50 per cent of the expenditures in this budget have to do with social programs. Twenty-five per cent are for interest payments on their debt. Twenty-five per cent of public expenditures in 1987-1988 go towards interest payments on debts incurred by the former liberal administration. We have to live with that, Mr. Speaker. We have no choice.

They spent carelessly and haphazardly, without regard for the proper use of funds. I spoke earlier of scientific research. I could mention a multitude of job creation programs which were a farce, which were tailor-made for friends and acquaintances, which provided temporary jobs, Mr. Speaker, if any at all. And I could go on at length.

With regard to Quebec, Mr. Speaker, what this Government has accomplished over the last two years is tremendous. Worthy of note are the CF-18 contract, the Hyundai plant, the step forward in agricultural policy, Mr. Speaker, amounting to a billion and a half dollars over five years. For five years, the former administration had denied our dairy producers what they rightly deserved. We came up with a solution in 1985, Mr. Speaker, less than one year after having been elected. And I know for a fact that the Hon. Member for Beauce (Mr. Bernier) was totally in favor of this initiative. The unemployment rate has declined.

A record number of agreements have been signed between the federal Government and the Province of Quebec in the fields of science and technology, regional development, transport, to name but a few, Mr. Speaker, agreements which have notably benefited Trois-Rivières—in the area of transport, Mr. Speaker, since $18 million are to be spent to renovate the Trois-Rivières bridge. These positive accomplishments have been brought about by the Federal Government, in co-operation with the Government of Quebec. The press mentioned this morning that the time for bickering between the Federal and Provincial Governments had ended, Mr. Speaker. Prior to my entry in the political arena, there was a time when the provincial member and federal member never spoke to one another other than through the press. The Member for Trois-Rivières and the Member for Saint-Maurice did not speak to one another except through the press. That is not the way things are done today, Mr. Speaker. We work in co-operation with the province. I work in co-operation with my two provincial colleagues, and it works well in the area. This is what I call team work, this is what I call the national reconciliation the Prime Minister had promised and we have brought.

Mr. Speaker, there is one question to which I would like an Hon. Member on the other side of the House to answer. In 1983-84, we had a deficit of $32 billion. We came in power in 1984, as you know, Mr. Speaker, and we said in the November 1984 Economic Statement: we cut a bit everywhere, because we have to put some order in our own house and then see where we are going. We still had a $38 billion deficit. Mr. Speaker, $6 billion were spent before the election. Where did that money go? I could give you examples, I have some in my own riding. They sprinkled a little bit of money just about everywhere in order to win. But the Canadian people did not go along this time. They understood in 1984 that you do not win the heart of Quebecers by spending a lot of money; in the riding of Trois-Rivières, in the riding of Beauce, in the riding of Labelle, it is won over by the Conservative Government—

An Hon. Member: And in the riding of Rimouski.

Mr. Vincent: In the riding of Rimouski too, of course. And I feel sorry for you, Liberals, in the next election; you are going to try to win those ridings, but because people are proud of their Hon. Members and work with them, and because they acknowledge that their Hon. Members fight for Quebec and for their ridings—

Mr. Speaker, in conclusion I would like to say that this is the first time in 30 years that the federal deficit will be reduced for three consecutive years, the first time in 30 years, Mr. Speaker. That is to say, the last time it happened, I was one year old. That was a long time ago, Mr. Speaker. Thanks to whom? Again, thanks to the great policies of the Prime Minister, of the Minister of Finance and of the whole Conservative caucus.

Mr. Speaker, I could say a lot more about this excellent budget, and I would ask Hon. Members to support the motion put forth by Minister Wilson, and of course reject the Opposition motion.

Mr. Gagliano: Mr. Speaker, I would like to put a question to the Parliamentary Secretary to the Minister of Finance. I will start with one, in order to give a chance to other Members. And anyway, this is a question I had already asked during the debate on the borrowing authority legislation. He stated that the Liberals wasted $6 billion before the elections, because when they came to power they found themselves with a $38 billion deficit, and that this Conservative Government has been reducing the deficit year after year. First, I would like to tell him that this is not quite the truth, because, last year, the Minister of Finance (Mr. Wilson) had proposed a $29.5 billion deficit and we now get a $32 billion deficit that is equal to the last budget's last deficit, the last full deficit under the Liberal administration, that is $32 billion in 1983-84. So there is no reduction from three years ago. But in 1984-85 and 1985-86, there still was an increase of some $6 billion in tax receipts. Yet, the deficit at the end of 1986 is the same. Now, could he tell me—I believe he has had the time to figure it out and look at it—where those $6 billion have gone and how it is that after increasing taxes by $6 billion since they came to power, the deficit at the end of 1986 is $32 billion, just as it was in 1984?

Mr. Vincent: Mr. Speaker, I am grateful to my colleague the Hon. Member for Saint-Léonard—Anjou (Mr. Gagliano) for his question. When we took over, the deficit reached $38 billion. The first year, we brought it down to $34 billion, the following year to $32 billion, and this year to $29 billion. I suggest we have done a very good job.

Unfortunately, the Hon. Member for Saint-Léonard—Anjou does not seem to know that the cost of social programs increases every year. For instance, Mr. Speaker, Old Age Security Pension benefits, family allowances, and transfer payments to the provinces are increasing. While it is true that Government revenues have increased, so have expenses. This is simple mathematics and if my hon. friend wants to be honest, he will have to admit that transfer payments to the provinces and social program benefits are responsible to a large extent for the increase in Government spending. He should not forget the debts incurred by the previous Government and which we must pay back. Interest payments on a debt do not go down when the debt is increasing; they grow and must be paid. They are responsible for the increase in our spending.

The Conservative Government currently administers the country with approximately 25 per cent of the overall government budget. International agreements which were signed before we came to power and which we all agree have to be adhered to, namely those concerning National Defence and CIDA. There are increases there too. There has been very little increase, if any, in the expenses which the Government controls. That is not where the increase is occurring. Revenues must increase, because the remaining expenses are increasing.

Mr. Grondin: Mr. Speaker, I simply want to tell my colleague from Trois-Rivières (Mr. Vincent) that he is right to say that we see budgets differently. That is obvious. First, the Budget was brought down in the House, and then we were told about the expenditures projected by the Government for the coming year. We were then able to see that there is a relationship between the Budget and the Main Estimates for 1987-88, and this relationship gave us food for thought. Of course, everything that we had expected after the Budget was brought down was later confirmed by the Main Estimates.

Where I disagree with my colleague from Trois-Rivières is when he says that I simply read what had been written by other people and spent my time saying that the Government would not be re-elected. I think there is some truth in the latter, and as for his claim that what I said was written by others, we could hardly be expected to speak to a variety of issues since the Budget failed to reflect any specific policies or make positive forecasts for Canada's future.

And I don't think that my answers to questions or what I was able to contribute on the youth problem and the total absence of any policies or forecasts in this respect, I don't think this was mentioned by anyone else, Mr. Speaker, since even the Minister of State for Youth, in his speech on the Budget, never mentioned the word "young" or "youth". And why should he, since there was absolutely nothing in the Budget for young people.

As for *Hot 100*, I simply want to say to the Hon. Member for Trois-Rivières that the layout is very good, and I said as much in my speech. The booklet is put together quite well, but unfortunately, aside from certain programs that existed before, if we look for programs that were introduced by the Conservative Government since 1984, I'm afraid the Hon. Member will have to admit they were conspicuous by their absence from this publication.

As far as Challenge '87, Challenge '86, or Challenge '85 go, I do not think my colleague can accuse me of ever having spoken against this program. What we denounce is the Challenge program funding, in light of other increases. Among other things, I am referring to minimum wage levels in the various provinces, particularly in Ontario and Quebec this year, and to the difficulties we experienced when attempting to obtain additional funds to compensate for the extra $30 million which had been earmarked for the 1986 census summer program. These $30 million have been cut back this year and, no matter what my colleague from Trois-Rivières may say, it translates into so many fewer jobs. Fewer jobs will be available this year, unless they plan to reduce the salaries to be paid to young people hired under the Challenge '87 program.

All things considered, Mr. Speaker, that is a sharp reduction and we cannot accept that young people be penalized by a Government which could not care less about this group that makes up 22.6 per cent of the Canadian population.

Mr. Vincent: Mr. Speaker, I will try again. It doesn't seem to sink in. The Budget is not an instrument for giving away goodies to certain groups in our society. The Budget provides certain sums of money for each department, and it is up to the responsible Minister to spend that money in the course of the year. The Minister of State for Youth will make his own announcements when appropriate. It is not up to the Minister of Finance to announce in the Budget what is going to be done for our youth this year. And I see my colleague, the Minister of Indian Affairs and Northern Development (Mr. McKnight). There was nothing in the Budget about Indian Affairs. However, in the months to come, the Minister will be making announcements that concern Indians. That is what the Hon. Member fails to understand, Mr. Speaker.

I would like to point out that for the first time in twenty years, a Government has given a forecast of its expenditures and at the end of the year, the forecast has proved to be correct, and we have been doing this for three years running. It is the first time, Mr. Speaker. It involves administering the country like Canadians administer their family budget and like companies administer theirs. When they say: We are going to spend X thousand dollars this year, they spend X thousand dollars. For twenty years, the Liberal Government failed to balance its budget. We, Mr. Speaker, have done so, and I think that is important.

Finally, I can assure the House that the Minister of State for Youth is doing excellent work for our young people and that he has the support of the Quebec caucus and the national caucus in this respect.

• (1200)

[*English*]

Mr. Simon de Jong (Regina East): Mr. Speaker, I rise to participate in this debate on the Budget presented earlier this year by the Minister of Finance (Mr. Wilson). I rise in opposition to the Budget for what it did and did not do. It extended the federal sales tax to snack foods, such as granola bars, frozen yogurt, peanuts, health food mixtures, popcorn et cetera. The snack attack is a tax on food eaten mostly by children. That is why some people have called this tax the kiddie tax. As well, the Budget increased excise tax on gas by one cent a litre and it increased the tax on tobacco products by another 4 per cent. This means that for middle and low-income families taxes are up another $60 to $100 a year. When you pile this tax increase on other tax increases which the Government has introduced since it came to power some two and a half years ago it means that for middle and low-income families taxes are up by $1,350 over that period of time.

Let us deal with what the Budget did not do, Mr. Speaker. It did not address the problem of regional disparity. Since January, 1986, 137,000 new jobs have been created in Canada yet 132,000 of those jobs are in southern Ontario. Only 5,000 new jobs were created in other parts of the country. The problem of regional disparity is tremendous. Yet the Government since it was elected has cut back by some $3 billion the money previously spent on regional economic development, so we can see why regional disparities are increasing and we can see why most of the economic activity and jobs are centred in southern Ontario.

The Budget did not deal with the crisis facing agriculture. Farm net income went down 27 per cent in Saskatchewan last year. Projections are that farm net income will be reduced by a further 10 per cent to 20 per cent this year. There is a crisis occurring in western Canada. There are thousands of farm families on the brink of bankruptcy. The whole way of life of the family farm in rural western Canada is on the brink of disappearing. Yet there was nothing in the Budget to indicate that the Government recognizes the tremendous problem that exists in our region of the country. There was no commitment, not one word by this Government on any program it might have in mind to offer some assistance to those farmers to ensure that family farming as a way of life will be preserved in western Canada. There was no acknowledgment whatever of the problems we face back home. In addition, the Budget does nothing to create jobs and assist the poor.

As I was preparing for my remarks in this debate I received a study that was done in my home city of Regina by the food bank. It is called *"On the Bread Line-Hunger in Regina"*. I would like to enter for the record some of the findings of this study. It states:

> Hunger is a significant problem in the City of Regina.
>
> People are hungry when their regularly monthly income is inadequate for the purchase of sufficient quantity of nutritious food for themselves and members of their families.
>
> Our best conservative estimate is that there are at least 3,000 hungry people in the City of Regina. Three thousand and five men, women and children used the Food Bank in January 1986.

More than half of those are children. The study also shows that hunger is primarily a family matter in Regina with the majority of food bank users being children. Some 59 per cent of food bank children have both parents, while 35 per cent lived in households headed by single women. The ability of food banks to provide this service is also under stress and strain. For example, in 1985 the Regina Food Bank received and distributed more than 1 million pounds of food to hungry people. However, the amount contributed per person has fallen from approximately five pounds per day in 1983 to 2.3 pounds per day in 1986.

• (1210)

The study goes on to document the problems hunger creates, particularly among children. It shows that school nutritionists say that children in school meal programs are underfed, undernourished and hungry. They suffer from hindered motivation, reduced attention and awareness, restlessness, and

turn in on themselves. Hungry children are exhausted and have circles under their eyes.

There is nothing in the Budget that would help alleviate that problem. In fact, those families were given a further kick by the Government when it increased taxes on snack food and extended the reach of the federal sales tax. It means another $60 to $100 taken from their pockets. The Government says it is aware of the difficulties of the poor at the same time as it increases sales taxes. The Government says it introduced the sales tax credit giving $150 back to the family earning $15,000 or less a year. Yet the Budget of the Minister of Finance this year took approximately half of that away again.

There is nothing in the Budget that will do anything about the high unemployment we have in this country. We have one of the highest rates of unemployment among industrialized countries. Those people are the victims of past government actions. Remember the 1970s when inflation was rampant? That inflation was bred by the greed of the oil industry and many other corporations around the world. We were caught in this cycle of ever-increasing inflation. Governments decided to wrestle inflation to the ground, and well they should have. High inflation does no one any good. However, the method they used, tight monetary policy, threw millions of workers around the world in industrialized nations on the unemployment rolls. All at once millions of men and women lost their jobs. So it was in Canada. Thousands of workers with meaningful employment and income were thrown all at once on the unemployed heap. Many of them have been unable to get back into the workforce, not because they are lazy or lacking motivation, but simply that the economic policies decided upon by Government meant there were no jobs for them. Those who have remained unemployed can no longer collect unemployment insurance and have moved down to the welfare rolls. There they have remained.

In addition, governments in this country, especially Conservative Governments at the provincial and federal level, have continued to kick them. The Conservative Government of Saskatchewan has steadfastly refused to increase welfare allotments to keep pace with inflation. Before that Government was elected, welfare recipients were receiving approximately 70 per cent of the amount considered to be the poverty line. A single person now collecting social assistance in Saskatchewan gets only 40 per cent of that amount. They have as well been hit by taxes from the federal Conservative Government. When we look at our income tax form for last year we see that $1,400 was the point at which a person started paying income tax. The level is now so low that the taxable income starts at $10.

So we can see that the victims of the economic policies which were pursued in the 1970s to wrestle inflation to the ground are still with us. They are still suffering, and more today than they ever did before. That is why we have hunger on the streets of Regina today. In fact, it is not just in Regina, it is in every major metropolitan centre across this country. There are kids going hungry. There are kids whose opportunity to learn is being affected because of forces beyond their control. There is nothing in this Budget and nothing the Government has done that would indicate it has any awareness of the problems and realities which exist on the streets of the cities of this country. It turns a blind eye and is in fact quite willing to kick these people some more and squeeze an extra $60 out of their hides. This is certainly not a Government of compassion.

The Budget does nothing to begin to address the question of fairness in our tax system. Let us examine the record since 1984 when the Government was elected. There has been a 48 per cent increase in the amount of money collected from personal income taxes, totalling $43.3 billion. In the same period, 1984-1986, the tax increase for corporations was only 4.3 per cent or some $10 billion. Federal sales and excise taxes have risen some 62 per cent to $22.83 billion. I would like to put on the record a comment by Bob Couchman, Executive Director of the Family Services Association of Canada and Director of the Vanier Institute of the Family. He says he is extremely concerned over what this means to his clients. If you are hitting people at the lower end of the spectrum you are talking about taking food off the tables and clothing off the backs of these children.

We have also seen that corporations in this country have not been paying their fair share. In 1983, 79,196 corporations paid no taxes on total profits of $13.3 billion. That is $13.3 billion of profits which did not produce one cent of tax for the public treasury. In 1983, 64 corporations with profits of over $25 million paid no taxes. Is it fair that an old age pensioner living in Vancouver receiving $9,312 per year from Old Age Security and Canada Pension has less than $1,000 a month to pay for the basic necessities of life; food, rent and clothing, and still pays tax? As an example, Scott Paper, with profits of over $25 million in 1982, 1983, and 1984, did not pay one cent of tax.

• (1220)

Is it fair that a family of four living in Regina, Saskatchewan, at around the poverty level pays about $2,364 in income taxes per year while TransCanada PipeLine, which made over $256 million in profits in 1980-81, did not pay one cent of tax? Is it fair that a single parent trying to support two children living at the poverty level pays income tax to the federal Government? In fact, in 1985 they would have paid $775 in federal taxes and for 1986 that same family will pay $875 in income taxes. At the same time, in 1980 on profits of $23.7 million and in 1981 on profits of $29 million, for a total of $52.7 million, Union Gas did not pay one cent of tax.

Is it fair that a teller at the Royal Bank of Canada in 1982 paid more in taxes in actual dollars and cents than the Royal Bank of Canada paid, even though in 1982 the Royal Bank of Canada had pretax profits of over $330 million? In fact, in 1982 the Royal Bank got a tax credit of $28 million. The Government actually gave it back $28 million. That is not fair.

There is nothing in this Budget which begins to address the question of fairness in our tax system. We have a tax system in

which the middle class and the poor are carrying the load. The well-to-do and the larger corporations have not been carrying their load and, at the same time, the very poor have seen their services and support programs cut.

What I find most obscene is the type of lecture which we, Members of Parliament, have received from the corporate elite of the country. For example, last year I received a letter from the President of the Royal Bank of Canada at that time, Mr. Frazee. Mr. Frazee told us that we have to bite the bullet to bring the deficit under control, that we are spending too much money on our social programs. Mr. Frazee was suggesting that the kids in Regina who go hungry every night are taking too much out of our social programs. He suggested to us that in order to reduce the deficit we have to start cutting our social programs. Yet, in 1982 the bank of which he was president did not pay one cent of tax on $330 million. Who is having a free ride?

There was nothing in this Budget which began to address the question of fairness in our tax system. The Minister of Finance tells us to wait, that he is going to introduce tax reform. I asked him in committee when he will be ready to give us his White Paper. He said he would be ready some time this spring. He told us last year that he would have a paper ready on some aspects of tax reform some time this spring. Now we have to wait a little longer.

The truth is that the Government is asking the poor and the middle class to wait so that it can drop an election goodie on them in time for the next election. Meanwhile, the rich and the large corporations continue their free lunch. This is not right. It is disgusting. No wonder the Canadian public has become cynical with the Government and has expressed that in the public opinion polls. No, Mr. Speaker, in no way can I support this Budget and the action of the Government.

Mr. Hockin: Mr. Speaker, I will give the Member for Regina East (Mr. de Jong) a chance to catch his breath while I ask him two questions. First, with regard to his comments about those who live below the poverty line, is he aware that the Government of Canada made it clear in the Speech from the Throne and also in the Budget that announcements affecting low income Canadians will flow throughout this year? All of those announcements do not have to be made in the Budget Speech.

Also, is he aware that because of the prodigious job creation of the last two and a half years fostered by the low interest rates and the fiscal discipline of the Government over 200,000 Canadians who were below the poverty line are no longer below the poverty line?

I would like to ask the Member about his peroration about corporations and their lack of production of tax revenue compared with the personal income tax sector. Is the Hon. Member aware that we have done away with a number of tax exemptions and reductions in the last two years, including carve-outs and limited partnerships, and that we are now moving on a whole host of others? Prominent among these are a number of opportunities for corporations to diminish their tax which are complex and must be properly dealt with. Prominent is the large loss overhang which flows out of the recession period. The Hon. Member knows that that has been a major contributing factor to the lower revenue from the corporate sector. The way preferred shares are structured and so on has also contributed to this, all of which is to be looked at in tax reform.

Is the Hon. Member saying that because he is in such a hurry to have these changes, rather than get all these things right, in order that the corporate sector pays its proper amount, we should rush in with a proposal prematurely? The Hon. Member knows that we will be bringing our proposals forward in the spring which is quite soon. I have those three questions for the Hon. Member and I would appreciate if he could answer them directly.

Mr. de Jong: I will with great pleasure, Mr. Speaker. First, the Minister of State for Finance (Mr. Hockin) mentions all the good things which flow out of this and other Budgets to help the poor. The fact is that the poor are being taxed at a new level every year because of the measures which the Government has taken. Since the provision of below 3 per cent for inflation for income tax purposes was taken out, more and more people are being brought into the income tax regime.

I saw no mention whatsoever in this Budget of poverty. The word was not used once. The Minister of State tells us what the Minister of Finance has told us, to be patient, that we should not rush into tax reform, that we have to think it through. They did not think it through when economic policies resulted in hundreds of thousands of people being thrown out of work. There is no thinking through about the results of economic policy when it affects ordinary Canadians, but we have to think it through and be careful when it comes to taxing the corporations and stopping the haemorrhaging of funds which is occurring.

The Minister is right that there are up to $35 billion of business losses still on the books. If the corporations use these business losses they do not have to pay any tax at all in the next two or three years. Yet the Minister and the Government tell us we must be very careful when we deal with that.

• (1230)

Why do successive governments, whether Liberal or Tory, tell us to be careful when we deal with corporations but do not have the same consideration when dealing with human beings? The kids going hungry in the streets of Regina today can wait regardless of the social and economic cost it will produce for the country. They can wait until the Minister of Finance gets his act together and introduces some form of tax reform. In the meantime, the large, the powerful and the mighty of this country continue with their free lunch. I say that is obscene.

Mr. Manly: Mr. Speaker, that last exchange reminded me that the Government had not really thought through the implications of the $500,000 capital gains tax exemption

before it introduced it and gave a free ride to some people while also giving away money that should have been used to reduce the deficit.

I appreciate the Hon. Member's emphasis in his speech that the Budget should have concern for its effect on people. He especially targeted the needs of children. The Budget errs not only in adding extra taxes that impinge on children, primarily it fails to address their needs and even recognize their poverty in many parts of this country. I think that is shameful. I appreciate the Hon. Member bringing that to our attention.

We also live at a time when children are hungry throughout the world. We live in a world that is spending $1 trillion a year on armaments. Canada is making its contribution to arms through our military expenditures. How does that affect Canadians and what should be our position? How should the Budget address that issue?

Mr. de Jong: Mr. Speaker, I thank my colleague for that question. Indeed, it would be a progressive step if Ministers of Finance begin to acknowledge the cost of the arms race and the effect of that on the budgets of governments throughout the world. It is not possible to remove almost $1 trillion from the world economy without everyone suffering.

A peace institute in London estimates that the cost of the arms race is equivalent to two years of employment income for every working person in the world. If there was a process of disarmament which released that $1 trillion for useful production, countries throughout the world would have the hard currency to afford our wheat. There would not be this obscene situation in the world today where there are surpluses and hunger existing side by side. It would help our farmers and certainly help those in need throughout the world if $1 trillion was available for productive purposes, such as building homes and schools, providing decent day care and creating employment in social areas. There would be much less unemployment today, our books would be balanced and we would live, not in a world of scarcity and cut-backs and deficits as we are today but in a world of plenty. Surely humanity has reached the stage where there are enough resources and enough technology to produce an abundance for us all. Yet $1 trillion a year is sucked out of the world economy in the production of equipment that is only used to kill human beings. It distorts the international economy and turns our society into one where resources are scarce, the poor are ignored, and unemployment is high.

I believe it would be a progressive step if Ministers of Finance included a paragraph in their Budgets noting the economic cost of the arms race and expressing the hope on behalf of all Canadians that some day soon we will have a new international atmosphere in which disarmament and the reduction of expenditures on arms can occur. Humanity could then begin to realize the tremendous potential we have.

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

Mr. John Reimer (Kitchener): Mr. Speaker, I welcome this opportunity to speak to the Budget introduced by the Minister of Finance (Mr. Wilson) on February 18, 1987.

In 1984, Canadians gave the Government a mandate to bring the Canadian economy back on track. When we were elected as a government in September, 1984, we knew as a government and a party that it was time to get back to economic basics and get at the source of the country's economic difficulties. Therefore, in the November, 1984, Economic Statement, the Minister of Finance introduced a comprehensive plan for economic renewal. That plan consisted of four fundamental items on the agenda: first, deficit controls; second, job-creation; third, increased investment and international competitiveness; fourth, the realization of these three goals while maintaining socio-economic justice and compassion.

Following that statement, in May, 1985, and again in February, 1986, two budgets were brought in consistent with these four principles. Now, in this most recent Budget, the central message of the Minister of Finance is that our economic renewal program is working. The Minister stated at page 3579 of *Hansard* on February 18:

> The results tell the story. We are on the right track. Our program of economic renewal is working.

That is good news for all Canadians. Measured against each item on the 1984 agenda, our economic performance during the past two and one-half years has been nothing short of remarkable.

First, let us look at deficit control and reduction. The facts on deficit control and reduction speak for themselves. When we came to office the annual deficit was more than $38.3 billion and rising. For 15 straight years annual deficits had swollen the accumulated national debt to $200 billion. In fact, the national debt had doubled in just three years prior to our coming into office. The private sector was being stifled by over regulation and wasteful government intervention in its affairs and a lack of spending control over government funds.

What did we do? We abolished the destructive programs such as the National Energy Program and the Foreign Investment Review Agency. We removed distortions in the tax system. We are now privatizing Crown corporations and have privatized 13 to date. We are actively encouraging research and development and investment.

Let us look at some of the results of our actions which we began after the November, 1984, Economic Statement. The deficit is down from $38.3 billion in 1984-85 to $32 billion in 1986-87, with a projected further reduction to $29.3 billion in the 1987-88 fiscal year. That is a three-year decline of 23.5 per cent. The three-year successive decline in annual deficit is the first time that has occurred in 30 years. In other words, one must go back to 1957 to see an equivalent three-year successive reduction in the deficit.

Let us look at a second fact with regard to annual deficits. It is that 67 per cent of the decline of the deficit since we have

taken office is due to cuts in government spending, and 33 per cent is through new taxes. Third, in real terms—that is, after inflation—program spending has declined by more than 1 per cent per year over the three years ending 1987-88. Fourth, these measures of deficit reduction and spending control, the elimination of FIRA and the National Energy Program, and the creation of Investment Canada, have all played a large role in restoring confidence in the Canadian economy, and will be continued to ensure even greater economic renewal.

• (1240)

Finally, we look at the job-creation figures. Actions, taken together with world-wide events, have permitted the creation of some 675,000 jobs in 28 months. That is compared to 424,000 jobs created in the previous Liberal administration in 55 months. There are those who say that deficit reduction hurts the economy. They have it exactly wrong. Rising deficits mean higher interest rates and lower economic confidence. This translates into lower growth, fewer jobs and higher Government deficits, along with less flexibility for the Government to deal with the external pressures on our economy and with urgent domestic needs. Perhaps no single obstacle threatens Canada's economic well-being more than the national debt. True to our intent to rectify the fundamental problems of this country's socio-economic life, the Government has achieved a tremendous program in this area even though there is still a long way to go.

Let us look at the second fundamental principle of job-creation. The job-creation figures continue to get better with each passing day. As of February 18, 1987, 675,000 new jobs have been created. That is an average of 24,107 jobs per month as compared to 7,709 jobs under the previous Liberal administration. That is more than three and a half times as many jobs created per month. Seventy-six per cent of these jobs have been full-time jobs and that is almost the exact reverse of the Liberal record.

The Right Hon. Leader of the Opposition (Mr. Turner) stated in his comments on the Budget that there is not one new single job contemplated in this Budget. He is dead wrong. If we look at what has taken place because of the comprehensive economic program the Government has initiated, we can see why these jobs are being created. I would remind Hon. Members of what took place when the Right Hon. Leader of the Opposition was Minister of Finance. What did he do in order to create jobs? He took a $481 million surplus and turned it into a $4 billion deficit. Under his leadership, spending rose by an average of 23 per cent per year, the gross national debt grew by 50 per cent and debt service costs grew by 85 per cent. The inflation rate doubled from 5.1 per cent to 10.6 per cent. The Bank of Canada rate rose by 4.25 percentage points. Under his leadership the unemployment rate rose by 1 per cent and youth unemployment rose by 2.5 per cent. What is his answer? He says we must create more jobs. Let us look at his record. What did he do? What he did was spend, and spend more, and print, and print more money. Therefore, we had higher inflation and higher unemployment. I cannot understand why the Right Hon. Leader of the Opposition, with that kind of record, should now have his Party leading in the polls. I find that just too incredulous to understand.

Canada's unemployment growth has been stronger in Canada than in any other major industrialized country. Since September, 1984, employment growth in Canada has outpaced the United States, Germany, France, the United Kingdom, Italy and Japan. The unemployment rate has dropped by two percentage points from 11.7 per cent to 9.7 per cent. The youth unemployment rate has fallen to its lowest level in years, from 18.3 per cent to 14.4 per cent, or a decline of almost four percentage points. Those figures are still too high, but at least they are starting to go in the right direction because of the actions of the Government.

Let us look at the third principle announced in the Economic Statement of 1984, that of economic growth. Over the past two years growth in the Canadian economy has outpaced that of every major industrialized nation with the sole exception of Japan. This growth is evident in all of the economic indicators; lower personal, business and mortgage rates, housing starts at an eight-year high and a continued low level of inflation. The economic outlook for 1987 is also very encouraging. Canada's employment growth is expected to again surpass all other major industrialized countries. The unemployment rate should continue to decline reaching 9 per cent by the end of the year. Canada should enjoy real output growth of 2.8 per cent, making this economic upturn we are enjoying now the second longest since World War II. Interest rates should remain stable. Consumer confidence should continue to fuel growth and job creation. The inflation rate is projected to average less than 4 per cent. The international environment for Canadian exports should improve as a result of recent interest rate declines, exchange rate realignments and better commodity prices. That is a very encouraging prospect for Canadians to enjoy. That is why I think the directions of the Government are so important for the Canadian economy today.

Let us look at the fourth pillar announced under our economic program in November of 1984, that of socio-economic justice and compassion. I think it is all the more remarkable that deficit reduction, job creation and economic growth have all been achieved with the continued concern for socio-economic justice and compassion for those in need. For example, social assistance recipients have a better employment prospect now due to a special three-year federal-provincial cost-shared training and improvement program. Another initiative is that low-income families are benefiting from significant increases in the Child Tax Credit and from the advance payments of that credit. Over a period of three years, the Child Tax Credit is increasing by 36.5 per cent or $140 per child, from $384 in 1985 to $489 in 1987 and $524 in 1988. Under an innovative new program, four million low-income families and individuals are now receiving a refundable federal sales tax credit of up to $50 per adult and $25 per child, to a maximum of $150 for a family of four. Another program which shows the compassion of the Government for those in

need is that all widows and widowers aged 60 to 64 years who are in need are now eligible for the spouses' allowance which was introduced in 1984-85. Veterans and their surviving spouses are now receiving improved benefits. Therefore, as the Government continues to work at reducing and controlling spending, reducing the deficit and stimulating economic growth, it is demonstrating that it has a real concern for those in need.

The Budget also indicated there are many challenges ahead. One of those challenges is international competitiveness. We obviously cannot sit back and relax just looking at what has been achieved so far. We must go on. Canadians must make their way in an increasingly competitive world economy. There are a number of other international challenges which confront us such as the serious imbalances in trade positions among industrialized countries. The American budget and its budget deficit continue to create problems. Many developing countries continue to face serious debt problems together with very low commodity prices. The threat of trade protectionism still hangs over many sectors of our economy. In the face of some 300 protectionist Bills in the American Congress, the Government has taken bold action in seeking a comprehensive trade agreement with the United States.

Canada's trade initiatives are crucial to our efforts to build an economy which can continue to grow and create jobs over the long term. We must improve and secure our access to the richest market on earth right next to us, the United States, while at the same time increasing our trade with all other countries, particularly in Europe and the Pacific Rim.

A second challenge ahead for the Government is to continue to control Government spending. The 1987-88 Main Estimates which were tabled right after the Budget by the President of the Treasury Board indicate that the Government intends to pursue the ongoing challenge of controlling and reducing spending in order to encourage further economic growth. For example, in those Estimates the budgetary Main Estimates increase at 2.9 per cent over the 1986-87 Main Estimates. This marks the third consecutive year that the Government has presented budgetary Main Estimates in which the growth rate has declined. That has not happened in almost 20 years. The basic operating costs of the Government will be approximately the same in 1987-88 as they were in 1984-85. With prices rising by some 4 per cent annually this is a reduction in real operating levels of some 12 per cent since we took office.

• (1250)

The third challenge ahead announced in the Budget Speech by the Minister of Finance was with respect to tax reform. The Minister of Finance stated:

> The central objective of tax reform is to reduce tax rates. There can be no better incentive for growth, investment, savings and job creation.

The Minister expressed in his Budget Speech his intention to release the proposed tax reforms later this spring. He has already begun to provide us with a clear indication of some of the changes that we should expect within that tax reform proposal. One of them is lower personal tax rates with fewer tax brackets. The Government is also considering greater emphasis on tax credits rather than on tax exemptions, which would benefit lower income taxpayers much more than does the present system of exemptions. The third proposal is with respect to an increase in the frequency of payments of the refundable sales tax credit. Further, there is the elimination or modification of a wide range of tax preferences which now largely benefit corporations and high-income recipients.

I am always intrigued by the fact that members of the NDP get up in the House and give us long dissertations about all the evils and ills of the large corporations of Canada. I am always amazed that a socialist can be an expert on corporations. I can never quite reconcile that with what they say they are in favour of, and yet they always want to attack these people. Yes, it is true that if one looks at the budget statements and the papers that came to us and considers what has happened with respect to corporation tax compared to personal income tax, one will see that corporation taxes have been declining, whereas personal income taxes have been increasing over a period of four or five years. That is why I hope when the Minister introduces his tax reform proposals that members of the NDP will stand and applaud, since they are the ones who are saying that we have to act. I hope that they will listen carefully to the tax proposals and watch what they will do. I think they will see the Government acting with real compassion, real concern and good fiscal discipline to bring in tax reform as it should be, and not repeating the simple slogan "tax the rich" which the NDP espouses.

In conclusion, our agenda for economic renewal is a co-ordinated, cohesive plan. It involves action on a wide number of fronts, such as reducing the deficit, controlling spending, improving our trading position with other countries of the world, in particular the United States, developing a more fair and more effective tax system, and improving Canada's international competitiveness while at the same time assisting those in greatest need.

I submit that if one looks at what the Government has done in its economic program from September of 1984, which began with the economic statement in the fall, through to the present time, one would see that there is a plan of action for the present and for the future of Canada. We are sticking to that plan.

Mr. Nystrom: Mr. Speaker, I have a comment and a question for the Hon. Member. The Hon. Member talked about the tremendous economy and the tremendous record of the Conservative Government. I realize that he comes from southern Ontario. He does not come from a region such as yours, Mr. Speaker, or from a region such as mine. When constituents of mine hear the kind of speech that we just heard they become even angrier with the Government, and the Conservative Party becomes about as popular as a skunk in a hen-house. The people in my riding are going through a depression the likes of which they have not seen since the 1930s.

We have two Canadas. Some 95 per cent of the jobs created in the last year in Canada were created in southern Ontario. I am happy for southern Ontario. But we are not all from Toronto. Why does the Hon. Member not get up in the House and talk about more assistance for regional development so that there can be more jobs created in northern Ontario where the unemployment rate is 15 per cent, and in western Canada, in the Province of Quebec and in Atlantic Canada?

Prairie farmers are now receiving less for their product than they received at any time since the Great Depression of the 1930s. When one talks about tremendous prosperity in the country, it is no wonder that people in western Canada rebel against the Conservative Party. The Party will soon not be the third but the fourth, even behind the WCC in western Canada, which is a sad commentary on the future of our country. Speeches such as the one made by the Hon. Member from southern Ontario make western Canadians very angry. The Hon. Member does not recognize that we have regional differences in the country.

Last year there was a 20 per cent drop in the price of grain. Last week we heard rumours that there would be another drop of about 20 per cent. The farmers of Canada, even with the $1 billion which the Hon. Member mentioned, received $3.50 maximum per bushel of wheat last year. Across the border in the United States farmers received $4.80 American, or $6 Canadian, per bushel of wheat. In Europe, farmers are subsidized even more than that. With a drop in price this year the farmers of western Canada will be lucky, even with another $1 billion payment, to get some $3 per bushel for the best quality wheat produced in the country. Most farmers, particularly those in my area, do not grow the best quality of wheat.

Will the Hon. Member opposite stand up and talk, not just about southern Ontario, about which he spouts his baloney, but for real regional development equality for northern Ontario, western Canada, Quebec and the Atlantic provinces? If the Hon. Member does not believe me then he can talk to Brian Peckford.

Mr. Reimer: Mr. Speaker, the Hon. Member for Yorkton—Melville (Mr. Nystrom) asked me to get up and not spout more baloney. The figures I quoted are true in southern Ontario, as they are right across the country. When I said interest rates are lower that means that a person with a mortgage anywhere in Canada enjoys that same lower interest rate. I think the Hon. Member forgets that. He wants to play with these figures in his own way. Sure, southern Ontario is doing very well. There is no question about that. There is no question that the Hon. Member for Yorkton—Melville wants to play with these figures.

Mr. Nystrom: It's reality.

Mr. Reimer: Yes, the regions of Canada, some of them, are facing great difficulties. But when we talk to people from British Columbia we talk about the fact that they want to sell their lumber to the United States. I am glad the Hon. Member has said what he has said because I assume he will now vote in favour of the motion the Government introduced yesterday with respect to trade negotiations with the United States. Those people want to sell their products to the United States. They do not want artificial barriers preventing them from doing that. I assume you will help the Government tonight and vote with us.

Mr. Boudria: The Speaker has nothing to do with this.

Mr. Reimer: Mr. Speaker, an Hon. Member across the way is telling me that you have nothing to do with this. He is correct. I am speaking through you, Mr. Speaker, to the Hon. Member for Yorkton—Melville. I stand corrected in that regard.

The Hon. Member mentions prairie farmers. It is true that the subsidized prices in Europe and the United States are hurting our farmers. The Government has reacted, at least in part, with the payment of $1 billion.

Mr. Nystrom: In part!

Mr. Reimer: Yes, in part. It is not the whole solution. It is at least better than nothing. Is the Hon. Member saying that we should do nothing?

Let us consider the trade negotiations in which Canada is taking part. Let us look at starting to tear down these artificial barriers and subsidy programs. In that way we will start to enjoy a greater prosperity across Canada. Let the Hon. Member listen to the Prime Minister (Mr. Mulroney) who has said that just as the Auto Pact and the auto parts industry, which my riding enjoys, have tremendously helped southwestern Ontario, let us have a lumber pact in the west and a fish pact in the east with the United States. Let us start to move our products from all regions of Canada, to the benefit of us all, just as southwestern Ontario has benefited.

Mr. Deputy Speaker: Order, please. It being 1 p.m., I do now leave the Chair until 2 p.m. this day.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S. O. 21

[*English*]

HARBOURS AND PORTS

SMALL CRAFT HARBOURS—CALL FOR INCREASED MAINTENANCE EXPENDITURES

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, I rise today to call upon the Minister of Fisheries and

Oceans (Mr. Siddon) to increase significantly spending on the maintenance of Canada's small craft harbours. The Government of Canada has continued to ignore the worsening condition of many harbours and wharfs throughout the country.

The situation is particularly desperate in Atlantic Canada. In many harbours conditions have deteriorated so much that the safety of fishermen and boaters is being seriously threatened.

The federal Minister of Fisheries and Oceans has a responsibility to ensure that harbours and wharfs are adequately maintained. There is now a growing concern that he will not live up to this responsibility. It is high time the interests of Canadians are protected instead of being attacked by the Government.

I call upon the Minister of Fisheries and Oceans to increase spending immediately on small craft harbours and to end this growing threat to the safety of Canada's fishermen. It is high time that the Minister of Fisheries and Oceans and the Government of the day lived up to their responsibility to primary producers in Canada.

* * *

THE PRESS

ERRONEOUS REPORT OF COMMITTEE CHAIRMAN'S COMMENTS

Mr. J. R. Ellis (Prince Edward—Hastings): Mr. Speaker, on Thursday last I answered a few questions by Canadian Press reporter, Allan Bass, as I left the morning meeting of the legislative committee on Bill C-37, the softwood lumber tax, which I chair. The resulting story bore so little resemblance to my comments as to be unbelievable. Simply put, Mr. Bass fabricated outrageously.

Some hours later a changed story, which was a little better, and a retraction went out on the CP wire. However, many newspapers and radio stations had already carried the original story. Not one person with whom I spoke who saw the original story saw either the corrected story or the retraction, nor will they have seen the apology which I received from the CP editor.

No free democracy would ever want to censor the press, but surely there should be some redress when a reporter for a usually responsible agency exaggerates so blatantly and causes international problems in so doing.

S. O. 21

WELFARE

EXISTENCE OF FOOD BANKS IN TORONTO AND OTHER CITIES

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I was shocked to learn last week that in booming, prosperous Toronto there are 180 voluntary agencies providing food hampers and meals to over 60,000 people, more than a third of whom are children. The same situation of voluntary agencies establishing food banks exists in many prosperous cities in the Province of Ontario, including Windsor, Hamilton, and others. That is true in virtually every province.

It is obvious that the system of social security and the system of providing welfare, which many of us thought had been developed to the point where people no longer had to depend upon charity, have now broken down.

I believe, as do most Canadians and certainly the major churches involved in providing this service, that it is a disgrace. The country is wealthy enough for the state to provide people with at least a minimum standard of living.

I call upon the Minister of National Health and Welfare (Mr. Epp) to meet with his provincial counterparts, to examine the situation, and to devise plans which will eliminate the need for charity in this important area.

* * *

YOUTH

DEMAND FOR PUBLICATION LISTING GOVERNMENT PROGRAMS

Mr. Ted Schellenberg (Nanaimo—Alberni): Mr. Speaker, on March 11 in the House the Hon. Member for Windsor—Walkerville (Mr. McCurdy) attacked the *Hot 100* booklet issued by the Ministry of Youth. He suggested that the *Hot 100* contains programs which are not run by the Government.

On the contrary, the Canadian Federation of Students' Work and Travel Program has significant involvement from the Department of External Affairs, without which it could not function. Surely the Hon. Member would not want to suggest that the Missing Children Program of the Department of the Solicitor General, the Canada Assistance Plan of the Department of Health and Welfare, and the Community Futures Program of the Canadian Jobs Strategy are not federal programs.

Granted, the Hon. Member caught us on OHIP. That certainly is not a federal program. It is not in the *Hot 100* booklet, either.

Here are the facts. Over the past 2.5 years our Government has reduced the youth unemployment rate by 4 per cent. As for the *Hot 100* booklet, the Hon. Member should know that 50,000 copies have been snatched up in the past month alone. Canadians across the country applaud the booklet. Even Senator Jacques Hebert approves of it.

I would suggest that NDP Members, who are so supportive of Canadian culture, should first learn how to read a book properly.

* * *

LABOUR CONDITIONS

RATE OF UNEMPLOYMENT IN RESTIGOUCHE

Mr. Albert Girard (Restigouche): Mr. Speaker, I rise today to comment upon the latest labour force report which, coincidentally, was issued last Friday, March 13. The contents of that report would indicate a drop in the unemployment rate for the economic region in which the riding of Restigouche is located. Is this a sign of good luck or bad luck, Mr. Speaker?

• (1405)

There are several factors that we must keep in mind. First, the rate is now at 16.1 per cent. By all accounts this is still unacceptably high. Second, our participation rate is the second lowest in the entire country. This means that a great many in my region have simply given up on trying to find work. These people are no longer counted in the ranks of the unemployed. They are the ones whose unemployment insurance benefits have expired and now they have been forced to turn to the province for welfare, or worse yet, to food banks and other voluntary organizations. I ask you, Mr. Speaker, is this any way to decrease the unemployment rate? If all the people in Restigouche who are presently out of work were added to the official list, our unemployment rate would be over 50 per cent. I know it is hard to believe, but it is true.

We need real help and we need it fast. We need jobs, and we need them now.

* * *

[*Translation*]

LAPRADE FUND

NEED FOR GOVERNMENT TO ESTABLISH RULES RAPIDLY

Mr. Gilles Grondin (Saint-Maurice): Mr. Speaker, I wish simply to reassure my colleague the Hon. Member for Trois-Rivières by saying that I agree with him on the criteria made public last November as to the conditions a project should meet to become eligible to the Laprade Fund provided they are adhered to in practice. However, after a project has been deemed eligible to the Fund, there must be a follow-up. Well, since last November, the Government has been quite silent on this matter. Nobody knows the deadline for applying to this Fund, and nobody knows how to fill out the application.

The municipalities, industries and organizations do not know how to proceed. Treasury Board and DREE officials are passing the buck. Some claim that someone is working on a form; others say that no form is being prepared. I was told a month ago that a press conference would be held in the near future to announce, among other things, the deadline for the submission of projects and forms, etc. That was a month ago.

Meanwhile, we hear that a number of projects have been submitted. How? Nobody knows. To whom? Nobody knows. Who are the resource people? Nobody knows. It reeks of patronage.

Mr. Speaker, $87.3 million are at stake. If the Government wants to regain some credibility, if it wants to demonstrate a certain openness on this issue, it must set the rules of the game quickly. It should seek the participation of all Hon. Members in the 04 area, including those in the Opposition.

* * *

[*English*]

NATIONAL DEFENCE

CONSTRUCTION OF NORTHERN AIRSTRIPS

Mr. Derek Blackburn (Brant): Mr. Speaker, the Minister of National Defence (Mr. Beatty) has announced the construction of five new airstrips in the North to let interceptors operate in the Arctic. This is supposed to enhance Canadian sovereignty, but will it? The Americans helped select those sites. They are picking up half the cost of constructing the airstrips. American F-15s will share these strips and operate from Canadian soil. How does that enhance Canadian sovereignty? What will happen when an American fighter takes off from Canadian soil and spots an American submarine sticking up through the ice in our waters? Will the pilot report the sighting to Canada or just wave as he flies over the *Polar 8* icebreaker?

We should be looking after our own airspace with our own aircraft. But the Government refuses to live up to this responsibility. Instead, it is content to pay lip service to Canadian sovereignty and let the Americans use our territory as they see fit.

* * *

THE ECONOMY

INVESTORS' CONFIDENCE IN CANADA

Mr. Reginald Stackhouse (Scarborough West): Mr. Speaker, today in Canada we have the economic paradox of falling interest rates and a rising dollar. The Canadian dollar is at its highest level since 1984 and the bank rate is at its lowest level since March, 1974. What better demonstration of the world's growing confidence in the Canadian economy and policies of our Government?

Investment counsellors throughout the world are saying that once again Canada is a good place to invest. I hope that will encourage the Bank of Canada this week to cut interest rates again, both to stimulate our economy further and to produce more jobs, and I hope that such a reduction in the rate will at last shame our major chartered banks and trust companies into cutting their credit card rates.

* * *

[*Translation*]

THE ARTS

URGENT NEED TO SAVE NATIONAL THEATRE SCHOOL

Mrs. Lucie Pépin (Outremont): Mr. Speaker, the management of the National Theatre School is in its death throes.

The management of the National Theatre School is a daily source of dissatisfaction; no new program can be undertaken because of a lack of financial resources; the teachers are underpaid; there is a $400,000 deficit . . . soon, if the liquidity problems come to a head, it will be too late to save the institution.

These are the words of the school's resigning President, Mr. Jean-Louis Roux. A few weeks ago, wardrobe master François Barbeau resigned as director of the technical section after 25 years with the school. Naturally, it has even been recommended or suspected that the English section of the school, which is a unique institution, move to Toronto, and I believe that this could mean the end of the school as such.

I therefore ask the Minister responsible for this sector and all of the ministers from Quebec to urge the Government to find a solution as quickly as possible. I know that the Federal Government is generous with its subsidies, but I would also like it to show some leadership to breathe new life into a school which has done Quebecers and all Canadians proud, both in this country and abroad.

* * *

• (1410)

[*English*]

WAR CRIMINALS

PUBLIC REACTION TO DESCHÊNES COMMISSION REPORT

Mr. Don Ravis (Saskatoon East): Mr. Speaker, during the past several days I have paid particular attention to the reaction of Canadians to the Deschênes Commission Report and the Government's response. I think it fair to say that it was widely praised by the eastern European community and the Canadian Jewish Congress, knowing the issue was finally addressed and discovering the number of war criminals was fewer than expected. They applauded the "Made in Canada" solution to the problem of dealing with suspected war criminals by the Canadian justice system and the RCMP. To quote the President of the Ukrainian Canadian Committee from his home in Saskatoon: "We agree with the Government that rather than having these people denaturalized and deported they should be tried in Canada using Canadian rules of justice".

I congratulate the Minister of Justice (Mr. Hnatyshyn) for his excellent work. Because the Government had the courage to address this difficult issue future generations of Canadians will be proud that our justice system finally put this issue to rest.

* * *

APARTHEID

SPONSORSHIP OF INDIAN CHIEFS' VISIT TO SOUTH AFRICA

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, Norm Wallace and his South African foundation are sending four Indian chiefs to South Africa to dramatize the plight of Canadian Indians. It is a nice touch. The chiefs will certainly be noticed, perhaps even praised as freedom fighters by a white regime which denies freedom to its own citizens in a land where freedom, if uttered too provocatively, can bring death.

Racism is a common enemy shared by both Indians and Africans alike. However, it is a weakened adversary in Canada while in South Africa it is mightily armed. Those who make common cause with that enemy will have found their worst enemy, themselves. The Assembly of First Nations understands that. Perhaps the chiefs will learn.

* * *

TRADE

SUPPORT FOR CANADA-UNITED STATES NEGOTIATIONS

Mr. Jim Jepson (London East): Mr. Speaker, it is my pleasure to rise today and commend the Prime Minister (Mr. Mulroney) for the bold initiative he took in bringing the free trade debate to the House yesterday.

Some Hon. Members: Hear, hear!

Mr. Jepson: The Prime Minister has a clear vision for Canada and hopefully this will put the political rhetoric of the Opposition and the negative media hype to rest for good.

As we enter the final half of our Government's first mandate it would be so easy for the Prime Minister and our Government to avoid any initiatives which would leave the Government politically vulnerable. However, the Prime Minister and our Government have faith in Canadians and the entrepreneurial spirit to step boldly into the new frontier by negotiating a new trading arrangement with the U.S. This will not only protect but create thousands of new jobs which will ensure the future of Canada's younger generation. Leadership

clearly must come from the top and I commend the Prime Minister for acting in such a decisive manner, whereas the opposition Parties are clearly confused and divided on this most important issue.

* * *

CANADA POST CORPORATION

FUTURE OF TORONTO POSTAL STATION

Mr. Alfonso Gagliano (Saint-Léonard—Anjou): Mr. Speaker, this morning I received a letter from a citizen concerned about the closure of Postal Station "A" on Front Street in Toronto. I would like to read the letter to the House. It says:

> I contacted the station manager, who did confirm that the station, one of the largest in the country, was being permanently closed March 28. I asked him when we would be getting notice of this in our postal boxes and he said we wouldn't, that the only notice would be on the outer doors of the station and they wouldn't be going up until the day of March 28.
>
> I told him I thought this lack of previous notice was somewhat unfair and he replied that he only carries out Canada Post Corporation policy, he neither sets them nor offers opinions on them.

What kind of policy is that? Now the Canada Post Corporation does not even give notice of a closure. Shame on the Post Office!

* * *

[*Translation*]

THE DISABLED AND THE HANDICAPPED

CONGRATULATIONS EXTEND TO ROLAND JONES OF LOURDES-DU-BLANC-SABLON

Mr. Guy St. Julien (Abitibi): Mr. Speaker, as unbelievable as it may seem, it is possible for a deaf-mute to work in a radio station. To wit, that young resident of Lourdes-du-Blanc-Sablon on Quebec's lower North Shore, who chose that kind of work to earn a living despite his lifelong handicap. He is a unique case in this country's radio broadcasting community.

Roland Jones is 24 and has been attracted to radio for a long time. When he learned that he could be gainfully employed at the Blanc-Sablon community radio station, thanks to a Canadian job development program, Roland Jones took that chance. The station manager, Mr. Alain Vaillancourt, had given his word that he would take him on his staff at the end of that program.

So Mr. Jones is now hosting a radio program between 1 and 4 p.m. Since he has been at his job, reports Mr. Alain Vaillancourt, Mr. Jones has brightened up to a surprising degree. His parents can hardly believe the extent to which he has evolved. His general behaviour has changed, all due to his job.

On behalf of the Prime Minister and Hon. Member for Manicouagan, (Mr. Mulroney) and on behalf of all of us, I say: Bravo, Roland Jones!

* * *

• (1415)

[*English*]

EXTERNAL AFFAIRS

CANADIAN EMBASSY IN FINLAND—CALL FOR RETENTION

Mr. Ernie Epp (Thunder Bay—Nipigon): Mr. Speaker, the Government's decision to close the Canadian Embassy in Finland has aroused much reaction. My friend, the Member for Nickel Belt (Mr. Rodriguez), and I raised questions about the decision with the Minister the day after it was announced. The Finnish- Canadian Cultural Federation expressed feelings of indignation and shame over this seemingly arbitrary decision which ignored vitally important political and diplomatic considerations.

I explored these considerations in the adjournment debate on February 9 of this year citing reasons why the decision to close our Embassy in Helsinki is a mistake. The Canada-Europe Parliamentary Association responded to these concerns last Wednesday evening with a unanimous motion asking the Secretary of State for External Affairs (Mr. Clark) to reverse his decision.

I express the pleasure of many Canadians, especially my Finnish-Canadian constituents, at the news that the Minister is reconsidering the decision. I urge him to reassert Canada's support, in the words of the Finnish-Canadian Cultural Federation, for "little powers such as Finland" by announcing that the Canadian Embassy in Helsinki will continue to work for Finnish-Canadian friendship and good international relations generally.

* * *

AQUACULTURE

PROSPECTS FOR FISH FARMING INDUSTRY

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, you do not hunt cows any more, you farm them, as people have done for thousands of years. However, we still hunt fish. Fish farming is a better idea. It is more productive and will, in the years to come, provide a better quality, lower cost food product.

World-wide about 9 million tonnes, or 12 per cent of over-all fish production, is farmed rather than hunted. Canadian entrepreneurs and investors are to be applauded for recognizing the natural advantages which exist in Canada, especially British Columbia, for aquaculture. By 1990 it is expected that

British Columbia farmed salmon production will reach 25,000 tonnes valued at $200 million. On the East Coast cultured shellfish production is important. Let us, Sir, encourage this trend and do everything possible to facilitate this exciting new industry.

* * *

[*Translation*]

TRADE

POSITION OF LEADER OF THE OPPOSITION

Mr. Jean-Claude Malépart (Montreal—Sainte Marie): Mr. Speaker, we had another example yesterday of this Government's and the Prime Minister's (Mr. Mulroney) crummy behaviour. Imagine, the chairman of a labour union summoning its members to report on their collective agreements negotiations. And once the meeting is opened, imagine the union chairman telling the members: "Now that you are here, I am sorry, but I cannot give you any explanations as to the contents of the negotiations because this could be prejudicial to the process." Mr. Speaker, such naive behaviour on the part of the Prime Minister and the Government is unacceptable in my view, and yesterday we heard about our leader's position. The Liberal Leader was clear, accurate and specific as to our position concerning the free trade negotiations.

ORAL QUESTION PERIOD

[*Translation*]

CANADIAN SOVEREIGNTY

FREE TRADE—NATIONAL DEFENCE—GOVERNMENT POSITION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I would direct my question to the Prime Minister. In his remarks on free trade yesterday the Prime Minister did not deal with the question of Canadian sovereignty, our sovereignty, our national independence.

Now it is clear that United States President Reagan knows full well what he wants from these negotiations on free trade and acid rain—that Canada sacrifice its independence in defence matters. Does the Prime Minister know that Canadians will never let the United States dictate our defence policy in exchange for a free trade agreement?

Right Hon. Brian Mulroney (Prime Minister): To begin with, Mr. Speaker, the Leader of the Opposition has just made two inaccurate statements. First, he is saying that I did not deal with the national sovereignty issue yesterday, while in fact my colleagues and I talked about it at length and said that the whole process was aimed at protecting and strengthening our national sovereignty.

Second, with respect to his suggestion concerning President Reagan—

An Hon. Member: That is false.

Mr. Mulroney: There again it is false. There is no link whatsoever between our national defence commitments and any other aspect of our national life. With respect to the Government of Canada, there has been no reference to this under any circumstance by anybody whatever.

• (1420)

[*English*]

INTRODUCTION OF WHITE PAPER ON DEFENCE

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my supplementary question concerns the link between free trade and defence. The responses this morning by the Prime Minister's Ministers and officials were very cautious. We have been promised the Government's White Paper on Defence for a number of months. Will the Prime Minister be revealing the defence policy to Members of the House of Commons before his meeting with the President of the United States in early April, or will the President be bringing the document with him?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, let me say for the record that there is no link, nor has any link ever been sought or mentioned, between a question of national defence and any other question on the bilateral agenda. No linkage has ever been suggested in my presence or in the presence of any of our Ministers or government officials.

In regard to the White Paper for which the Minister of National Defence is responsible, my hon. friend knows that since we came to office we have already increased our conventional commitment to NATO, we have already sent 1,200 more men and women to NATO, and we hope to do more. This is not a neutral country. Under this Government, this country stands clearly on the side of the allies and freedom, and the White Paper will reflect precisely that.

Some Hon. Members: Hear, hear!

REGIONAL ECONOMIC DEVELOPMENT

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I have a further question on free trade and sovereignty. Yesterday in the House in their speeches on free trade, the Prime Minister and the Minister for International Trade in effect confessed a total lack of a regional economic equality development policy. What the Government has done is slash our own programs. Yesterday the Prime Minister called on the free trade agreement, if he obtains it with the United States, to rescue our disadvantaged regions. If Canada's policy of regional development is not on the negotiating table, as the Prime Minister undertook yesterday, why, in the motion on free trade before the House this afternoon, is there not one line or one word on regional equality and regional development?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the right hon. gentleman says that yesterday we confessed a lack of regional economic development policy. That statement is utterly false and my right hon. friend knows it. I referred to the desirability of a free trade agreement with the United States precisely because it was instrumental in helping us correct some of the historic regional disparities in Canada. I do not know why the hon. gentleman persists in trying to mislead the House and mislead Canadians.

* * *

THE ADMINISTRATION

REPORTED RCMP INVESTIGATION OF MEMBER OF MINISTER'S STAFF

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, there are many serious questions about yesterday's statement that we want to pursue, but first I would ask the Minister to clarify reports that have been issued this morning about irregularities in her office. Will the Minister confirm or deny the report that a member of her staff is now under RCMP investigation? Will she tell us if, in fact, that report is true?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I am advised that from a routine internal audit there was some suggestion of possible irregularities. That has been turned over to the RCMP for investigation. It would be inappropriate to comment further at this time.

QUERY CONCERNING NATURE OF INVESTIGATION

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, I respect the Deputy Prime Minister's answer, but could he give assurance to the House that the actions which are being investigated have no bearing whatsoever on the official functions, duties, and responsibilities of the Minister's office, considering the important and sensitive responsibilities in relation to the international trade issue before the House? Can we have those assurances this afternoon?

• (1425)

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I think the Hon. Member's comments are somewhat unrelated to the issue at hand. I can assure the Hon. Member that the RCMP will investigate the matter thoroughly and any recommendations which are brought forth, I am sure, will be taken under serious consideration.

AGRICULTURE

CANADA-UNITED STATES TRADE NEGOTIATIONS—IMPACT ON DAIRY INDUSTRY

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, my question is directed to the Minister for International Trade or to the Minister of Agriculture. This morning all Members of Parliament received an urgent note from the National Dairy Council of Canada. I would like to ask whether or not the Minister agrees with what the National Dairy Council said:

—in spite of commitment by the Government to the farm marketing boards and to supply management, free flow of dairy products from the U.S.A. into Canada will result in:

1. Substantial threat to Canadian manufacturers of dairy products
2. Probable destruction of the dairy farming industry
3. Serious loss of employment and employment opportunities for Canadians.

Does the Minister agree that this would be the consequence and impact of an across-the-board removal of tariff and non-tariff barriers on the dairy industry of Canada as the National Dairy Council is saying to us this morning?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I think I have dealt with this issue on numerous occasions across the country and, indeed, in quite detailed responses to questions yesterday during the Question Period and to a greater extent, perhaps, in a speech yesterday. There is a very clear commitment on behalf of the Government that the supply management systems which exist in this country will remain in place, and attached with that, if one understands the reasons and the history attached to the various marketing boards we have in this country, in order for them to continue to function in an efficient and effective manner as they have in the past, they would require the retention of certain underpinnings which are attached to them. So when I make those comments it is in recognition that if they are required to maintain a marketing board's efficiency and continued use on behalf of the producers, processors and consumers, then, of course, they will have to remain.

[*Translation*]

CANADA-UNITED STATES TRADE NEGOTIATIONS—IMPACT ON DAIRY INDUSTRY

Mr. Lorne Nystrom (Yorkton—Melville): But, Mr. Speaker, this letter was written after the Minister made his speech yesterday. He did not respond to the question of the council. Even though he did not agree with dairy industry officials and milk producers, I should like to know whether the Minister is now prepared to give the House of Commons the proof that free trade will benefit dairy producers and the dairy industry. Can he prove this? Otherwise, why negotiate a free trade arrangement concerning Canada's dairy industry?

[*English*]

Hon. John Wise (Minister of Agriculture): Mr. Speaker, we are not negotiating that particular issue. We made it clear in the contents of the motion, we made it clear in this House and across the country on numerous occasions, and we will

continue to say so. One of the problems is that a number of people, for some reason which I fail to understand, seem to take great amusement in continuing to build anxiety among a community which does not need it. They are prompted by comments which are made from time to time in this place. It is further complicated and egged on by questions we are receiving from across the floor today.

CANADIAN EGG MARKETING AGENCY FORECAST

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, it is the National Dairy Council of Canada which is concerned, not just the Opposition, and this letter was written after the Minister spoke in the House of Commons yesterday. I want to know the answer to the question I put and I also want to know whether or not the Minister agrees with CEMA, the Canadian Egg Marketing Agency, which wrote a few days ago to all Members of Parliament that if we had free trade on eggs and egg products, our economy would lose about $124 million and 3,000 jobs per year and our industry would lose between two-thirds and three-quarters of our producers? Does the Minister agree with this since the Minister for International Trade said herself that non-tariff barriers are now on the table? Does he agree or does he not?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, there are an awful lot of "ifs" there. May I add one more? If the Canadian Dairy Commission, the dairy farmers of Canada, CEMA, and some of the other people would spend a little more time listening to what we have been saying in this House and what we are putting into the record, we might be better off.

* * *

[*Translation*]

FEDERAL-PROVINCIAL RELATIONS

INFORMAL MEETINGS WITH QUEBEC ON CONSTITUTION

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, this morning the Government announced that a First Ministers' meeting will be held on April 30 to discuss the Constitution and Quebec. However, we are struck once again by the lack of any specific commitment on the part of the Government. This morning, Senator Murray said: "We are still in the preliminary stages, and discussions will be informal". I would like to ask the Prime Minister how this Government, after two and a half years of promises and hedging on those promises, can announce another informal meeting without putting its own proposals on the table.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the Hon. Member may know, or perhaps he has forgotten, that it is not up to the federal Government to conclude a bilateral constitutional agreement with the Government of Quebec. Under the constitutional accord, it takes the approval of seven Governments with 50 per cent of the population. With the co-operation of the Government of Quebec, we have started a series of consultations that have led to increasingly valid and important definitions. Since the First Ministers, in the circumstances, have had to spend more time on the issue of trade with the United States, we have met four times so far to discuss the issue, and two more meetings are scheduled. I repeat, because of the circumstances, there has been less emphasis on getting ahead with the constitutional issue. Considering yesterday's debate and this evening's vote, I thought that, since the constitutional question as it affects aboriginal peoples will be dealt with in two weeks' time, it would be a good thing to call a meeting of First Ministers in order to get some views on the constitutional question as it concerns Quebec. I think the time is ripe for the Premiers of the provinces and the Prime Minister of Canada to give this matter further consideration.

PRIME MINISTER'S POSITION

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, I think we have to admit there is a question of leadership here. Mr. Bourassa has made his proposals known. The Liberal Party got into the act last year, and even the NDP announced its position recently. It is certainly high time Canadians knew where the federal Government stands.

Mr. La Salle: They remember your position.

Mr. Guilbault (Saint-Jacques): I want to ask the Prime Minister, who today seems to be full of good intentions: Could he commit himself now to tabling his own proposals at the meeting on April 30 with the Premiers?

Mr. La Salle: I remember.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, we have some very specific ideas about the formula we would like to see in connection with Quebec's approval of the constitutional accord. To me and my colleagues, it is very important for our national unity that Quebec be able to give its approval as soon as possible to the constitutional document. However, under the constitutional agreement concluded by the previous Government, it is not enough for the Parliament of Canada to agree with the proposals. We need the approval of the provincial Premiers. We are meeting with and trying to persuade the Premiers, including for instance the Premier of Ontario, who is—

An Hon. Member: What is your position?

Mr. Mulroney: He is asking what our position is. The important thing is to find out whether the Premiers will endorse a joint proposal. The Government of Ontario, for instance, in the absence of Quebec, and I'm just naming one province, has a very important role to play. We want to know, and the provincial Premiers want to know, whether we can agree on and then ratify, a document that will finally make it

possible for Quebec to become a member of the great Canadian family once more.

REQUEST FOR EXPLANATION

Mr. Robert Toupin (Terrebonne): Mr. Speaker, my question is directed to the Prime Minister and relates as well to the constitutional propositions concerning Quebec. Can the Prime Minister reply to the previous question? Can he be more specific and tell the House what specific constitutional propositions he intends to make to Quebec? We would like to have an answer to that question.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I have no intention of tabling specific proposals today. It would be up to me and the provincial premiers to discuss them, as agreed within the process ratified by my provincial colleagues in Edmonton. We will discuss this during a meeting at Meach Lake.

BASIC GUIDELINES CONCERNING CONSTITUTIONAL DISCUSSIONS

Mr. Robert Toupin (Terrebonne): Mr. Speaker, can the Prime Minister at least let us know the basic guidelines concerning these constitutional discussions, basic guidelines which would make it possible for Quebec to adhere to Canada with honour and enthusiasm? Is the Prime Minister prepared to follow the example of the New Democratic Party and acknowledge the uniqueness of Quebec?

An Hon. Member: And why not?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the last thing I would do would be to follow the example of the New Democrats. If my friend . . . We know what that brought the New Democrats in the past, and we know exactly what is going to happen in the next election. Just wait and see what the people of Quebec have in store for you. You will have nice surprises in the next election. If you want to know more about our basic philosophy, read my Sept-Îles speech and you will see there is a possibility of agreement between Quebec and Canada.

* * *

• (1430)

[*English*]

HOUSE OF COMMONS

PRESENCE IN GALLERY OF COMMANDER IN CHIEF OF NORTH AMERICAN AEROSPACE DEFENSE COMMAND

Mr. Speaker: I would like to draw the attention of Members to the presence in our gallery today of General John L. Piotrowski, Commander in Chief of the North American Aerospace Defense Command.

Some Hon. Members: Hear, hear!

HAZARDOUS PRODUCTS ACT

TOBACCO—HEALTH HAZARD INQUIRY

Ms. Sheila Copps (Hamilton East): Mr. Speaker, my question is for the Minister of Consumer and Corporate Affairs. I have in my hand a Statement of Claim filed in the Federal Court of Canada alleging interference by the Minister in a departmental investigation of tobacco as a hazardous product. Can the Minister honestly tell the House that tobacco is not a health hazard? If he cannot, then why did he stop his Department's investigation?

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, first, I do not know how I could fulfil my responsibilities as a Minister without interfering in the operations of my Department. Second, there is no investigation in which I could have interfered in this particular case had I been so inclined. Third, I wrote to Dr. Pipe, head of Physicians for a Smoke-Free Canada, stating that I am willing to consider the use of the Hazardous Products Act to regulate tobacco products but that a comprehensive tobacco policy is being developed under the leadership of my colleague, the Minister of National Health and Welfare, and that if the Hazardous Products Act is to be used to regulate tobacco advertising then we are certainly ready to participate in that way.

[*Translation*]

REQUEST FOR TOBACCO INVESTIGATION UNDER PROVISIONS OF HAZARDOUS PRODUCTS ACT

Ms. Sheila Copps (Hamilton East): Mr. Speaker, my supplementary question is directed to the Minister of National Health and Welfare. Considering that he also has the right to invoke the necessity of an inquiry and reverse the decision made by the Minister of Consumer and Corporate Affairs under the Hazardous Products Act, is he willing today, after all his rhetoric about the tobacco issue on television all across the country, to reverse the unfortunate decision made by his colleague, the Minister of Consumer and Corporate Affairs and to launch an inquiry on the use of tobacco under the Hazardous Products Act?

[*English*]

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, obviously the Hon. Member did not hear what my colleague, the Minister of Consumer and Corporate Affairs, said. First, there is nothing to reverse if no action had to be taken. We have said many times in the House that we are working as a Government on a plan regarding the reduction of smoking and the health hazards that are obviously related to smoking. We have said that we will come forward with a comprehensive plan.

Mr. Marchi: All smoke and no fire.

Mr. Epp (Provencher): We might even smoke the Hon. Member out.

Mr. Marchi: Make my day!

Mr. Epp (Provencher): Make your day—it would be an improvement on anything we see across the way now.

In all seriousness, and coming back to the point, the Government obviously wants to come forward with a comprehensive plan. Part of that plan is to look at the matter of agriculture, which we will be doing shortly.

* * *

• (1440)

TRADE

CANADA-UNITED STATES NEGOTIATIONS—EFFECT OF TARIFF REDUCTIONS ON AUTO PACT

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, my question is for the Minister for International Trade. It arises out of yesterday's debate on free trade. In the debate the Minister confirmed that it was the Government's intention to reduce tariffs to zero on Canada-U.S. trade over a period of 10 years to 15 years. Can the Minister say what will be left of the Canada-U.S. auto agreement and its provisions which provide for production in Canada, if tariffs on automobiles are reduced to zero over the course of the next 10 years?

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, I have made it clear in the House that the Auto Pact is not on the table. Again, one more time, the NDP is trying to do Peter Murphy's job for him, trying to drag the Auto Pact on to the table. May I remind the Hon. Member that tariffs have been steadily reduced within the framework of the Auto Pact over the last 22 years? As I said yesterday in debate, tariffs have come down markedly over the last few years, and the Auto Pact has still generated a great deal of production and jobs for Ontario.

Mr. Cassidy: It does not matter whether or not the Auto Pact is on the table, because the Government, in the free trade talks, is pulling the rug out from under the Auto Pact in that it intends to reduce the tariffs to zero.

INCENTIVE FOR FOREIGN AUTOMOBILE PRODUCERS

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, I have a supplementary question for the Minister. What incentive do foreign automobile producers have to abide by the provisions of the auto agreement and to ensure a substantial proportion of Canadian content in production in Canada, if there will be no tariff barriers between the two countries because the Government is reducing automobile tariffs to zero and leaving no incentive for companies to abide by the Auto Pact?

Hon. Pat Carney (Minister for International Trade): I am really surprised, Mr. Speaker, by the insensitivity of that question. The incentive which will exist for the automobile industry is secure and enhanced access to the wealthy, rich North American market.

[*Translation*]

PUBLIC WORKS

REQUEST THAT PROTOCOL OF AGREEMENT WITH PERSONS SUFFERING EXPROPRIATION AT MIRABEL BE RESPECTED

Mrs. Lise Bourgault (Argenteuil—Papineau): Mr. Speaker, I have a question for the Minister of Public Works who is responsible for the Canada Lands Corporation in Mirabel. The expropriated owners and occupying tenants in Mirabel are very concerned following the Public Works officials, visit to Mirabel about rumors that the latter would review the draft agreement signed in March 1985 by the former Minister, the Hon. Member for Joliette. Can the Minister assure my electors that the draft agreement signed by the former Minister on behalf of the Government will be honoured to the letter and that the estimates earmarked for a new agricultural impetus will not be slashed in order that the last group of former expropriated owners and tenants will be dealt with as the first one was?

Hon. Stewart McInnes (Minister of Public Works): Mr. Speaker, first I should like to point out that business is going on as usual. I should like to say to the Hon. Member for Argenteuil—Papineau that there is no way that the draft agreement signed by the Mirabel expropriated owners and the Department of Public Works in March 1985 could be changed. Since 1984, that is within a short two and a half years, this Government has signed 1,100 purchase bids representing 80 per cent of the whole operation. We expect that this operation will be completed before the end of this year.

* * *

[*English*]

AIRPORTS

FIRE-FIGHTING SERVICES

Mr. George Baker (Gander—Twillingate): Mr. Speaker, this penny wise and pound foolish Government has ordered Transport Canada to take the unprecedented move of lowering the safety standards for fire-fighters at Canadian airports to save $1.5 million. There will be no overtime or no replacement of anyone who is sick for fire-fighters at Canadian airports. Does the Minister of Transport think it is worth it to smudge our superior safety record at Canadian airports, all for the sake of $1.5 million, to violate our own safety standards, and to threaten the safety of the travelling public in Canada?

Hon. John C. Crosbie (Minister of Transport): I certainly do not want the Hon. Member to have an attack of anything, Mr. Speaker. There were 657 fire-fighters or persons in the CFR service in Canada six months ago. There are 657 there now, the same number as before. Some have been relocated in areas where they were needed. There has been no reduction in the numbers.

ICAO standards which apply to airports in respect of fire protection have been observed. Canada is one of the leaders in the world in that respect. As a matter of fact, we ensure that the standards are observed at all airports, not just large international airports. Their job is to provide a fire-free corridor to an aircraft if there is an accident. The standards deal with the capacity to deliver water for foam production, and those standards are maintained everywhere. The hon. gentleman should not get too upset. The quarrel is about overtime, when people have to be called in for overtime performance. There is a savings of $1.5 million. No safety standards are being breached or lowered.

An Hon. Member: Wrong.

Mr. Crosbie: This is absolutely correct. That is the information I have from the professionals in my Department. I do not propose to interfere, because I will be accused of interfering with my Department, just as the Minister of Consumer and Corporate Affairs has been accused of interfering with his Department. Imagine, a Minister actually interfering with his Department!

GOVERNMENT POLICY

Mr. George Baker (Gander—Twillingate): Mr. Speaker, today we see the outrageous situation of the fire-fighters—

An Hon. Member: You are a clown, George.

Some Hon. Members: Oh, oh!

Mr. Baker: I will get to that in a minute. Today we see the outrageous situation of the fire-fighters requesting and receiving waivers to sign to "relieve them of responsibilities for the consequences they fear could result from these government cuts", and the Canadian Airline Pilots' Association saying certain pilots of jumbo jets may refuse to land at certain Canadian airports. I ask the Minister of Transport, speaking of interfering with his Department, whether this is the policy of the federal Government—to freeze employees, to have 657 persons with no overtime or no replacement if they are sick?

Can he explain to the House why one airport in Canada received a 20 per cent increase in employees, and that airport happened to be in his own riding? Is it to make up for the international traffic which he hijacked from Gander last year to prop up his own popularity?

Some Hon. Members: Hear, hear!

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, this is shocking news which the Hon. Member has just given me about St. John's. This must have slipped through without my notice.

With reference to the CFR service there are various categories. Category 9 is the highest, and it depends upon the length and the size of aircraft. Toronto is a category 9. St. John's was a category 6 but is now changing to a category 7 because a year and a half ago, when my predecessor was there with his usual scrupulous fairness, they noticed larger aircraft and more traffic going into St. John's airport. Therefore, they are changing from a category 6 to a category 7. I did my best to oppose this, but I was overruled by the Department!

When it comes to waivers, I wonder who will get a waiver from the hon. gentleman on his irresponsible statements.

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ENVIRONMENTAL AFFAIRS

ACID RAIN—UNITED STATES COMMITMENT—CANADIAN DEFENCE POLICY

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, I should like to return to the Prime Minister on the question of the report by American officials that President Reagan might be seeking to alter Canadian defence policy in return for living up to his commitments on acid rain. The Prime Minister made a semi-forthright statement in his answer to the Leader of the Opposition. Could the Prime Minister assure the House, if such a linkage is sought by the President, that he will speak up forcefully against any kind of blackmail of that nature and reassert Canada's right to have the United States do the right thing on acid rain because it is the right thing, not because we do anything in return?

Hon. Perrin Beatty (Minister of National Defence): Mr. Speaker, the Prime Minister has already made it abundantly clear that there is no linkage between Canada's position on acid rain and our intentions with regard to defence. We expect the Americans to act on acid rain because it is the right thing to do. We intend to defend Canada, after so many years of neglect, because it is the right thing to do.

• (1450)

NEW BRUNSWICK'S COMMITMENT

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, my supplementary question is for the Prime Minister. It has to do with another form of blackmail that he has been experiencing with respect to acid rain, namely, the position being taken by the Government of New Brunswick concerning its commitment to live up to the agreement made in 1985. Can the Prime Minister tell us that he will not accept, on behalf of the Canadian Government, any linkage which may be suggested by the Premier or the Government of New Brunswick either with respect to Point Lepreau, the second reactor proposal, or with respect to moneys that were never in the original agreement in 1985?

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, I think the position of the Government of Canada could not be clearer on this subject. We have said that we will not countenance any such linkage. We do not want our negotiations with either the Americans or with the provinces on acid rain to be reduced to horse trading. I understand that

the sub-committee of Parliament on acid rain, of which the Hon. Member is a member, will be issuing an invitation to Premier Hatfield to appear before the sub-committee to discuss some of these concerns in tandem with my own negotiations with New Brunswick. I am sure the Hon. Member will use that occasion to pose a similar question to the Premier.

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[*Translation*]

THE CONSTITUTION

INCLUSION OF CULLEN-COUTURE AGREEMENT FOR QUEBEC—PRIME MINISTER'S POSITION

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, my question to the Right Hon. Prime Minister has to do with the constitutional negotiations and a possible solution as he had hoped designed to make Quebecers want to adhere with honour and enthusiasm to the Canadian Constitution. I wish to direct to him a specific question. During this conference, will the Prime Minister of Canada back up the Quebec Premier, Mr. Robert Bourassa, in his efforts to convince his counterparts that the power now enjoyed by Quebec on immigration matters under the Cullen-Couture Agreement should be entrenched in the Constitution? Can the Quebec Premier count on the support of the Prime Minister of Canada in this endeavour?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, can anybody count on the Official Opposition's support? Can anybody count on the Ontario Government's support? Perhaps. We shall see. It is important that we should consult in an effort to find an appropriate formula for Quebec to join the Constitution. At the moment there is a precise formula which requires the provincial Premiers' preliminary approval. Senator Murray has initiated a very productive dialogue with all the Ministers, and I intend to do likewise with the provincial Premiers in order to speed up the process somewhat.

QUEBEC'S DEMANDS—GOVERNMENT POSITION

Mr. Jean-Claude Malépart (Montréal—Sainte-Marie): Mr. Speaker, the Prime Minister is forgetting that he has a leadership role to play. He is no longer a mediator, but a sort of fireman with hoses but unfortunately, no water. Would the Prime Minister . . . The Prime Minister has promised Quebecers to do everything possible for them to adhere with honour and enthusiasm to the Canadian Constitution. The Quebec Government, through its Minister, has made very concrete recommendations. Now, could the Prime Minister indicate first whether he will support the Bourassa Government which is seeking first the power to select immigrants and second full compensation, should it decide to opt out of the new established programs? What is the Prime Minister's thinking on this? What is he planning to do during the constitutional conference?

Right Hon. Brian Mulroney (Prime Minister): First of all, Mr. Speaker, it is not a constitutional conference. It is quite a regular meeting. The Hon. Member for Hamilton East exclaims: "Ah"! Well, she should read the press release. It is quite a logical follow-up on the provincial Premiers' conference which was held last year in Edmonton. I have asked the Premiers to meet to seek their support and their views on a possible formula which would be acceptable to them and to the Parliament of Canada. We are looking for a solution. Under the previous Government, it took several years. Here, in Canada, finding an appropriate formula took 120 years and now we are precisely seeking the right one for Quebec.

I am questioned about my commitment to Quebec. I make this unequivocal commitment: I can promise you that Quebec will not be sold out deep into the night and kept out of the Constitutional process.

* * *

[*English*]

HAZARDOUS PRODUCTS ACT

TOBACCO—GOVERNMENT POLICY

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, my question is addressed to the Minister of Consumer and Corporate Affairs whose answers to questions posed by the Hon. Member for Hamilton East I listened to very carefully. I have the statement of claim that she has. Does the Minister deny that on May 5, 1986, an application was made for an investigation, or is he denying that after that application for an investigation was made no investigation was pursued?

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Neither, Mr. Speaker. There are no provisions under the Act for a formal request for an investigation. The attorneys or whoever prepared that document seem to have that director confused with the director of investigation and research in the Combines Branch. There is within my Department a civil servant responsible for the Hazardous Products Act who reports to me. We had a request to exclude tobacco advertising under the Act. As I reported to Dr. Pipe who heads Physicians for a Smoke-Free Canada, in a letter of last September, an over-all tobacco policy is being developed under the leadership of my colleague, the Minister of National Health and Welfare, and that we are perfectly willing within that context to have the Hazardous Products Act used for those purposes. There was no investigation that I can either turn on or turn off.

REQUEST THAT TOBACCO BE DECLARED HAZARDOUS PRODUCT

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, I think the Minister would agree that something that kills 30,000 Canadians a year is a hazardous product. My question is very simple. Would it not contribute to a comprehensive policy against smoking to declare immediately that tobacco is a hazardous product?

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, I suspect that more people are killed by cars each year. Should we outlaw them? There has to be a consideration of all the factors. Yes, advertising is one factor. Another factor has to do with the agricultural sector, another one has to do with the small business sector, yet another one has to do with the tax and revenue implications.

Some Hon. Members: Oh, oh!

Mr. Andre: Apparently the New Democrats would rather talk than listen, Mr. Speaker. It involves a number of factors and, therefore, there will be a comprehensive program brought in by the Minister of National Health and Welfare. As I have just said, I have indicated the willingness in our Department to have it included.

Mr. McCurdy: Do it.

* * *

EMPLOYMENT

SINGLE INDUSTRY COMMUNITIES' CONCERNS

Mr. John A. MacDougall (Timiskaming): Mr. Speaker, my question is for the Minister of Employment and Immigration. It concerns the Canadian Single Industry Communities Report that was tabled last week. Could the Minister tell this House after reviewing the report, which indicates 20 years of mismanagement by the Liberal Government, on 800 communities, what steps our Government will be taking to try to address the concerns of single industry communities across the country?

[*Translation*]

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, there is a very good question. Indeed, last week, I received a copy of a report by the Canada Employment and Immigration Advisory Council on single-industry communities. Within the framework of the Employment Strategy, one of the main components for which we are providing $80 million in funding this year deals especially with high unemployment communities, where the development of new economic initiatives is essential. I therefore think that we are carrying on in the same direction, and already the results lead us to believe that the thrust of those community development programs is excellent.

[*English*]

INDIAN AFFAIRS

CREE-NASKAPI AGREEMENT—OBSERVANCE BY GOVERNMENT

Mr. Keith Penner (Cochrane—Superior): Mr. Speaker, I have a question for the Minister of Indian Affairs and Northern Development. As the Minister knows, an independent commission headed by the distinguished Justice Rejean Paul has charged the Government of Canada with the legal and moral failure to live up to its financial obligations related to the Cree-Naskapi Act, an agreement which was passed by this House in 1984. How does the Minister of Indian Affairs respond to these charges of immoral and illegal behaviour by the Government of Canada in relation to Indian people and an agreement passed by this House?

• (1500)

Hon. Bill McKnight (Minister of Indian Affairs and Northern Development): Mr. Speaker, I refer the Hon. Member to the statement I tabled along with the Cree-Naskapi Commission report. Given that the Cree indicated today they intend to bring this case before the courts, further comment would be inappropriate at this time.

MINISTER'S POSITION

Mr. Keith Penner (Cochrane—Superior): Mr. Speaker, I am aware of the Minister's statement with respect to the report. I am asking him when he will stop manufacturing excuses and begin to carry out his constitutional responsibility to the Cree people of northern Quebec?

Hon. Bill McKnight (Minister of Indian Affairs and Northern Development): Mr. Speaker, the Hon. Member knows that he is putting me in a very difficult position given that the case is now proceeding to court. I again refer him and other Hon. Members to the statement I tabled with the Cree-Naskapi report.

GOVERNMENT POSITION

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, my question is directed to the Prime Minister. In view of the fact that in order for the forthcoming First Ministers' conference to succeed the Government must be seen as respecting its obligations, will the Prime Minister undertake that Canada's first self-government agreement, namely, the Cree-Naskapi Act and the agreements made under it, will be honoured in future by his Government?

Hon. Bill McKnight (Minister of Indian Affairs and Northern Development): Mr. Speaker, my reply to the Hon. Member has to be the same as I gave to the Hon. Member preceding him. I would like to comment on it, but I can only refer him to the statement which I tabled in this House along with the Cree-Naskapi Commission report.

HONOURING OF AGREEMENT

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, since that argument indicates the Government's strategy regarding negotiations with the aboriginal people, namely, as soon as they have devolved to get away from them as far and as fast as possible, is the Government committed in principle to honouring the Cree-Naskapi Agreement?

Hon. Bill McKnight (Minister of Indian Affairs and Northern Development): Mr. Speaker, as the Hon. Member is aware, he again puts myself and the Government in a very difficult position. I cannot comment when there is an intent to take the Government of Canada to court. Once again I refer him to the actions taken by this Government over two and a half years regarding assistance to aboriginal people, and I refer him to the statement tabled with the Cree-Naskapi Commission report.

Mr. Speaker: The Member for York Centre, one question, please.

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WAR CRIMINALS

STUDY OF ENTRY TO CANADA—REQUEST FOR PUBLICATION

Hon. Bob Kaplan (York Centre): Mr. Speaker, my question is directed to the Minister of Justice. The Deschênes Commission itself commissioned a study on how Nazi war criminals got into Canada in the first place. Mr. Justice Deschênes recommended that report be given the widest possible circulation, yet the Government has not made it public. Does the Minister intend to make it public? If so, when?

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker, the report referred to is one of the research documents turned over by Mr. Justice Deschênes to the Government. As a matter of fact the Department of Justice is not yet in possession of these documents. I am informed that the Privy Council Office has the documents and is reviewing them in accordance with the Access to Information Act and the Privacy Act. This is an open Government—

Some Hon. Members: Oh, oh!

Mr. Hnatyshyn: —I may add, unlike the previous Government. We are quite interested in this very sensitive issue and I understand the purpose of the Hon. Member in asking the question. We are very interested in making sure there is disclosure as far as legally possible. This will be reviewed in that context and I think the Hon. Member yesterday, according to press reports, acknowledged that there are areas which might have to be removed from the report.

Mr. Speaker: This will be the last question. The Hon. Member for London East.

HEALTH

AIDS DISEASE—BLOOD TRANSFUSIONS—TESTS RECOMMENDED IN UNITED STATES

Mr. Jim Jepson (London East): Mr. Speaker, my question today is directed to the Minister of Health. Yesterday we learned that the U.S. is recommending voluntary blood tests for any individual who had blood transfusions between the years 1978 to 1985, particularly for those who are "sexually active". Can the Minister tell this House whether or not the Government is contemplating a similar recommendation?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, in looking at the press reports of the U.S. action I would say that almost all those who had blood transfusions prior to the start of blood products being heat tested, or examined for the AIDS virus, would have had a blood test. There might be some who were not covered by that medical action. The National Advisory Committee on AIDS is meeting in Ottawa, I believe right at this time. These points are on its agenda. If it makes a recommendation from the point of view of health and professionalism, I will obviously consider it. However, I would think that in most cases Canadians would have been covered because of medical procedures undertaken for recipients of blood or blood products.

* * *

WORDING OF MEMBER'S QUESTION

Mr. Speaker: I would like to bring to the attention of Hon. Members a matter which occupied the Chair about a week ago as a consequence of a question asked by the Hon. Member for Windsor—Walkerville (Mr. McCurdy). Because of the words used in that question, the Chair felt it necessary to intervene and caution all Hon. Members to be very careful in the words they used in case they might be imputing racist motives to another Hon. Member. In that particular case the Hon. Member whose statement was referred to by the Hon. Member for Windsor—Walkerville was the Hon. Member for Willowdale (Mr. Oostrom). Since that intervention the Hon. Member for Windsor—Walkerville has very courteously come to see the Chair and we have had a discussion. I should also say that the Chair has had the opportunity to have a discussion with the Hon. Member for Willowdale. I want Hon. Members to accept that I am completely satisfied that in the question posed by the Hon. Member for Windsor—Walkerville, which I am quick to point out was rephrased at the request of the Chair, there was no intention whatsoever to impute racial motives to the Hon. Member for Willowdale or any other Hon. Member. I want that on the record. As well, I thank the Hon. Member for Windsor—Walkerville and the Hon. Member for Willowdale for their conduct and co-operation throughout this matter.

I should advise the House that there are two rulings which I must now deliver. The first concerns a question of privilege raised by the Hon. Member for Charlevoix (Mr. Hamelin).

[*Translation*]

PRIVILEGE

APPLICATION OF OFFICIAL LANGUAGES ACT TO PARLIAMENT

Mr. Speaker: On February 19, 1987, the Hon. Member for Charlevoix rose on a question of privilege concerning the application or lack of application of the Official Languages Act to Parliament, in particular to the House of Commons.

May I begin by stating that the function of the Speaker is to preside over the House of Commons and to decide upon procedural questions whether they be interpretations of the Standing Orders or matters relating to privilege or order.

What the Hon. Member for Charlevoix raised on February 19, 1987, is, I submit, not a procedural question but a question of legal interpretation. The extent of the application of any law is a question that the courts should be asked to decide and not the Speaker. The Honourable Member quoted several legal opinions when raising his question, which adds emphasis to my point that this is a legal matter, not a procedural one.

Beauchesne's 5th Edition, page 61, Citation 71(5) states: "The Speaker will not give a decision upon a constitutional question nor decide a question of law". The reason for this is obvious. A court may very well have to rule on the same question of law someday and clearly a court would not be bound by a Speaker's interpretation of the general or constitutional law of the land. The Speaker's duty is confined to interpreting the procedures and practices of the House of Commons.

• (1510)

[*English*]

In his presentation the Hon. Member for Charlevoix (Mr. Hamelin) did not establish how his privilege had been infringed by the application or lack thereof of this law. In other words, the fundamental right to speak freely in the House of Commons has not been abridged.

The Hon. Parliamentary Secretary to the Deputy Prime Minister and President of the Privy Council (Mr. Lewis) pointed out that Section 133 of the Constitution Act, 1867, states:

> Either the English or the French Language may be used by any Person in the Debates of the House of the Parliament of Canada—and both those Languages shall be used in the respective Records and Journals of those Houses;

It goes on to say:

> The Acts of the Parliament of Canada—shall be printed and published in both those Languages.

The Hon. Parliamentary Secretary read those sections to the Chamber during the intervention. In addition, the Hon. Member for St. Jacques (Mr. Guilbault) stated:

> It is ironic that the application of the Official Languages Act to the House of Commons is being debated, because certainly this is the most bilingual of all federal institutions.

I concur totally with the Hon. Member for St. Jacques on this point.

[*Translation*]

Whether the Official Languages Act applies to the House of Commons in law or not, clearly and unequivocally, the intent of the Act is being applied. Let me briefly expand on this point.

As most Hon. Members will know, the Commissioner of Official Languages regularly conducts studies of federal institutions to determine the degree to which they apply the Official Languages Act. Such studies have regularly been done of the House of Commons. Indeed, the Chair has recently met personally with the Commissioner to discuss whether activities in the House of Commons are, in fact, adequately conforming to the spirit of the Official Languages Act.

In his most recent audit of the House dated June 1986, the Commissioner of Official Languages stated:

> "The linguistic situation at the House of Commons has improved significantly since our earlier audit in 1979. In a relatively short time, the House Administration has successfully carried out an ambitious program of reform. The program's most notable achievement has been to make the face of Parliament bilingual by rendering all public signs, including engravings in stone on the historic buildings, in both official languages.
>
> The House of Commons' official languages program is complete and forms an integral part of managers' administrative responsibilities."

He went on to state:

> "Service to the public is available and spontaneously offered in both languages with few exceptions since a good proportion of House employees are bilingual . . . English and French are both widely used as languages of work at the House."

It should be clear from Mr. D'Iberville Fortier's report that the intent of the law is indeed being followed.

[*English*]

Several Hon. Members who participated in the debate on this question pointed out that all House documents are published in both languages, debates are held in both languages, and simultaneous translation is provided in both the House and in committees. Every care is taken to ensure that all Hon. Members are served in the House in their language of choice and can participate fully in either or both languages. If it were demonstrated that this was not the case in a particular circumstance, then the Chair might be required to intervene, but this is not the point that the Hon. Member for Charlevoix is making in this situation.

From a procedural point of view, the contention of the Hon. Member for Charlevoix that if the Official Languages Act does not apply to the House of Commons his privilege is infringed, is clearly not founded in precedent or practice. Whether or not the Act applies is a legal issue which the courts should decide, not the Speaker. It is clear, however, that Section 133 of the Constitution Act is applied and it is clear that the practices of the House adhere to the intent of the Official Languages Act. The second point, that privilege has been infringed if the Act does not apply, has not been demonstrated. Because of the Constitution Act, and because of the way the House operates, all Hon. Members are assured of their right to participate in debate in their language of choice.

[*Translation*]

Whether the application of the Official Languages Act should be clarified, or whether or not this Act should be amended or revised, is a question for the House to address and not for the Speaker to dictate.

I thank the Hon. Member for Charlevoix for raising this extremely important issue and I also wish to thank all those who participated, for their useful commentary.

[*English*]

[Later]

Mr. Doug Lewis (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I want to briefly comment on something which flowed from the argument that was made very ably by my colleague, the Hon. Member for Charlevoix (Mr. Hamelin), and which I decided to study. I thought it would be more appropriate to raise this matter when you brought down your judgment. You quite properly outlined the role of the Speaker in such a case and suggested that it was a question of legal interpretation and not one of procedure.

I ask your direction, Mr. Speaker, with respect to the role of the Law Clerk and Parliamentary Counsel in the future. During the course of his argument on the question of privilege, the Hon. Member for Charlevoix quoted from a legal opinion given to the committee by the Law Clerk and Parliamentary Counsel. I refer to page 3617 of *Hansard*. I read the Standing Orders to determine exactly what was the duty of the Law Clerk of the House of Commons. Standing Order 126 states:

> It is the duty of the Joint Law Clerks of the House to assist Members of the House and deputy heads in drafting legislation; to prepare bills for the Senate after they have been passed by the House; to supervise the printing and arrangement and extending of the Statutes year by year as they are issued at the close of each Parliamentary session; to revise, print and put marginal notes upon all bills; to revise before the third reading all amendments made by select committees, or in Committees of the Whole; and to report to the several Chairman of the various select committees, when requested so to do, any provisions in private bills which are at variance with general Acts on the subjects to which such bills relate or with the usual provisions of private Acts on similar subjects, and any provisions deserving of special attention.

Citation 144 of Beauchesne states:

> The Law Clerk and Parliamentary Counsel is appointed by Letters Patent under the Great Seal. He has the principal duty of advising the Speaker and officers of the House on all legal matters which do not fall within the sphere of procedure.

Naturally, I have no objection to any Member of the House seeking the best legal counsel available. However, I suggest that the Law Clerk and Parliamentary Counsel may find himself and his office in a position of conflict of interest if he or members of his office give advice to a Member of Parliament outside the Standing Orders, which is then used in the House of Commons to support an argument upon which the Chair is called to rule. I suggest that the prime client of the Law Clerk and Parliamentary Counsel is the Chair and the House of Commons.

I suggest that in future the Law Clerk and Parliamentary Counsel might be well advised to seek leave from the Chair to advise on matters outside the Standing Orders since the Chair and the House are the prime clients. If there is a possibility that the Law Clerk and Parliamentary Counsel will be called upon by the Chair for advice, it is incumbent upon the Law Clerk and Parliamentary Counsel to decline to act for the Member or the committee, and the Member or committee can then, under the budget of the House of Commons, seek counsel elsewhere.

I suggest again that the prime client of the Law Clerk and Parliamentary Counsel is the Speaker and the House of Commons. There is a definite risk of conflict of interest if the Law Clerk and Parliamentary Counsel gives advice which is then brought into the House and used in argument upon which the Chair, the prime client, must rule. I wanted to raise that problem for future reference.

[*Translation*]

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I should like to make a few comments because I question . . .

Mr. Hamelin: Me too!

Mr. Gauthier: . . . this argument made by the Parliamentary Secretary. I have been working in this House for perhaps 14 years now, and from time to time I have had to consult the Law Clerk about the draft of a legal text I wanted to present to the House. I think this text dates back to a number of years but it is still topical. Its purpose was to make the Official Languages Act clearly and specifically applicable to the House of Commons, the Senate and the Library of Parliament.

At that time, when the text was being drafted, of course we had discussions with the Joint Law Clerks and the Law Clerk of the House. I remember very well having many discussions with Mr. Beaupré, for example, who was Joint Law Clerk. Naturally these discussions related to the application of the proposed legislation, its drafting, the objectives its sponsor wants to propose to colleagues in the House. It also had to do with this very important question, namely whether the Official Languages Act, in its normal interpretation, applies to this institution, the Canadian Parliament. I must confess that in 1976-77, when I began to be interested directly in the very specific question of whether the act applied to the House, the Senate and the Library of Parliament, I learned from a reliable source that it was debatable, that the arguments for and against were probably just as strong, and that the Law Clerks of the Senate and of the House and a number of other legal experts had different views about it. I admit that the decision made by the Chair this afternoon is one which I would qualify as being weighted and very enlightened because, in fact, the Speaker of the House did not rule on this question but said clearly that he is the servant of the House and that all legislation must apply to it.

But I should like to get back to the point raised by the Parliamentary Secretary. In these discussions, in these drafting

projects, the Law Clerk of the House is the servant of the House of Commons. Our Standing Order 126 makes that clear: "It is the duty of the Joint Law Clerks of the House to assist Members of the House and deputy heads in drafting legislation."

The first question which comes to mind is this: Is there a law to correct or take such problem under consideration? When I asked this question in 1976, Mr. Speaker, the answer was: We do not know. Have all the statutes of Canada been checked to see if some of them refer to obligations concerning, for example, the application of the Official Languages Act to the House of Commons? The answer was: We do not know. This is when it was discovered that with a computer he had at home the Law Clerk could check all the statutes and pinpoint all existing anomalies in legislation concerning the application of the Official Languages Act. As you may recall, Mr. Speaker, in 1974, 1975 and 1976 your humble servant introduced Bills to correct these anomalies. The Government did accept a few. One of the anomalies which still remains, Mr. Speaker, is what the Law Clerk can or cannot do with respect to his professional advice. Contrary to my colleague, I maintain that the Law Clerk is the servant of Parliament, that parliamentarians are of course one of his constant preoccupations because it is his duty to examine and help us draft the Bills we introduce on a regular basis. And if the Chair—I must confess that I did not have time to research Beauchesne or none of the other well-known authors—but if the Chair wants to take the matter under advisement, namely what is the specific role of the Law Clerk and must he work only for the Chair or, as the Hon. Member has suggested, very closely and particularly in drafting certain parliamentary texts, I submit, Mr. Speaker, that this definition will have to be the subject of an in-depth study by the House of Commons in an appropriate committee, and that today we should not conclude, as did the Parliamentary Secretary, that the Law Clerk works only for the Chair, that he does not work for us Members of this House.

Mr. Charles Hamelin (Charlevoix): Mr. Speaker, I would also like to support the position taken by my colleague that we should certainly not be deprived of the services of the Chair which are also available to this House and therefore to its Members. Any attempt to reduce the role of our Law Clerks would deprive us of invaluable expertise, since they are knowledgeable in a very specialized area, namely this House and similar legislatures. Mr. Speaker, I would ask you to consider the points raised by my colleague, and perhaps we could expand on that. But I would strongly urge you, if not to rule now, not to take the position of the Parliamentary Secretary under consideration, but perhaps to expand and make even more readily accessible to us the exceptional services of the Law Clerks who work for you, therefore for us as well.

Mr. Speaker: I thank Hon. Members for their interventions, especially the Parliamentary Secretary, the Hon. Member for Ottawa—Vanier (Mr. Gauthier), and the Hon. Member for Charlevoix (Mr. Hamelin). The question is important. I do not know whether the Parliamentary Counsel who recently issued guidelines which would specifically define the obligations and duties of a lawyer in such a situation . . . Anyway I will give the problem careful consideration and after some time, perhaps next week, it will probably be possible to make a comment, if not a ruling, concerning the situation. Again I thank all Hon. Members for their contribution.

* * *

[*English*]

POINT OF ORDER

TABLING OF DOCUMENT BY MINISTER

Mr. Keith Penner (Cochrane—Superior): Mr. Speaker, my point of order relates to a response to a question which I received from the Minister of Indian Affairs and Northern Development (Mr. McKnight).

Mr. Speaker, my question to the Hon. Minister of Indian Affairs and Northern Development related to a document entitled, "The Report of the Commission of the Cree-Naskapi headed by Justice Rejean Paul". It is a public parliamentary document. I asked the Minister for his response to this document. In replying, the Minister said that Hon. Members in the House should refer to a response that he tabled along with the document. I am advised by my office, after it checked with Distribution and Internal Mail Services, that there was no such document tabled with the commission's report.

I do, Sir, have a statement by the Minister, but it is not a public document. It is a statement given by the Minister at the federal-provincial meeting of Ministers on aboriginal constitutional affairs and is dated March 13. This is not a public document. It came to me through the courtesy of participants of that conference who thought I should be aware of its contents.

• (1520)

The purpose of my point of order is to have the Chair or Parliamentary Secretary inquire whether the Minister inadvertently made an error, or, if there is such a document that was tabled as a companion piece or response to the commission's report, Hon. Members who are interested in this matter would like to know where it is.

Mr. Lewis: Mr. Speaker, we will contact the Minister and determine the exact state of affairs with respect to that point of order.

Would it be in order for me to make a point of order with respect to your ruling?

Mr. Speaker: Does the Hon. Member for Cochrane—Superior (Mr. Penner) have no further comments?

Mr. Penner: Do you wish a response to the statement by the Parliamentary Secretary?

Mr. Speaker: You may take it that the Chair has the point and I will consider it.

* * *

[*Translation*]

PRIVILEGE

INTERVIEW GIVEN TO PRESS BY MR. DE COTRET—MR. SPEAKER'S RULING

Mr. Speaker: I now have a very important ruling to make on a subject raised a few days ago by the Hon. Member for Nickel Belt (Mr. Rodriguez).

● (1530)

[*English*]

On March 9, the Hon. Member for Nickel Belt (Mr. Rodriguez) raised a question of privilege arising out of certain remarks made by the Honourable the President of the Treasury Board (Mr. de Cotret) in giving an interview to the press. The essence of the Hon. Member's complaint was that the Hon. Minister's remarks imputed motives to members of the Standing Committee on Employment and Immigration, that he questioned the right of the committee to put witnesses under oath, and that he appeared to be counselling a senior civil servant to defy the standing committee and the House.

I think I have caught completely the tenor and direction of the comments of the Hon. Member for Nickel Belt.

A day or so later when it was possible for the President of the Treasury Board to be in the Chamber, he rose and agreed that he had been correctly reported in *The Globe and Mail*. I should perhaps repeat the exact words which form the subject of the complaint:

> It is a terrible precedent. I would never ask a public servant to testify under oath. The committee is really saying he is a liar. I do not believe that . . . I would have liked to see Gaétan Lussier walk right out of the room.

There appears to be no argument that the Hon. Minister used those words.

[*Translation*]

The Hon. Member for Calgary West and the Hon. Member for Laprairie (Mr. Hawkes and Mr. Jourdenais), the Chairman and Vice-Chairman respectively of the Standing Committee on Labour, Employment and Immigration, both contributed to the discussion and defended the committee's right to conduct its proceedings in the way it had. They also made it quite clear that in requiring certain witnesses to testify under oath, the committee was not implying that they were untrustworthy.

I must say, at the outset, that any parliamentary committee has the power to require witnesses to be sworn. I would also agree that in using this power, a committee is not reflecting adversely on the character of a witness. I can make the analogy with a Court of Law where all witnesses are examined under oath. This necessary practice does not imply that all witnesses are dishonest.

[*English*]

I think it is important to emphasize, in case there should be any misconception in any quarter concerning the powers and functions of parliamentary committees, that committees appointed by this House are entitled to exercise all or any of the powers that this House delegates to them. These powers include the right not only to invite witnesses to appear but to summon them to appear, if necessary. They include the right to examine witnesses on oath should the committee deem it necessary. The powers of standing committees to initiate investigations have recently been extended in the spirit of parliamentary reform. Standing Order 96 sets out in some detail the extent of these powers, which include the power to study and report on all matters relating to the mandate, management and operation of departments of government. The scope of operations of standing committees has thus been considerably widened and the power to summon public servants as witnesses is essential to the effective performance of their tasks. It can be expected that this power will be used more, not less, frequently in the future, and I think it is salutary to alert all those concerned to this fact of parliamentary life. I can therefore say in answer to the question raised by the Hon. Member for Calgary West (Mr. Hawkes), that a witness once summoned by a parliamentary committee would be ill-advised to walk out because of an unwillingness to be sworn.

[*Translation*]

With regard to the existence of a question of privilege, I would remind the House that Parliamentary privilege is breached by any action which threatens freedom of speech in the House or which otherwise obstructs Hon. Members in the fulfillment of their duties. The Hon. Minister used certain words in his remarks to the press which expressed in forceful terms his opinion of a certain action by the committee. There is no doubt that these words were critical of the committee. However, it was not apparent to the Chair that the freedom of action of the committee or of any Hon. Member had been restricted by anything the Minister said. He was expressing an opinion, not giving an order to his public servants. In fact, the Hon. Member for Laprairie applauded the President of the Treasury Board (Mr. de Cotret) for defending his employees in such a spirited manner.

[*English*]

The Hon. Minister's words, which were no doubt delivered spontaneously, did nevertheless reflect upon the committee's actions. The limits of parliamentary privilege are very narrow and have never been precisely defined. Privilege should never be interpreted in such a way as to be an obstacle to the free expression of opinion. At the same time, we all need to be careful in our choice of language when speaking of the legitimate proceedings of the House or its committees.

Although the Chair finds no *prima facie* evidence of a question of privilege in this case, it is always wise to avoid offending those susceptibilities which can lead Hon. Members to raise complaints of this nature.

I want Hon. Members to take note of the fact that the Chair has very carefully examined the context in which the words of the Minister were spoken. On close observation I think that it is clear that—and I repeat this because it is important—the Minister was not giving any orders to any members of the Public Service. I hope that Hon. Members will review carefully this judgment and that the committees of the House will examine carefully the reiteration that has been set out in it of the powers, obligations and duties of committees of this place.

Some Hon. Members: Hear, hear!

GOVERNMENT ORDERS

[*English*]

THE BUDGET

FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The House resumed consideration of the motion of Mr. Wilson (Etobicoke Centre) that this House approves in general the budgetary policy of the Government; and the amendment of Mr. Garneau (p. 3594).

• (1540)

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, I am happy to be able to participate in the budget debate this afternoon. In examining the record with respect to those speakers who have gone before me I note that we have not yet heard from many Members across the way who represent the Province of Nova Scotia, the province in which my constituency is located. I hope that in the days that remain for the consideration of this motion we will have an opportunity to hear firsthand how Members of Parliament, and in particular members of the Government, view the Budget and the effects it will have on the residents, not only of Nova Scotia but, indeed, of Atlantic Canada and the country as a whole.

The Minister of Finance (Mr. Wilson) in previous Budgets, and indeed in previous statements in the House of Commons, has stated clearly that it was not his intention to raise taxes. I believe he made that statement in March of 1985. If ever there was a contradiction or a breach of that undertaking or commitment, it is found in the recent Budget of the Minister of Finance. I say that not in a gloating way to point out another mistake or another broken promise of the present administration, because there have been so many, but because this Budget has great ramifications for ordinary Canadians who look to the national Government for assistance, leadership and, indeed, some sense of compassion and understanding.

I wish to point out that from 1984 to 1988 total government revenues will increase by $22.3 billion. That is a significant amount of money. Individual taxes will increase by $22.8 billion during the same timeframe. That is a phenomenal increase with respect to individual taxes. During that same period of time corporate taxes will drop, and drop significantly. They will decrease by $2.2 billion. In effect, the corporate tax base is eroding. The Minister of Finance has recognized that, and in his Budget Speech he said that corporate income tax collections for 1985-86 were approximately $1.2 billion below the level expected at the time of the February 1986 Budget. On the one hand we have average, ordinary Canadians facing an additional tax burden of $22.8 billion over the timeframe 1984-88, while on the other hand we have corporations which will see a reduction of approximately $2.2 billion.

The Leader of Her Majesty's Official Opposition stated in Toronto some months ago before a massive crowd of supporters and admirers that the growing gap between the rich and the poor is significantly on the increase and that power is becoming more and more concentrated in the hands of a select few Canadians. There is evidence for this which I have not taken out of the air. There is specific detailed evidence which is contained in the *Budget Papers* tabled in the House by the Minister of Finance. So we can see that there is a major gap, and the gap is widening, between the rich and the poor.

In 1984-85 individual taxpayers provided upwards of $43.3 billion in revenues. In 1987-88 they will provide $66.1 billion, whereas corporations will provide only $9 million. Again, this is clear and unequivocal information provided by the Minister of Finance in his budgetary papers which show very clearly that individuals in Canada are paying substantially more while corporations are paying substantially less. Knowing your interest, Mr. Speaker, in percentages and how they work in this great country this means that, as a result of this Budget and previous ones, individual Canadians, whether they live in the Province of Newfoundland, Ontario, Quebec, any of the western provinces or, indeed, any of the remaining Atlantic provinces, will be paying a significant increase in individual taxes amounting to 52.5 per cent.

I had hoped that Members opposite would have attempted to try to see some equity in the way in which the Government carries out its operations. When one looks at the corporate side, what does this mean in terms of percentages? It means a reduction of 18.1 per cent. This points to a clear and unequivocal gap between those who have and those who do not. The budgetary measures of the Minister have contributed remarkably to that situation.

With regard to the imposition of federal sales tax and the effects it will have on individuals in the country I wish to quote the following:

> The federal sales tax is unfair and inefficient. It is a silent killer of jobs. It levies a higher tax on average, one-third higher on domestic manufacturers than on competing imports. This leads to plant closures and lost Canadian jobs. The base is narrow and similar goods can have very different burdens of tax. The sales tax is coming under increasing pressure and reform is increasingly urgent.

• (1550)

Perhaps you would have thought, Mr. Speaker, that those were the comments of a member of the New Democratic Party or, better still, a member of Her Majesty's Official Opposition, the Liberal Party of Canada. It was neither. They were the words of the Minister of Finance, talking about the federal sales tax.

From where was the quotation taken? It was taken from the *Budget Papers* as tabled by the Minister of Finance. What has the man from Bay Street done with regard to the federal sales tax? Has he attempted to reduce it, as one would logically think as a result of the statements in his Budget? No, he is extending the federal sales tax to kiddy snacks.

He said to the young people of the country that it was a terrible, unfair, and inefficient tax, that it was a silent killer of jobs. However, what is he doing? He is extending it to kiddy snacks. I find the hypocrisy of such action to be quite alarming. In fact, it is appalling that the Minister of Finance would want to do that in light of the statements in his Budget. Unfortunately, we have come to recognize and to accept this type of behaviour from the Government of Canada, we have seen it in so many areas of the Government's operations.

Other matters were addressed in the Budget of the Minister of Finance. On December 11, 1979, I attended a conference in Toronto. On that particular evening I turned on the television only to see the Government of that day being defeated, because it introduced a Budget on the floor of the House of Commons which resulted in an 18 cent per gallon increase in the price of gasoline. Canadians in large numbers rejected it, as indicated by the subsequent seats won by my Party and by the New Democratic Party and the loss of seats by the Party opposite. They did not want to see the price of gasoline rising to the extent the Conservative Government of the day suggested.

What do we have in the present Budget? What has been the cumulative effect of the Budgets of the Minister of Finance? On the one hand he increased gasoline by one cent per litre. Days later, not weeks, months, or years, the industry turned around and increased the price of gasoline, which had an effect upon motorists and various sectors of the economy.

The increase in the fuel sales tax has been approximately four cents per litre or about 18 cents per gallon since the Conservative Government and the Prime Minister (Mr. Mulroney) took office in September, 1984. Hon. Members opposite laugh. They find some intrinsic joy in the fact that there have been increases in the price of gasoline. I want to share with them that Canadians in different regions of the country recognize that increases in the price of gasoline will not only have negative effects upon our farming and fishing industries, but they will have devastating effects upon a sector of the economy, in which all political Parties agree there is an opportunity for huge economic growth, that is, the tourism sector. Mr. Speaker, 75 per cent of our neighbours to the south who travel to Canada do so by automobile. What have we as a nation said to them? What has the Government said to those individuals? It is throwing up road-blocks. It does not want tourists to come to our country. If that were the case, the Government would certainly not be supporting such tremendous increases in the price of gasoline.

It can be fairly argued that there was only a one cent increase in the present federal Budget. I agree. However, it triggered the private sector to leap-frog in terms of increasing the price per gallon of gasoline. Petro-Canada, which is in existence to serve Canadians and be a window on the oil and gas industry, increased its price per gallon of gasoline. The Government had every opportunity pursuant to the Financial Administration Act—and probably the Minister of National Health and Welfare (Mr. Epp) would have liked to have done it if he were the Minister responsible for Petro-Canada—to issue a directive saying very clearly, "Do not proceed with a two-cent increase in the price of gasoline".

I would have hoped Hon. Members opposite would have seen the tremendous effect which that increase in the sales tax per gallon of gasoline would have on various sectors of our economy and on people. Jobs will be affected negatively by this particular Budget.

The Budget made some substantive cuts with regard to expenditures in CIDA amounting to $150 million. This is the same Government which advocated only yesterday, through a number of musings or sentences given by different Ministers, that it had a concern not only for bilateral trade but for multilateral trade. When someone says one is concerned about multilateral trade, and when we examine carefully the cuts which have taken place in CIDA and in other aspects of that federal Department, we can fairly and objectively question the hypocrisy of the Government of the day.

Other budgetary measures ask Canadian employers to pay bi-monthly unemployment insurance and CPP premiums. This is a change from the past. We know it is a very slick way, an accountant's way, of fooling with the deficit.

There has been a $200 million cut in national defence by the same Party which advocated that there would be major additional expenditures. Perhaps the greatest reduction—and I underline it for Hon. Members opposite—has been the one in the regional economic development envelope of 39 per cent. On the one hand the Government has said that it is concerned about regional economic development and that it wants opportunities for people in various regions of the country. When it comes to putting money and putting forward innovative programs to assist people in poorer regions, what do we have? We have a 39 per cent reduction in the regional economic development envelope.

• (1600)

The Minister of Finance has ruled time and time again that he has given a tax credit to eastern Nova Scotia, that he has provided the Atlantic Opportunities Program and the Atlantic Enterprise Program and that he has provided assistance under

employment and immigration. But we know those things are not working because the Prime Minister said on August, 1986, as reported in *The Globe and Mail*:

A humble Prime Minister Brian Mulroney acknowledged last night that the Government has made its share of mistakes and has not yet found a way to allow Newfoundland to share in Canada's wealth.

"We've made mistakes as we shall—mistakes being made by men and women trying to do good for you," he told a partisan crowd of 1,500 people.

That admission by the Prime Minister that his policies are not working was made in August, Mr. Speaker. He reiterated it in October, 1986. And now we have the Budget and find that there is a 39 per cent decrease for the regional economic development envelope. There are no new programs. There are no new solutions being offered whatever.

I find it rather unsettling that members of the Government would rise in their places and extol the great virtues about the economy of Canada when we know that seven out of ten provinces have higher unemployment than before the recession of 1982. You can, therefore, understand my reasons for not supporting the Government in this particular venture, Mr. Speaker. I would have liked to do so if the Government had provided some real leadership in providing equal opportunity for Canadians regardless of where they may live. That is not to suggest that I, as an Atlantic Canadian, want to see the wealth of Ontario eroded at my expense. That is not what I am suggesting. What I am suggesting is that the wealth of Canada be shared and shared fairly. Those of us who represent ridings in the peripheral regions of Canada must have the same opportunities as other Canadians regardless of one's geographical birthplace. By the evidence of the Minister of Finance's Budget, that objective has not been met by the Government. That is why I will not be supporting the Government in its economic thrust in the tabling of its budgetary documents.

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

* * *

MESSAGE FROM THE SENATE

Mr. Deputy Speaker: I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate has passed Bill C-12, an Act to amend the Prairie Grain Advance Payments Act, without amendment.

GOVERNMENT ORDERS

[*English*]

THE BUDGET

FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The House resumed consideration of the motion of Mr. Wilson (Etobicoke Centre) that this House approves in general the budgetary policy of the Government; and the amendment of Mr. Garneau (p. 3594).

Mr. Walter Van De Walle (Pembina): Mr. Speaker, it is a pleasure for me to participate in the budget debate and to speak to the people of Canada on behalf of the residents of the Pembina constituency. As an Albertan and a proud Canadian, I am honoured to represent the great constituency of Pembina.

At the outset, I would like to express my sincere thanks to the voters of Pembina who bestowed this great honour upon me. Over the years, as residents of Pembina, we have enjoyed remarkable representation and leadership by our elected members. No Member of this Chamber worked harder or more diligently than my predecessor, Peter Elzinga. As a member of the agricultural fraternity, I am especially pleased that he has been charged with the responsibility of serving as Alberta's Minister of Agriculture. I know that all Members of the House of Commons would want to join with me in extending our best wishes to Peter.

I would like to thank all those Members who so graciously welcomed me to this House and the members of the Alberta caucus for their excellent counsel. I would be remiss if I did not pay special tribute to our Prime Minister (Mr. Mulroney) for his untiring support. It was during the Pembina by-election, when there were those who attempted to deny the Prime Minister and myself the right to freedom of speech, that he demonstrated to me what it takes to be a leader.

To my good friend, the Deputy Prime Minister, the Hon. Member for Vegreville (Mr. Mazankowski) who encouraged me to seek the Conservative nomination, I extend my thanks for his continuing support and encouragement. All of this is comforting to me as a rookie Member of Parliament. I look forward to serving my constituents and working with my colleagues, the Members of the House of Commons, to build a better Canada.

In 1984, Canadians gave this Government a mandate to get the economy back on track. Albertans and, in fact, all Canadians, can give assent to this Government's accomplishments in taking control of federal spending; in taking a skyrocketing deficit of $38 billion and in two short years reducing it by $6 billion with an anticipated further decrease next year to $29.3 billion. Interest rates have been reduced to less than half of what they were two and a half years ago. Inflation is under control. This Government is providing sound financial management.

However, there is the problem of regional disparity. While parts of Canada are flourishing, others are not. Alberta, with unemployment in excess of 12 per cent, is hurting. The February 18 Budget was not one of policy or sweeping change. Rather, it was a summation, an accounting of what our Government's actions have provided to date, a firm plateau from which we will meet the challenges of addressing regional disparity, economic renewal and tax reform.

The Budget was positively received by the Canadian Chamber of Commerce and the Canadian Federation of Agriculture.

Pembina is a large, diverse constituency, stretching from the small rural communities in the North through the fertile farmlands surrounding Clyde, Legal, Morinville, Thorhild, Radway, Bon Accord, Gibbons and Bruderheim, with the Town of Westlock as the centre of a thriving agricultural area, through the industrial areas of Redwater and Fort Saskatchewan to the densely populated metropolitan area surrounding Edmonton.

Pembina has many resources. Our greatest resource is people. Pembina, with a population in excess of 160,000, includes the municipal districts of Westlock, Sturgeon, part of Thorhild and the county of Strathcona, Alberta's newer cities, St. Albert and Fort Saskatchewan, the Alexander Indian Reserve and the world's largest hamlet, Sherwood Park.

The growth of Pembina is an interesting saga. Like the rest of Canada, adventurous explorers, fur traders and missionaries heralded the development of a new land. Father Albert Lacombe is perhaps the best known of western Canada's missionaries. His influence spread throughout the northwest as he fearlessly and relentlessly preached the word of God to the Indians and European settlers. In 1861, Bishop Tache named the new mission St. Albert after Father Lacombe's patron saint. The Grey Nuns arrived in the area in 1863 and have maintained a presence in the fields of education and health services.

• (1610)

Over the years Alberta has been known for its agricultural products. Only in recent times has the production of gas and oil come to the forefront. Pembina was developed by pioneers looking for a new start. The homesteaders were French, English, Ukrainian, Dutch, German and countless other nationalities. My parents emigrated from Belgium to this land of opportunity. All of these settlers have contributed to the cultural diversity of Alberta and our nation.

Ours is a heritage to be proud of. Canada is a great country, the envy of nations throughout the world. The people of Pembina are much like the citizens of each part of Canada. They are young and old, urban, rural, but most of all they are proud to be Canadians. We want to belong. We want to be part of the mainstream of Canadian life. Their dreams are to be self-reliant, free to choose a place to live and raise their families. They want security of person and community.

Albertans are pleased with our Government's initiatives to introduce reforms to the criminal justice system dealing with pornography, drug use, soliciting, computer crime and sexual abuse of children. We do not see ourselves as hewers of wood and drawers of water to serve other parts of Canada. That is part of the past. Albertans look with vision to the future. We see ourselves in a partnership with thousands of Canadians working together for the betterment of Canada.

As great as our nation is, it does have its challenges. Transportation and communications are two of the most significant. The average Canadian has not travelled through Canada extensively and has limited knowledge of our vast country. What do Maritimers have in common with folks in British Columbia? What do Albertans know about the complexity of the industrial sector of Ontario? Do the people of Quebec really understand the oil and gas issues of Alberta? If as a Member of Parliament I can play a small part in improving Canadians' understanding and knowledge of Canada I will consider my participation successful. I am firmly convinced that by understanding and knowing one another we can build a better and a united Canada. An excellent way to contribute to this unity, and one which Pembina residents fully support, is an elected Senate. The Senate must provide equal representation from each province. It could effectively become a respected House of sober second thought.

What do the people of Pembina want? They want peace. They want law and order. They want less Government. They want jobs and they want opportunity. Most of all they want to belong. If Members of this House think about it they would probably find that their constituents want exactly the same things. How do we achieve these goals? First we must understand each other's needs and aspirations. Our agricultural industry is suffering. Canadian agriculture production figures are substantial. However, in world terms the numbers are small. In spite of the challenge, our industry has done well over time. We have become more efficient, crop varieties have improved and new crops have been developed. High quality and the assurance of delivery has enabled Canada to compete in a very competitive world market. Now a new monster has arrived. It is called the subsidy. It is a game played by the Treasuries of the EEC and the U.S.A. Massive subsidies have made it economically possible to produce crops in areas heretofore thought unproductive. Subsidies have resulted in the EEC becoming an exporter of grain. In addition, subsidies reduce the sales price to ridiculously low levels. The U.S. responded by subsidizing its exports to maintain its market share. What happens to Canada? The game is played at our expense because we cannot afford to play. We have to take every opportunity to convince the players that the game is senseless. Discussions initiated by the Minister responsible for the Canadian Wheat Board with other producing countries are encouraging. At the GATT negotiations Canada must take a strong position. Too often in the past our Government has compromised its position. We have to ensure that Canadian agriculture receives the attention it deserves.

A viable agriculture industry is imperative to the economy of our country. The Minister of Agriculture's announcement of the $1 billion assistance program to supplement the cash flows of grain farmers affected by the dramatic drop in world wheat prices was good news for a suffering industry. This, coupled with the elimination of the fuel tax, reduced interest rates, the establishment of debt review boards, and the $500,000 capital gains exemption, along with the western grain stabilization

payments, will help many western farmers remain in business. While the international mess is being sorted out, the economy of our country will benefit from this assistance program.

However, other programs will have to be considered, for example, equity financing and more flexible repayment schedules. Yet that is not the long-term answer. Canadian farmers do not want subsidies and hand-outs. They want dependable markets and a reasonable price for their products, just like any other businessman. As a Government we must create an economic and international environment which will enable our agriculture industry to do what it does best, produce massive quantities of high quality food products to be sold competitively on world and domestic markets. In this context the importance of research, innovative market development and efficient transportation cannot be overlooked. In this vast country only 5 per cent of the land is fertile, ideal for growing food. Proper land use and soil conservation are essential to our nation's well-being. Diversification and processing of our agricultural products must take place if Alberta is to reach its full potential. Canadian consumers recognize the importance of our food production and the need for a strong agriculture industry in Canada. They will support future government incentives in the field of agriculture.

Many residents of Pembina depend on the oil and gas industry for their livelihood. They work in oil fields, gas plants and for hundreds of small companies which provide goods and services to the industry. It is frustrating for those who are unemployed because they know that Canada needs the energy, and exploration and development must continue if we are to have security of supply.

• (1620)

During the past decade the National Energy Program, instituted by the previous Liberal Government and supported by the socialists, siphoned billions and billions of dollars from Alberta. It was a devastating tax, not on profit but on production. Today Alberta's oil economy is hurting. I call on the Government to assist the oil and gas sector. We ask nothing more than what other sectors of the economy are receiving, such things as flow-through shares and earned depreciation allowances. I do not have to remind the Members of this House that all Canada benefits from a healthy energy sector in Alberta.

The downturn of the economy in Alberta has dramatically affected the construction industry. Residential and industrial construction is grinding to a standstill. Trades people, construction workers, and related supply industries have felt the brunt of this disaster. Only immediate action by the Government in co-operation with the Province of Alberta will get the construction industry rolling again starting with the expansion of industries, building of roads, construction of homes, and development of our tourist attractions.

Employment is a federal responsibility. I am confident that in the spirit of fairness and national unity these regional disparities will be addressed. Economic diversification is the key to long-term vitality in Alberta. Major opportunities exist for development of our coal industry. Low-sulphur coal is ideal for industrial use in Ontario. It minimizes the acid rain problem and makes pollution control much easier. I challenge the Governments of Alberta, Ontario, and Canada to get this project moving. It is in the interest of our nation.

These days "high tech" is the word. Many communities in Alberta are trying to attract the best in computers and electronics. I am pleased that the Government recognizes the future of the electronics industry.

One great opportunity comes in the form of tourism as a national renewable resource. Every part of Canada is a tourist attraction, no matter how small the community. We have it all; scenery, mountains, lakes, wildlife, the arts, language, culture and recreation. We just have to seize the opportunity, advertise our advantages, and welcome the tourists in a manner they will not forget. We want them back again and again. As we say in Alberta: "Smile, you're a tourist attraction".

Canada is a trading nation. A large amount of what we produce is for export. Trade means jobs. I would like to commend the federal and provincial Governments for their united efforts in the field of international trade. We must move in the direction of processing more of our raw materials and exporting semifinished or fully manufactured goods. Albertans welcome the Government's free trade initiatives. In view of the growing protectionism in the U.S. these trade negotiations are paramount to the future of our country. The members of the European Common Market have negotiated an agreement as have Australia and New Zealand. Why not Canada and the United States? It will mean wealth and jobs for Canadians. Alberta welcomes the opportunity.

I would like to stress the support of Pembina residents for the free enterprise philosophy. Governments should not be in business but, rather, should create a constructive environment so that business can flourish on its own. Albertans recognize the steps taken by the Government to date in the area of privatization of Crown corporations. When will we get some action on PetroCan and Air Canada? The Government is to be commended for its initiative in becoming a facilitator and regulator rather than a competitor in the business community.

Like the residents of Pembina, Mr. Speaker, I am very positive about our future. We have much to be thankful for. Canadians have a strong, proud heritage. We have unlimited resources and opportunities. We have the youth and vigour to make us leaders. Canada is a land of opportunity, a country of challenges. Alberta is determined to play a role in the destiny of our nation. Let us work together to understand one another and help make Canada an even greater country.

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, in taking part in this debate on the Budget I must record my very grave disappointment with the Government's spending and taxation proposals. This Budget is certainly a missed opportunity to do some good for Canadians, to promote job creation and fairness. The Government is utterly failing in

imagination. There are no bold initiatives in the Budget to deal with unemployment. The area from which I come, Toronto, Broadview—Greenwood, is one of the better off areas of the country with regard to jobs, but we know that people in other parts of the country are suffering greatly. They cannot look to the Government or this Budget for any relief or hope that job creation and regional equality will be a priority.

The Government could be bringing forward positive measures in terms of improving the productive capacity of our country, in terms of developing our primary and manufacturing resources, and in terms of investing in science, research, technology, post-secondary education and job training in order to promote economic opportunity for Canadians. However, the Government has failed to do that in this Budget.

There is no tax reform in this Budget. That has been put off to a later date. We are not sure what that date will be. We suspect that any measures along these lines will be brought in as a pre-election goodie to be handed out by a cynical Government that has not done very well and will be looking for ways to earn back the esteem of the Canadian public.

I note that the Government completely missed the opportunity to deal with the child care issue in this Budget. There is not a penny more for child care in it. We have a hypocritical Minister responsible for the status of women who is also responsible for privatization. Her heart is certainly more in her responsibilities for privatization than in the promotion of the status of women. She said that rather than putting the wrong amount in the Budget it is better not to put in a dime. That means that there are zero dollars for child care while we all recognize that there is a crisis in that area.

Families across the country have been asking the Government to deal with it and get on with the job of sharing the responsibility of parents for the raising of children. Our Party recommended an immediate infusion of $300 million for child care while awaiting the long term and gradual development of a national child care system. This infusion of funds has been demanded by the organizations concerned with child care and the professionals involved, yet there is not a dime in the Budget for that purpose.

I note also that the Government claims to be reducing the deficit with this Budget. Let us be clear about what the Government's precise intentions are. Let us be very clear that the accumulated deficit is growing. When government Members talk about nibbling away, picking away, chopping away or chiselling away at the deficit, they are not talking about the accumulated deficit and actually reducing the debt-load which Canada bears. The accumulated deficit continues to increase. The only point they can make is that it is accumulating at a slightly slower rate than it had been during the last couple of years under the previous Government.

If we use the figures for net public debt from the Department of Finance using a public accounts basis, which is a very conservative one, in 1981-82 we had a net public debt or accumulated deficit of just over $100 billion. It rose to $128 billion in 1982-83. That was the beginning of the recession and the reason for an increase in the accumulated deficit. The effects of that recession were felt very strongly in 1983-84, when the accumulated debt went up to $160.7 billion; to $199 billion in 1984-85; and to $233 billion in 1985-86. That is what I call a growing deficit. The best the Government can say about the annual deficit is that it has not done as badly as the worst years of the previous Trudeau regime.

• (1630)

The Government's record is not impressive and one must still refer back to the example of Tommy Douglas in Saskatchewan when one talks about reducing the deficit. Saskatchewan had the largest per capita accumulated deficit in the country when the CCF took over in Saskatchewan in 1944. Under a CCF Government, the deficit gradually reduced year by year until it was eliminated completely 20 years later. That was accomplished by Tommy Douglas and Woodrow Lloyd and CCF Governments.

Last year the Government predicted an annual deficit of just under $30 billion, which is the predicted deficit for this year. We know that the Government had to raise that estimate to $32 billion last year and it can only predict an annual deficit of under $30 billion this year because of the projected sale of Teleglobe. It is selling off the family jewels, or the family silver, as that profitable Crown corporation has been referred to, in order to come under the magic figure of $30 billion.

The annual deficit in 1984-85 was $38 billion, $34 billion in 1985-86, and $32 billion for 1986-87. The projected deficit for 1987-88 is $29.3 billion. We do not consider that as chiselling away at the deficit.

Budget restraint is another key word in the Government's rhetoric. Let us consider what spending restraint means. While the Government certainly has changed its spending priorities, in my opinion those changes are not for the good. We should not be under the illusion that there is general budget restraint because there is no decrease in government spending over-all. While it is decreasing spending in some areas, including some which are very important to people, it is increasing spending in other areas.

Total budget expenditures in 1984-85 were $96.5 billion. In 1985-86 they were $103.6 billion, and for the current fiscal year 1986-87, they are $107.4 billion. Such an increase every year is not budget restraint and reduced spending.

The Estimates for 1987-88 show $110.1 billion, which is a 5.1 per cent increase over last year. It is idle to talk about budget restraint and reduction in expenditures when there is an increase greater than the cost of living and greater than the increase in Gross National Product. That is not budget restraint.

However, there has been restraint in areas of low priority. The Government wanted to reduce spending even further by cutting old age pensions. We know that it cut family allowance in its partial deindexation and plans to cut the child tax credit.

It is neglecting major areas of support for families, such as child care.

The major components of the Government's Budget show increases rather than restraint. Program spending for 1984-85 was $86.8 billion. In 1985-86 it was $85.8 billion, and in 1986-87 it was up to $89.4 billion. The next projection in program spending is $94.5 billion.

The interest on the public debt, the accumulated deficit, is also rising. In 1984-85 the Estimates indicated it at $20.3 billion, although the actual expenditure was a little higher. In 1985-86 it was $25.5 billion. For this fiscal year of 1986-87 it is $27 billion, and for next year it is $28.2 billion. When we consider the interest on the public debt and program spending we see that restraint does not exist. Instead, the Government has other spending priorities such as a penitentiary in the Prime Minister's (Mr. Mulroney) riding, and is even spending millions more so that it can be completed before the next election.

The Government is spending more money for contracting out. The Government is cutting back on the Public Service through firing and attrition. There is a projection of a loss of 15,000 jobs in the Public Service in the next three years, some of which have already been lost. However, cut-backs in the Public Service do not mean there will be savings in public expenditures because those services are being provided by contracting out. Instead of paying an employee a reasonable wage and providing reasonable job security and working conditions, services are contracted out to small companies which may or may not be making donations to the Party in power and certainly will be making a profit.

In order to do that, it will either have to boost the price of the contract substantially or reduce the wages of the employees. We know in the case of contracting out for cleaning services that the cleaners have seen their wages, which were already low, drastically reduced. In some cases there is a reduction in wages and increased cost to the Government. I submit that this does not represent restraint. The Government is not saving the taxpayers any money, but is only making public expenditures in a different fashion. Yet it does mean a loss in job security and a loss of good job opportunities. Women especially are concerned about being hired last and fired first in the Public Service. They see many of their jobs as the ones which will not survive the cuts in the Government's planned reduction in the Public Service.

Since the Government is not reducing its over-all spending, it is trying to lower the annual deficit by increasing revenues. It is doing this largely by increasing hidden taxes such as the sales tax, gasoline tax, tax on snack food, tobacco, airline tickets, and increasing a number of other taxes. Since the Conservatives formed the Government, the average family, being the family with a $35,000 income and two dependent children, have had a tax increase of $1,384.

There are other ways to increase revenue. The Government could have eliminated the $500,000 lifetime capital gains tax exemption for wealthy persons. That is a major loophole that was introduced into a tax system which already had far too many loopholes. The Conservative Government could eliminate that loophole and increase revenues. It could eliminate the increased Registered Retirement Savings Plan limits which are primarily utilized by wealthy people. They will be favoured with yet another tax loophole. The Government could eliminate tax loopholes by which 79,000 profitable Canadian corporations pay no income tax. This would be a very effective way to raise revenues.

It is interesting to note that the Estimates predict a 25 per cent increase in corporate profits for the next fiscal year, yet the Government does not plan to collect 25 per cent more in profits from corporations but a mere $365 million while planning to collect $7.5 billion more from individuals. It is shameful that heavy taxes on individuals and families continue to accelerate while corporations, even those that are profitable and expecting higher profits, will get away with very low taxes. Individual taxes are going up from $37.8 billion to $43.3 billion. Corporate income taxes are going up from $9.4 billion to $9.8 billion. That is a very pathetic increase in comparison. Corporations used to pay half the income tax revenue in the country. They are now only paying a very small proportion. The slide started under the Liberals and it went on for a long time, but it has accelerated under the Conservatives. In 1984-85, the last year of a Liberal Government, personal income tax raised 41 per cent of total revenues. Now it is at 43 per cent. Corporations paid 13 per cent of total revenues and now pay 9 per cent. With respect to personal income tax, this represents a 48 per cent increase over the last Liberal year. With respect to corporations, it is only a 4 per cent increase. These are massive changes. This acceleration in unfairness has continued.

• (1640)

Unemployment insurance contributions have gone up 34 per cent. Sales taxes have increased even more dramatically at 62 per cent. The taxes which are not so visible continue to go up and the unfairness increases.

I would like to spend a few minutes talking about the area for which I am particularly responsible and that is the area of culture. In the Government's Estimates for the cultural agencies, we see there are winners and losers. Over-all spending is down. It has not kept up with the cost of living, which was a promise of the Conservative Government. Unfortunately, the Minister of Communications (Miss MacDonald) issued a seriously misleading statement on the Estimates after they were tabled. I would like to quote from the news release:

> In a statement issued in Ottawa today, Communications Minister Flora MacDonald said she was pleased that the monies available to the CBC for the fiscal year 1987-88 would increase by $50 million and resources of the Communications portfolio would increase by $82 million.
>
> The Minister also noted that although the resources available for the operation of her department will decrease by $2 million, the following cultural agencies will see their overall resources increased by $34 million:

She then listed those agencies; Canada Council, $5 million; Telefilm Canada, $3 million; CRTC, $2 million; National Film Board, $1 million; National Library, $1 million; National Museums, $19 million; Public Archives, $1 million; and the National Arts Centre, $2 million. Unfortunately, these figures are fraudulent. The Minister has made up a totally new category called "resources", and people would be misled into thinking that this is what the taxpayer is providing these agencies. That is not the case. What the Minister has done is to add up the parliamentary appropriation plus other moneys available. Therefore, if the National Arts Centre increases the price of its food and drinks, and it is doing so, then its resources go up and it makes it look as if the Government were giving it more money, which is simply and totally untrue. Instead, the National Arts Centre is actually receiving a 4.1 per cent decrease in real terms in its parliamentary allocation. Instead of a $2 million increase, it has received no increase in money. In real terms, that is a decrease. The Minister claimed a $5 million increase for the Canada Council. In fact, it is about level. It turns out to be a 0.1 per cent decrease, a very slight decrease. I note that the moneys the Canada Council will have available to give out in grants will actually be $2 million behind next year as compared to this year. That is not an increase and it means that artists will have less money available to them.

There have been increases for some areas such as museums, but, of course, they are moving into two new museums and so there are expenses regarding that. Of course, the CBC, our major cultural agency, suffered a very major decline of 13 per cent in its spending since the Government took office. The amount of money available to the CBC today is only 87 per cent of what it was in real terms when the Government took over and, of course, the Government promised at least cost of living increases. We see this as a really tragic loss to our cultural agencies.

[*Translation*]

The Government must be condemned for its lack of imagination and initiative in this Budget. It had an opportunity to promote job creation and investment in the future of this country. It could have supported post-secondary education, vocational training, and technological research and development. Unfortunately, instead of resolutely looking to the future, it failed miserably. Instead of boosting economic renewal, it chose to protect its friends the private companies. Instead of doing justice to families and ordinary Canadians, it saw fit to raise their taxes even more, directly and indirectly. The measures which benefit the rich, such as capital gains tax exemptions, are still there. It is not a realistic Budget, it is not a practical Budget, it is not a fair Budget, it is not a Budget—it is a scandal.

[*English*]

Why do we have such a stand pat, do nothing Budget? I suggest there is a reason. The Government has other fish to fry. It has other priorities. It thinks the way out of our economic difficulties is to rely on the economic renewal of another country and to hitch our star to the United States in a free trade agreement. Of course, historically both Liberals and Conservatives have looked to trade as a panacea. There was the scandal in the 1930s in the midst of the Depression when both Parties advocated trade as a panacea. They were not prepared to spend. They were not prepared to put money into job creation or unemployment insurance or any other of those practical measures. They both vied for the title of being the Party most in favour of trade. So we have seen in the past that this issue has been treated as a panacea and, of course, it has not worked.

I am very proud of the record of the Government of Manitoba and of Yukon, both NDP Governments which have actually reduced unemployment. They have done this not by relying on illusory measures such as trade, but by making job creation a real priority, by developing measures of import substitution, by local purchasing plans, by very concerted practical, detailed plans to get their economies moving and to get people back to work, and of course they start to receive tax revenue and can support in a stronger way than ever before the social programs we need.

The New Democratic Party has positive, concrete proposals for economic renewal. Until we have the opportunity to implement them, we will be working as much as we can in opposition to advance those ideas. We will be favouring fair measures over unfair measures, job creation over acceptance of the status quo of a high rate of unemployment. This Budget is not in the interests of average Canadians. It is not in the long-term interests of our country. For these very good reasons, my colleagues and I in the New Democratic Party will be voting against this Budget.

Mr. Holtmann: Mr. Speaker, I listened with interest to the Hon. Member for Broadview—Greenwood (Ms. McDonald) and the position she put forward on behalf of the New Democratic Party. It has me just shuddering to think of that Party ever coming to power. With the type of attitude the Hon. Member expressed today, I wonder that she could even consider putting a government together with any kind of a policy.

She made some mention of Mr. Tommy Douglas and what he once did in Saskatchewan. I thought she was purposely going to avoid talking about Manitoba. However, toward the end of her speech she said that Manitoba is doing the right thing. I am proud of Manitoba. We do have the lowest unemployment rate in Canada, but it has a lot to do with the federal Government as well. If the Hon. Member had paid any attention to Manitoba she would have looked at the recent Budget of the Minister of Finance of that Province. We all know how the NDP represents the ordinary Canadian. As a result of the Budget in that Province someone earning $18,000 a year will now have to pay $400 per year in taxes. That is how the NDP Government looks after the interests of the average person in Manitoba.

• (1650)

It has been reported on the front page of Winnipeg newspapers that the NDP has made a record tax grab in Manitoba. The Province now has the highest per capita debt in Canada. Manitoba, under an NDP Government since 1981—something which the Hon. Member praises—will now have to cut programs.

The Hon. Member says that her particular interest is with respect to culture. She criticizes the Government for reducing expenditures in culture. However, she also criticizes the Government because the national debt is going up just a little too high. How in the dickens can one spend more here and save more there and criticize us for saving and not spending? The Hon. Member says that she knows what she would do. She would tax the rich some more. She would tax the corporations. In every speech made by a member of the New Democratic Party over the last two-and-a-half years they have criticized every program that we have ever cut. They would rather that we increased spending in those areas. On the basis of that type of rhetoric instead of a proposed $29 billion deficit we would probably be looking at a $75 billion deficit. They would go to the Canadian public and say: "We will tax the rich a little more to get that money back".

How can the Hon. Member stand in her place and talk about Manitoba with its tremendous deficit per capita and its reductions in programs when the administration of the Province since 1981 is now making all sorts of tax grabs? Is that the way her Party would operate if they were to come to power, God forbid?

Ms. McDonald: Mr. Speaker, I am glad to have a chance to expand on my remarks. The Hon. Member for Selkirk—Interlake (Mr. Holtmann) expressed great horror about a Party such as the New Democratic Party coming to power federally. It seems I need to remind the Hon. Member, since he is not very aware of the fact, that our sister Parties in European countries have been in government for years—in fact, decades. They are in government in countries in the industrialized world where there are high levels of prosperity. These are advanced welfare states, countries with good educational systems and good medicare systems. These countries also happen to have astonishingly low rates of unemployment and great economic growth. They have been extremely successful. Sweden comes to my mind in this respect. Even during the recession Sweden managed to keep unemployment far below the rates we experienced without having a recession. Parties with policies such as my Party have formed Governments and have proven to be successful.

With respect to Manitoba the Hon. Member railed away about how miserable it is to be in Manitoba. Why has business investment increased in that Province? Why has it had the highest per capita business investment in the last few years when compared with other provinces? Evidentally, investors think the climate is good. The low unemployment which exists in Manitoba is good for business. It means that there are people with jobs, people with incomes who are buying things. Indeed, the Government of Manitoba has raised taxes. However, I note that taxes for lower income Manitobans, those earning $11,000 and under, are actually being decreased because they are the people who are in the toughest straits. The Government recognized the need to increase taxes if it wanted to keep up its spending in the areas of social programs and economic investment.

There is a jobs strategy in Manitoba, an economic plan, into which the Province has continued to put money. As well as supporting social programs it has expanded programs in the areas of child care, women and medicare. The Province has not cut back in the area of social spending, something which the federal Government wants to do. Given the alternative of cutting back or raising taxes, the Government of Manitoba chose to raise them. I think it did so in a very fair way. The taxes of those who are better off have been raised while those who are not so well off have had their taxes decreased. The federal Government is increasing the taxes of lower income Canadians. Indirect taxes are regressive taxes. Sales tax falls on all people. Even the implementation of the tax credit, which is a good idea, does not make up for the fact that, proportionately, poor people pay higher taxes.

With respect to the idea that corporations cannot pay more, I remind the Hon. Member that there are 79,000 corporations in Canada which make a profit and which do not pay a dime in taxes. There is obviously money there to collect. Obviously companies such as that in other countries pay their taxes. We are letting them off the hook. We could use that money. The Auditor General estimates that $30 billion to $50 billion a year goes by without being taxed because of various loopholes and exemptions. That is an enormous amount of money. It is more money than is used in our universal social programs.

We have alternatives. It is possible to have spending priorities which are fair to people in terms of taxation and fair to people in terms of how the Government spends their money.

Mr. Riis: Mr. Speaker, I wish to respond to the comments of the Hon. Member for Selkirk—Interlake (Mr. Holtmann) who pointed out some of the contents of the recent Budget introduced in Manitoba. I wish to quote from an article which appeared in this morning's *The Globe and Mail* which states:

> In his budget address to the provincial Legislature last night, Finance Minister Eugene Kostyra said the measures are designed to "bypass" the federal tax system, which he described as "riddled with deductions, exemptions, exclusions and loopholes."

My hon. friend from Selkirk—Interlake will know that Canada is the only country in the world which allows $500,000 capital gains tax-free from any source possible, whether it be money made on the Hong Kong Stock Exchange or elsewhere. The article in the newspaper with respect to the Manitoba Minister of Finance goes on to state:

> He complained that Ottawa's budgets since 1981 have increased taxes by $695 for a family with an income of $25,000, while reducing taxes by $2,677 for a family earning $150,000.

Just to keep the record perfectly clear, federal Conservative Budgets have resulted in tax breaks for upper income earners while heaping on taxes for the average Canadian family. What the New Democratic Government of Manitoba is trying to do is to equalize this. The federal Government has brought so much economic pain to the people of Manitoba and western Canada generally that the Governments of Yukon and Manitoba have had to do whatever they could do to rescue themselves from this very serious situation. I am glad the Hon. Member for Selkirk—Interlake made the point that, thank goodness, we have an NDP Government in Manitoba, otherwise things would be at a point of desperation.

I wish to ask the Hon. Member for Broadview—Greenwood (Ms. McDonald) to respond briefly to an observation she has made on a number of occasions in the recent past with respect to a number of economic policies that the present Government has introduced which have caused the wage gap between working Canadian men and women to increase. As of late that situation has actually worsened in terms of bringing about equality in pay returns between men and women. I ask the Hon. Member to respond in that regard.

Ms. McDonald: Mr. Speaker, I regret to have to comment on this sad fact. This is the first year that Statistics Canada reports that the gap in wages and salaries between women and men has actually increased. Those of us who seek fairness for Canadians, and fairness for women in the workforce, have been very impatient with the progress we have seen in this area. It has been made bit by bit. Sometimes it has amounted to no more than a percentage point, but at least it was going in the right direction. We now see that this trend of painfully slow progress has actually been reversed. Certainly one reason for this of which we know is the lack of access for women to better paying jobs. The ghettoization of women continues. Many of them are confined to part time jobs and cannot get full time jobs. However, we see cut-backs in the areas where women have made their best gains. The Public Service has been a good employer of women. The gains which women have made have been largely in the public sector, in service jobs, and in female professions. They have been good jobs. Women have had unions which have protected them. They have made enormous gains in the last 10 years to 20 years. However, the Government is cutting back in the job areas in which women have made the best gains. Naturally the impact of that is that women are beginning to fall back.

• (1700)

Mr. Redway: Mr. Speaker, I listened to the remarks of the Hon. Member. She was highly critical of the Budget, the Government's approach to the economy, its fiscal policy, its employment initiatives, its expenditures, and its taxing policy. I understand that the Hon. Member is a member of the Opposition. Of course the role of the Opposition is to be critical, to be negative, and never to agree with the Government. However, there is another duty on the part of the Opposition, that is, to put forward some positive and constructive alternatives to the policies of the Government, if it honestly believes that the Government's approach is wrong and can be justifiably criticized.

At the recent convention of the New Democratic Party, I believe her Leader took a very positive stand that what was needed in the country was more jobs. He indicated that that would be an election issue, as far as the New Democratic Party was concerned, in the next federal election.

I would be interested in hearing from the Hon. Member not just generalities that jobs are needed and that what the Government is doing is wrong. Notwithstanding that unemployment has come down very substantially in the last 2.5 years, notwithstanding that interest rates have come down substantially in the last 2.5 years, and notwithstanding that the annual spending deficit has come down very substantially and is still on its way down, the Hon. Member said that our approach was wrong and that other things should be done. I would be interested in hearing the specifics. What would the New Democratic Party do to address the problem of unemployment in such a way as to continue to reduce the budget deficit, or perhaps leave it as it is but, hopefully, not increase it? What specifically would the NDP do in that regard?

Ms. McDonald: Mr. Speaker, I very much welcome the question. Of course I could go on for a very long time answering it, but I know it is not possible.

The New Democratic Party has outlined and continues to outline in a very positive and concrete way alternative measures. We did this last in a very substantial document entitled "Canada Unlimited", which was our job creation strategy. It outlined all kinds of schemes. There are pages of them. I cannot go into the details at this time, but they included such things as municipal infrastructure spending. Also they included a proposal by the Canadian Federation of Municipalities for an infusion of funds into all kinds of road, sewer, and park improvements. As well, they included community diversification funds for single-industry towns to develop jobs and to keep investment of profits from resource towns to develop spin-off jobs in those communities. They referred to expansion of services, for example, a child care program which would produce a large number of jobs. Cultural spending produces far more jobs. Estimates indicate that there is six times the job spin-off in culture than in other forms of job investment.

These are just a few examples from a very long list which we have outlined. I can certainly see to it that the Hon. Member has a copy of the document, if he would like to have one. Incidentally, these are all costed, and this enormous infusion of jobs into the economy is possible without increasing the deficit at all or with an extremely modest increase in the deficit.

Mr. Felix Holtmann (Selkirk—Interlake): Mr. Speaker, indeed it is a pleasure to participate in the debate on the Budget presented recently by the Minister of Finance (Mr. Wilson). I enjoy debating in the House of Commons the

position of the Government, especially the position of the Minister of Finance, in view of the very difficult situation with which we were faced when we came to power.

I must go back somewhat in history and refresh everyone's memory. Do you remember when, Mr. Speaker, things were pretty rotten in the country? I was a farmer back in the 1970s. Farmgate prices were not too bad.

I would like the Hon. Member for Broadview—Greenwood (Ms. McDonald) to stay and listen to my comments. She would want to know how things were under a Liberal administration and how they affected many of my colleagues in the House and many of the constituents I represent.

After some 22 years of Liberal Government we had nothing more than a massive conflagration of negative proportion not experienced in the modern world. It was absolutely incredible. For example, when the interest rate jumped two percentage points from week to week and sometimes into the next month, until it hit as high as 20-some per cent at the bank, there was no hope if one wanted to start a small business. Although bankers were lending a little money, it put many people in jeopardy. We must look back to see what was the cause of the devastated Canadian economy and the tremendous debt which had developed.

It started off with the now Leader of the Official Opposition (Mr. Turner) when he was the Minister of Finance back in 1972. Believe it or not, Mr. Speaker, the country had a surplus of $700 million in its current account. We have never seen that since. He started the country on a road to pure destruction, yet the Liberals managed to cling to power. When he left in 1975—and I guess he was even frustrated with his actions—there was a deficit of almost $5 billion. When the Conservatives took power, on a yearly basis it was $38 billion.

Mr. Attewell: And on its way to $40 billion.

Mr. Holtmann: Yes. We must remind the Canadian public of some of the terrible things that happened in the past. Much like the wars of this nation, they must be reminded of what happened under that Government of this nation. I do not think this Party will ever let Canadian people forget. I do not think Canadians will ever forget the devastation which was caused at that time. We as a national Government are certainly doing what we can to try to bring some sense to the economies of scale and to the economies of purpose.

Under that Minister of Finance the net debt grew from $18 billion to $28 billion or a 50 per cent increase in only four years. That is what happened when the Leader of the Official Opposition was the Minister of Finance, the man who would like to be the Prime Minister. He is an awfully scary person to have as a leader of the country based on his past record.

Let us take a look at unemployment while he was in office. At the time he was given a mantle in January, 1972, there were 544,000 people out of work. When he left office, there were 732,000 people out of work. Unemployment under the now Leader of the Opposition when he was Finance Minister sky-rocketed. Yet he has aspirations to lead this country.

• (1710)

An Hon. Member: What a joke.

Mr. Holtmann: Imagine how devastating that would be. Let me talk a little bit about inflation when he was the Finance Minister. He took inflation from 5.1 per cent at the time of his appointment to 10.6 per cent where it was at the time of his resignation. He finally got fed up with it all and resigned. That is what he did, he resigned. During that period the New Democrats supported that action of our now Leader of the Official Opposition. Let me tell you just what that inflation rate meant. During the Leader of the Opposition's term of office as Finance Minister prices rose in total by 38 per cent for food, 61 per cent for housing, 32 per cent for clothing, 24 per cent for health, 32 per cent for personal care and 31 per cent for transportation costs. All these things increased under the now Leader of the Official Opposition, but he wants to lead the country.

When the Budget of the Minister of Finance was presented, a very interesting thing happened. I have an editorial from the *Winnipeg Free Press* here. I can assure you, Mr. Speaker, that the *Winnipeg Free Press* is very critical of the Government in Ottawa. Not too often does that paper say very nice things about us. I do not know whether that is because it has some left-wing leanings or whether the paper is trying to bolster opposition Parties. Maybe it is just trying to be as polite to us as it can in a way that sometimes angers us. It is important to read what was written on the editorial page of the *Winnipeg Free Press* for February 20, 1987, a few days after the Budget was brought down by our Minister of Finance. Under the heading of "Opposition Nonsense" we read:

> Opposition politicians have a problem when they are faced with a . . . Budget such as the one presented on Wednesday by Finance Minister Michael Wilson. They find themselves faced with television cameras and newspaper reporters all demanding comment. Custom and ritual demand that they say something damning. If they can find nothing sensible to say, they will feel compelled to say something silly. Thus, on Wednesday night, Canadians heard comments such as these.—

I want to remind my Liberal colleague just what is in this editorial:

> Liberal Leader John Turner: "There is not one new single job contemplated in this Budget."

That is the first thing he said.

Mrs. Pépin: It is true.

Mr. Holtmann: It continues:

> Wrong. There are tens of thousands of jobs contemplated.
>
> "Our rate of job creation this year is expected once again to exceed that of any other major industrial country", Mr. Wilson said in his Budget speech. "Strong employment growth will be accompanied by large numbers of new entrants to the labour force." Even with those new entrants, the Finance Minister predicted the unemployment rate would drop from 9.4 per cent to 9 per cent.

Mrs. Pépin: I want the facts.

Mr. Holtmann: These are the facts. The article continues:

Mr. Turner, of course, is perfectly free to challenge Mr. Wilson's projections and present his own analysis to show that employment will not increase. Canadians then could judge between the two assessments, keeping in mind that, so far, Mr. Wilson's estimates of job creation have been a lot nearer the mark than Mr. Turner's. But Mr. Turner's flat statement that no new jobs are contemplated is simply false.

In other words, people across Canada have recognized that the statements made by the Leader of the Official Opposition, the man who would like to be the Prime Minister, were totally false. That is from the *Winnipeg Free Press* and that is what we found out from average Canadians who listened to our Budget and listened to what had to be said. Let me now go to the New Democratic Party and continue with this editorial in the *Winnipeg Free Press*:

Lorne Nystrom of the NDP: "There is nothing there for the resource industries, for western grain farmers, for farmers in general".

In fact, there is something for grain farmers—next year's share of $1 billion in Government assistance. The complaint about the lack of more help for the oil industry sounds strange coming from the member of a party which has complained shrilly against the help that the Government has tried to give that industry in the past.

Manitoba Finance Minister Eugene Kostyra:—

Mr. Kostyra, by the way, just brought down his Budget and I will refer to that a little later. Let me continue:

"Apparently he is not serious about bringing in a fair tax system in this country . . . He could have given clear messages that the system is unfair and closed some of the more blatant loopholes."

Wrong again. The Minister did give a clear message that the present system is unfair and he did say he was determined to bring in a fair tax system. He said, among other things: "A fairer and more efficient tax system will implement and reinforce economic opportunities for individual Canadians . . .

Our Finance Minister said exactly that. Let me continue:

The federal sales tax is unfair and inefficient . . . Our proposal for tax reform will make our system more fair, less complex and more understandable. It will reflect our commitment to economic progress and social justice."

That was said exactly like that by our Minister of Finance, and yet here we have the Finance Minister for the Province of Manitoba saying that the Minister did not even refer to it. I wonder whether these people can listen, hear and comprehend. Apparently they cannot. Let me go on because I find this editorial very interesting and I know Members in the Opposition would like to hear more although it is shattering to their point of view:

Mr. Kostyra knew before the Budget was delivered that the tax reform proposals were not ready to be included in it. He knew that those proposals would be presented to Parliament within the next few months. When they are presented, he may well determine that they do not bring about the kind of reform he would like. Until they are implemented, he can argue that the Government should be doing more to close existing loopholes. He has no grounds at all, however, for declaring, in the face of Mr. Wilson's statements and on the basis of no evidence, that the federal Minister is not interested in tax reform.

I think that is a fairly balanced statement made by the editor. It indicates precisely what our Minister of Finance is dealing with in terms of tax reform. He never shied away from it. He is prepared to face it head on at the appropriate time.

In the concluding part of this editorial it reads:

Mr. Turner and Mr. Nystrom are members of the federal Opposition and, as such, are regarded as free to display a moderate looseness with the facts. Mr. Kostyra is more than simply an Opposition hack. He is Manitoba's Minister of Finance. As such, he is expected to work co-operatively with the federal Government in pursuit of this province's interests. Part of his duty is to denounce federal policies when they clash with the interests of the province. But calling his federal counterpart in effect a liar, without providing a single shred of evidence to support the charge, is cheap and irresponsible politics, not a responsible defence of the provincial interest.

Here we have a point of view expressed by somebody in Manitoba, an editor, and it clearly illustrates that we are on the right track. We are dealing with problems that were handed to us. We would like to move into a more positive approach to the whole economy.

In my riding when I ran for election I was new and anxious to help an area. I made statements. One promise I made is to see what I could do to bring back some economic activity to the then dead commercial parks that we have, one in Selkirk, an industrial park with more than half of the buildings sitting empty. There is no activity of any description. There were, I believe, two buildings out of about eight or nine in which some activity was taking place. Today, with interest rates where they are, with renewed investor confidence in our economy, that industrial park is filling up and employing more people.

• (1720)

Mr. Riis: Where is it?

Mr. Holtmann: In Selkirk. The Hon. Member might want to check it out. There was an article in the Selkirk paper just recently about how that industrial park is starting to flourish. Quite frankly, how could anything be done with interest rates at 22 per cent? We have now strengthened our economy so that people have the confidence to invest. They see a Government with a policy of good money management. Our deficits are starting to come down. We do not like deficits any more than anyone else, but we cannot just wipe them away. Sound money management will gradually bring the deficit down and maintain investor confidence. That, I am quite happy to say, is what is happening in my riding today. There is a renewal of private job creation, not the government job creation that we heard about before. The NDP attitude towards job creation is basically to get the Government to hire all the unemployed. I bet that if they had the opportunity, they would hire every one of the people who are still unemployed and put them on the payroll and say, "Look at what we did". The Liberals tried that.

Mr. Riis: You pay them unemployment insurance, is that any better?

Mr. Fennell: The NDP does not like unemployment insurance.

Mr. Holtmann: The Liberals ran the national debt up to $160 billion and still could not get everyone working. Let us look at what was said by some of the NDP Members about this Budget. The Hon. Member for Ottawa Centre (Mr. Cassidy) said:

Mr. Speaker, I have had 20 years of experience in watching Budgets both as a journalist and as a politician in both this Chamber and in the Ontario Legislature. I venture to say that this is the emptiest and the most insignificant Budget that I have seen in all those 20 years of experience.

Where the dickens was he when the Liberals were bringing in Budget after Budget and unemployment and the deficit both went up? He thinks this Budget is bad! We are creating jobs with this Budget. We are bringing the deficit down. Where was he when the Liberals were bringing in those Budgets? I can go on reading this, it is as comical as heck. He went on to say:

The Minister's agenda for economic renewal is not working yet for us.

That is the NDP talking. We created 705,000 jobs, so what is wrong with that agenda?

Mr. Riis: Where have you created those jobs? In B.C? In Alberta?

Mr. Holtmann: If you want to defend what he said—

Mr. Riis: I will tell you where, in downtown Toronto.

Mr. Holtmann: What else did the Hon. Member for Ottawa Centre say? In his review of the Budget he said:

We got an acceleration of tax payments by larger employers, which will affect the cash flow of the private sector to the benefit of the cash flow of the public sector.

Can you make out what the dickens that is? That is what he got out of the Budget. I never heard of such a mishmash. Then he refers to how important the Budget would be to his constituents in Ottawa Centre. Ottawa is the richest place in this country. Civil servants earn so much and the National Capital Commission is looking after the City of Ottawa. I think this is a pretty good place to be.

Let us go back to the Minister of Finance of the Province of Manitoba and see what he has done. He is a member of the NDP and I suppose the Hon. Member would do what he has done. To collect more money they recently increased hydro rates for everyone, rich and poor, by 4.7 per cent. That hits the poor guy, and they stand up for the poor guy. At least they say they do. Then they turn around and if you are making $18,000 you are going to pay another $400. That is standing up for the little guy? Can the Hon. Member stand up in this House and still say he stands up for the little guy?

Mr. Riis: Are you a little guy?

Mr. Holtmann: No, but you defend the little guy, the poor fellow. Then they hit smokers. Did you hear today how they kind of laughed in the House about taxing smoking? Yet the NDP in Manitoba taxed smokers. So did we. They should not be critical of it because it is done by the NDP as well as the Conservatives and Liberals. It is a natural thing to tax. The NDP cannot jump all over the fence.

Get a load of this. There is an article here that says fast food junkies will have to fork out more for take-out foods over $6. Do you remember when we brought in a tax on piggy-puffs and crunchies? We brought in a little tax on those things you get at drive-in theaters for kids. The NDP turns around and does the same thing and then criticizes us.

I realize that my time is up, Mr. Speaker, but I think the Members to my left should put the proper perspective on things. They have supported Budget after Budget which drove this country into devastating economic chaos. They should support this Government for putting things back together.

Some Hon. Members: Hear, hear!

Mr. Deputy Speaker: Questions and comments.

Mr. Riis: Mr. Speaker, I know my hon. friend from Selkirk—Interlake (Mr. Holtmann) would not want to mislead the House inadvertently. He just said the NDP has been supporting these Budgets over the years. I want to make it perfectly clear—

Mr. Epp (Provencher): In 1970, 1972, 1973.

Mr. Riis: —that the NDP has never supported a Liberal Budget.

Mr. Epp (Provencher): Yes, you did.

Mr. Riis: The NDP has never supported a Liberal Budget or a Conservative Budget.

Mr. Epp (Provencher): Oh, yes, you did.

Mr. Riis: Let us just clear the decks of that comment.

Mr. Epp (Provencher): Nelson, 1973, minority Government. I was here.

Mr. Riis: I also want to clear up a misconception left by my hon. friend. He was talking about all these jobs being created. He will remember that a Statistics Canada labour report a few weeks ago identified the permanent jobs created in 1986 and found that 96 per cent of those jobs were created in the Province of Ontario, most of those within 100 miles of the CN Tower in downtown Toronto. Let us be clear: Jobs have been created in the greater Toronto area, but there is another 99.9 per cent of Canada which was overlooked.

If the Government has done all these wonderful things towards building confidence, why has there been a net outflow of hard-core investment money totalling $8 billion over the last two years? When you take into account the money that has come into Canada for investment and that which has left for investment in the U.S., Hong Kong or elsewhere, there is a $10 billion deficit.

Mr. Fennell: How much came in?

Mr. Riis: Can the Hon. Member explain how that reflects confidence?

While he is on his feet, does he agree with this statement uttered by no less than Sir John A. Macdonald, the Leader of

the Conservative Party and founder of the nation of Canada, when he said on March 7, 1878, in this House:

> There are national considerations, Mr. Speaker, that rise far higher than the mere accumulation of wealth, than the mere question of trade advantage; there is prestige, national status, national dominion,—and no great nation has ever risen whose policy was free-trade.

• (1730)

John A. Macdonald probably sat in the area where the Hon. Member sits now. Does the Member agree with Sir John A. MacDonald's comment? How does he explain the outflow of $10 million of investment from Canada over the last two years?

Mr. Holtmann: Mr. Speaker, I will tackle the latter question of the Hon. Member for Kamloops—Shuswap (Mr. Riis) first. The Member said that a country will never prosper by entering into free trade. I believe the Member may misunderstand what free trade is. The countries in the EEC to which the Member referred have some social elements to them. They seem to prosper quite well in the unified trade agreement which they set forward. It would certainly not be a negative force for Canada to do something similar with our neighbour to the south in terms of our ability to manufacture, export and import, because trade is exactly that, a two-way flow.

I am sure that during his time Sir John A. Macdonald was a very capable person. However, I am sure that the parameters which affect world trade today are different from those that existed during his era. I will not dispute that in his era he was correct. That is pretty difficult for me to say.

With regard to inflow and outflow, the fact that corporate money has been flowing out of this country demonstrates that our corporations want to perform internationally. There is nothing wrong with corporations going afield. Americans have come to Canada and built up such corporations as General Motors. I think it is very healthy for Canadian corporations to expand their businesses elsewhere as well.

You cannot have it both ways. You cannot have money flowing in, which it does, and have none flow out. What kind of an imaginary attitude is that? Based on the premise of his questions, the Member would want no funds to leave Canada but would want everyone with an investment dollar to invest it here. European companies have invested in Canada and now Canada has the opportunity to reciprocate. I think that is a healthy attitude. We would like more of our money to stay here, but it is proper to spend money in Third World nations which are trading here. Canadian companies have great expertise which should be exploited elsewhere.

Mr. Redway: Mr. Speaker, I was interested in the Hon. Member's comments relating to the Budget. I would like to compliment and commend him on his very worthy and wise comments in that regard. I have also been listening to the comments and criticisms of the opposition Parties, particularly the NDP, with respect to the Budget and government expenditures. Opposition Members have said specifically that the Government, in cutting expenditures, has cut out things which are important to ordinary Canadians. I am sure the Hon. Member noticed, as I did, in the spending estimates for this year that the spending for old age security, guaranteed income supplement and spouses' allowance will be increasing by over $900 million in the coming fiscal year. There will be almost a $1 billion increase in the Government's spending on behalf of senior citizens.

Would the Hon. Member give us his views on how this ties in with the criticism of the Opposition? How can the Opposition seriously say that the Government is not spending more money on senior citizens and those who truly need more assistance in our society?

Mr. Holtmann: Mr. Speaker, I would be very happy to respond to that. Through many of their statements opposition Members would have us believe that the Government has no interest in the seniors of the country, that the Government would cut back on seniors in many areas. I must admit that we attempted to do such a thing and found that we were in error. We made no bones about the fact that it would have been a mistake to have proceeded with the deindexing of the old age pension. We decided not to proceed with that and since then have maintained the high road. Since then we have continued to do more to help those who built this country.

No government can tax away a deficit. We have to be better money managers. We have to cut out the spending of federal funds in areas where it is very wasteful. There are still many areas in the Government where money is being wasted. We have to cut back in those areas in order to help those who need help.

With regard to day care we must be very careful to ensure that the assistance goes only to those who need it. We must take that route in order to be good money managers. The Government cannot continue to spend more money than it takes in. That cannot continue because eventually the dollar will be totally devalued. Some day there has to be a balanced Budget. I believe that even the Opposition agrees with this. I believe that had the Liberal Party stayed in power, although it would have been devastating, it would have stopped spending money. I really believe that.

We are now spending 33 cents of every dollar to pay the interest on the debt. That would increase to 50 cents of every dollar as the debt escalates. When we have to pay 90 cents of every dollar, what kind of service can we provide? That is the danger we have to avoid. We were elected for good money management skills. Although there are ups and downs, if we can avoid bad errors we will be able to keep the economy on the good and healthy track which it is on today.

Mr. Attewell: Mr. Speaker, I, too, would like to compliment the Member for Selkirk—Interlake (Mr. Holtmann) on his comments. I appreciated the way in which he outlined the track record of the Leader of the Official Opposition (Mr. Turner). It is a terrible record of deficit after deficit, be it good years or bad. I did not mean to correct the Hon. Member when

he said the deficit was $38 billion in 1984, but I am sure it would have hit the $40 billion mark had we not taken over.

I am distressed from time to time, as I know my colleague is, about the misleading statements and inaccuracies which come out of the mouths of the opposition Parties. I want to commend the Minister of Finance (Mr. Wilson) for his super record in his three Budgets. Not only has he gotten the deficit down but has done a number of different things to help Canadians. One is setting the target that there will be a Budget in February of each year. In the past, people had to guess when the next Budget would come down, but we have removed that uncertainty and given the process some stability.

• (1740)

Another area where there have been misleading comments is transfer of payments to provinces. The Opposition says that these payments are being reduced when we know they are climbing from $65 billion to $90 billion in the next five years. That is a $25 billion increase to the provinces for higher education and health care.

My question concerns another area about which there have been misleading comments. It is regional development. I believe my colleague would agree that if Canadians believed what they heard from the Opposition, they would think the Government is insensitive to regional development. Are we insensitive to regional development?

Mr. Holtmann: Mr. Speaker, I am glad the Hon. Member raised the question of regional development. Unlike past Governments, our Government has representation from every province coast to coast. I am sure Hon. Members in the Liberal Party have wondered how we achieve that.

Mr. Lapierre: We will do it next time.

Mr. Holtmann: The Hon. Member says that they will do it next time, but that is how to get regional representation and concerns expressed by people from all parts of Canada.

The Member is correct that Atlantic Canada requires much more assistance, perhaps even more attention than we have given it at this point. There is no denying that. However, the Government has limited funds for job creation. It cannot happen overnight.

The Hon. Member talked about the strength of the economy as a result of the Budget. Let me say something about our Minister of Finance. A good friend of mine, Mr. Robertson, told me that he overheard some opposition Members saying: "If we could only have a Michael Wilson among us. If we could only have a man like that, compared to all the former Finance Ministers we have had to change so often over 15 years, we would take him tomorrow".

As a matter of fact, those sentiments are being expressed in the opposition lobby. The fact is that the Minister of Finance has the economy moving as a result of his Budgets.

Mr. Lapierre: He should help you with the polls.

Mr. Holtmann: The economy is growing and investment is growing because interest rates are remaining low as a result of the option by the Minister of Finance.

Mr. Lapierre: It does not show in the polls.

Mr. Holtmann: The Hon. Member says that it does not show in the polls. He is absolutely right, it does not show in the polls, but it will in time.

Mr. Rompkey: Mr. Speaker, in answer to the question I thought the Member for Selkirk—Interlake (Mr. Holtmann) admitted that indeed regional development spending was down and in fact the Government was not doing enough for regional development. That seems to concur with what Premier Peckford said in answer to the Budget. He said:

> They are still re-emphasizing a market-driven economy completely when, in the context of Newfoundland or Manitoba or P.E.I., that will not work if we're going to get the kinds of things we need to be a market economy some day.

He went on to say:

> We haven't gotten our message through that here regional economic development is extremely important and some of that growth that's happening in Ontario and Quebec can only be translated down here through federal intervention.

How does the Hon. Member respond to the comment on the Budget by the Conservative Premier of Newfoundland?

Mr. Holtmann: Mr. Speaker, I am pleased to respond to what was said by the Premier of Newfoundland. I think no one better than the Premier of Newfoundland knows the economic crisis his people face in that province. I also agree, although perhaps not totally, that the Government has looked at the problem and is always working on ways to help Newfoundland. Certainly a total influx of money alone is not the answer. I am sure the Premier recognizes that there are certain resources in the province he would like to develop.

We must remember that we have been in office only two and a half years. No one promised that we could turn the economy around in two and a half years. I also believe that we will continue to address the problem by using every means the Government has at its disposal to work with provinces such as Newfoundland. I believe we have the dedication.

[*Translation*]

Mr. Deputy Speaker: It being 5.45 p.m., it is my duty, pursuant to Standing Order 84(7), to interrupt the proceedings and put forthwith every question necessary to dispose of the amendment now before the House.

[*English*]

Accordingly, the question is as follows: Mr. Wilson (Etobicoke Centre), seconded by Mr. Mazankowski, has moved:

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

And in amendment thereto, Mr. Garneau, seconded by Mr. Johnston, has moved:

> That the motion be amended by deleting all the words after the word "That" and substituting the following therefor:
>
> "this House condemns the Government for:

—presenting a budget that increases taxes on individual

Canadians for the third year in a row, totalling billions and billions of dollars;

—widening the gap between the rich and the poor by their ill-advised and heartless fiscal policy;

—cutting the crucial Regional Economic Development budget, for the third year in a row; and

—once again delaying the long promised essential tax reform programme thereby postponing any attempt to create more fairness in our tax system which is being eroded under the present conservative administration."

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five Members having risen:

Mr. Deputy Speaker: Call in the Members.

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

● (1750)

(*Division No. 73*)

YEAS

Members

Althouse
Axworthy
Berger
Blackburn (Brant)
Blaikie
Boudria
Broadbent
Caccia
Cassidy
Copps
de Corneille
de Jong
Dingwall
Epp (Thunder Bay—Nipigon)
Foster
Frith
Fulton
Gagliano
Garneau
Gauthier
Gray (Windsor West)
Grondin
Guilbault (Saint-Jacques)
Heap
Henderson
Hopkins
Hovdebo
Isabelle
Jewett
Johnston (Saint-Henri—Westmount)
Kaplan
Keeper
Killens
Langdon
Lapierre
Malépart
Manly
Marchi
McCurdy
Mitchell
Murphy
Nicholson (Trinity)
Nystrom
Orlikow
Parry
Penner
Pépin
Prud'homme
Riis
Robinson
Rodriguez
Rompkey
Rossi
Tardif (Richmond—Wolfe)
Tobin
Turner (Vancouver Quadra)
Waddell
Young —58

NAYS

Members

Andre
Attewell
Beatty
Bernier
Bertrand
Binns
Blackburn (Jonquière)
Blais
Blais-Grenier
Blenkarn
Blouin
Bosley
Bouchard
Bourgault
Boyer
Bradley
Brightwell
Browes
Cadieux
Caldwell
Cardiff
Carney
Champagne (Champlain)
Clark (Brandon—Souris)
Clinch
Coates
Collins
Comeau
Cook
Cooper
Corbett
Cossitt
Côté (Lac-Saint-Jean)
Côté (Langelier)
Crofton
Crombie
Crosbie (St. John's West)
Crouse
Darling
Daubney
de Cotret
Della Noce
Desjardins
Desrosiers
Dick
Domm
Dorin
Duguay
Duplessis
Edwards
Ellis
Epp (Provencher)
Fennell
Ferland
Forrestall
Fraleigh
Fretz
Gagnon
Gass
Gérin
Gervais
Girard
Gormley
Graham
Greenaway
Grisé
Guilbault (Drummond)
Gustafson
Halliday
Hamelin
Hamilton
Hardey
Harvey
Hawkes
Hees
Hnatyshyn
Hockin
Holtmann
Horner
Howie
Jacques
James
Jardine
Jepson
Johnson (Bonavista—Trinity—Conception)
Joncas
Jourdenais
Kempling
Kindy
King
Ladouceur
La Salle
Lawrence
Layton
Lesick
Lewis
Lopez
MacDonald (Kingston and the Islands)
MacDougall (Timiskaming)
MacKay
Mailly
Malone
Mantha
Martin
Mazankowski
McCuish
McDermid
McDougall (St. Paul's)
McInnes
McKenzie
McKinnon
McKnight
McLean
McMillan
Minaker
Moore
Mulroney
Murta
Nicholson (Niagara Falls)
Nickerson
Oberle
O'Neil
Oostrom
Pennock
Peterson
Pietz
Plamondon
Price
Ravis
Redway
Reimer
Ricard
St. Germain
St-Julien
Schellenberg (Nanaimo—Alberni)
Scott (Victoria—Haliburton)
Scott (Hamilton—Wentworth)
Shields
Sparrow
Speyer
Stackhouse
Stevens
Stewart
Tardif (Charlesbourg)
Thacker
Towers
Tremblay (Québec-Est)
Tremblay (Lotbinière)
Tupper
Turner (Ottawa—Carleton)
Van De Walle
Vankoughnet
Vézina
Vincent
Warner
Weiner
Wilson (Etobicoke Centre)
Winegard
Wise—159

● (1810)

Mr. Deputy Speaker: I declare the motion lost.

It being 6.15 p.m., it is my duty, pursuant to order passed Monday, March 16, 1987, to put to the House all questions necessary to dispose of Government Order No. 6.

* * *

TRADE

CANADA-U.S. BILATERAL TRADING AGREEMENT

The House resumed from Monday, March 16, consideration of the motion of Miss Carney:

That this House supports the negotiation of a bilateral trading arrangement with the United States, as part of the government's multilateral trade policy,

while protecting our political sovereignty, social programs, agricultural marketing systems, the auto industry, and our unique cultural identity.

And the amendment of Mr. Turner (Vancouver Quadra)(p.4158).

Mr. Deputy Speaker: The question is on the amendment. Mr. Turner (Vancouver Quadra) moved:

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

"or arrangements with the United States, as part of Canada's multilateral trade policy, while protecting Canadian sovereignty through the application of the following conditions,

Namely that:

There not be an all-inclusive free trade arrangement with the United States since such an arrangement would undermine Canada's political, economic and cultural independence; and would jeopardize Canada's regional development policies, agricultural policies, cultural industries, financial and service industries, and the Auto Pact;

And that:

Any such negotiations are designed to gain greater access to U.S. markets by limiting the operation of contingency protection and non-tariff barriers such as current U.S. and State government procurement regulations and restoring previous access for softwood lumber in U.S. markets;

While at the same time:

Ensuring Canadian independence for domestic programs, policies and legislative authority in areas such as: social policy, agricultural marketing, supply management and support programs; subsidies and assistance for regional and industrial development programs including high technology development; the Auto Pact; the environment; bilingualism (including labelling); culture (including cultural industries); financial and service industries;

And that:

The Government of Canada tables transitional adjustment assistance proposals to protect those workers, sectors, firms and businesses which may be adversely affected by such a trading arrangement or arrangements;

And that:

The Government of Canada secure an immediate standstill of U.S. trade harassment including such matters as agriculture, energy, fish, potash, and steel."

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

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five Members having risen:

Mr. Deputy Speaker: Shall I dispense with the ringing of the bells?

Some Hon. Members: Agreed.

The House divided on the motion (Mr. Turner, Vancouver Quadra), which was negatived on the following division:

(*Division No. 74*)

YEAS

Members

Axworthy
Berger
Boudria
Caccia
Copps
de Corneille
Dingwall
Foster
Frith
Gagliano
Garneau
Gauthier
Gray
(Windsor West)
Grondin
Guilbault
(Saint-Jacques)
Henderson
Hopkins
Isabelle
Johnston
(Saint-Henri—
Westmount)
Kaplan
Killens
Lapierre
Malépart
Marchi
Nicholson
(Trinity)
Penner
Pépin
Prud'homme
Rompkey
Rossi
Tardif
(Richmond—Wolfe)
Tobin
Turner
(Vancouver Quadra)—33

NAYS

Members

Althouse
Andre
Attewell
Beatty
Bernier
Bertrand
Binns
Blackburn
(Brant)
Blackburn
(Jonquière)
Blaikie
Blais
Blais-Grenier
Blenkarn
Blouin
Bosley
Bouchard
Bourgault
Boyer
Bradley
Brightwell
Broadbent
Browes
Cadieux
Caldwell
Cardiff
Carney
Cassidy
Champagne
(Champlain)
Clark
(Brandon—Souris)
Clinch
Coates
Collins
Comeau
Cook
Cooper
Corbett
Cossitt
Côté
(Lac-Saint-Jean)
Côté
(Langelier)
Crofton
Crombie
Crosbie
(St. John's West)
Crouse
Darling
Daubney
de Cotret
de Jong
Della Noce
Desjardins
Desrosiers
Dick
Domm
Dorin
Duguay
Duplessis
Edwards
Ellis
Epp
(Thunder Bay—
Nipigon)
Epp
(Provencher)
Fennell
Ferland
Forrestall
Fraleigh
Fretz
Fulton
Gagnon
Gass
Gérin
Gervais
Girard
Gormley
Graham
Greenaway
Grisé
Guilbault
(Drummond)
Gustafson
Halliday
Hamelin
Hamilton
Hardey
Harvey
Hawkes
Heap
Hees
Hnatyshyn
Hockin
Holtmann
Horner
Hovdebo
Howie
Jacques
James
Jardine
Jepson
Jewett
Johnson
(Bonavista—Trinity—
Conception)
Joncas
Jourdenais
Keeper
Kelleher
Kempling
Kindy
King
Ladouceur
Langdon
La Salle
Lawrence
Layton
Lesick
Lewis
Lopez
MacDonald
(Kingston and
the Islands)
MacDougall
(Timiskaming)
MacKay
Mailly
Malone
Manly
Mantha
Martin
Mazankowski
McCuish
McCurdy
McDermid
McDougall
(St. Paul's)
McInnes
McKenzie

McKinnon
McKnight
McLean
McMillan
Minaker
Mitchell
Moore
Mulroney
Murphy
Murta
Nicholson
(Niagara Falls)
Nickerson
Nystrom
Oberle
O'Neil
Oostrom
Orlikow
Parry
Pennock
Peterson
Pietz
Plamondon
Price
Ravis
Redway
Reimer
Ricard
Riis
Robinson
Rodriguez
St. Germain
St-Julien
Schellenberg
(Nanaimo—Alberni)
Scott
(Victoria—Haliburton)
Scott
(Hamilton—Wentworth)
Shields
Sparrow
Speyer
Stackhouse
Stevens
Stewart
Tardif
(Charlesbourg)
Thacker
Towers
Tremblay
(Québec-Est)
Tremblay
(Lotbinière)
Tupper
Turner
(Ottawa—Carleton)
Van De Walle
Vankoughnet
Vézina
Vincent
Waddell
Warner
Weiner
Wilson
(Etobicoke Centre)
Winegard
Wise
Young —185

• (1820)

Mr. Deputy Speaker: I declare the amendment lost.

The question is on the main motion. Is it the pleasure of the House to adopt the said motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five Members having risen:

Mr. Deputy Speaker: Shall I dispense with the ringing of the bells?

Some Hon. Members: Agreed.

The House divided on the motion (Miss Carney) which was agreed to on the following division.

(*Division No. 75*)

YEAS

Members

Andre
Attewell
Beatty
Bernier
Bertrand
Binns
Blackburn
(Jonquière)
Blais
Blais-Grenier
Blenkarn
Blouin
Bosley
Bouchard
Bourgault
Boyer
Bradley
Brightwell
Browes
Cadieux
Caldwell
Cardiff
Carney
Champagne
(Champlain)
Clark
(Brandon—Souris)
Clinch
Coates
Collins
Comeau
Cook
Cooper
Corbett
Cossitt
Côté
(Lac-Saint-Jean)
Côté
(Langelier)
Crofton
Crombie
Crosbie
(St. John's West)
Crouse
Darling
Daubney
de Cotret
Della Noce
Desjardins
Desrosiers
Dick
Domm
Dorin
Duguay
Duplessis
Edwards
Ellis
Epp
(Provencher)
Fennell
Ferland
Forrestall
Fraleigh
Fretz
Gagnon
Gass
Gérin
Gervais
Girard
Gormley
Graham
Greenaway
Grisé
Guilbault
(Drummond)
Gustafson
Halliday
Hamelin
Hamilton
Hardey
Harvey
Hawkes
Hees
Hnatyshyn
Hockin
Holtmann
Horner
Howie
Jacques
James
Jardine
Jepson
Johnson
(Bonavista—Trinity—
Conception)
Joncas
Jourdenais
Kelleher
Kempling
Kindy
King
Ladouceur
La Salle
Lawrence
Layton
Lesick
Lewis
Lopez
MacDonald
(Kingston and
the Islands)
MacDougall
(Timiskaming)
MacKay
Mailly
Malone
Mantha
Martin
Mazankowski
McCuish
McDermid
McDougall
(St. Paul's)
McInnes
McKenzie
McKinnon
McKnight
McLean
McMillan
Minaker
Moore
Mulroney
Murta
Nicholson
(Niagara Falls)
Nickerson
Oberle
O'Neil
Oostrom
Pennock
Peterson
Pietz
Plamondon
Price
Ravis
Redway
Reimer
Ricard
St. Germain
St-Julien
Schellenberg
(Nanaimo—Alberni)
Scott
(Victoria—Haliburton)
Scott
(Hamilton—Wentworth)
Shields
Sparrow
Speyer
Stackhouse
Stevens
Stewart
Tardif
(Charlesbourg)
Thacker
Towers
Tremblay
(Québec-Est)
Tremblay
(Lotbinière)
Tupper
Turner
(Ottawa—Carleton)
Van De Walle
Vankoughnet
Vézina
Vincent
Warner
Weiner
Wilson
(Etobicoke Centre)
Winegard
Wise—160

NAYS

Members

Althouse
Axworthy
Berger
Blackburn
(Brant)
Blaikie
Boudria
Broadbent
Caccia
Cassidy
Copps
de Corneille
de Jong
Dingwall
Epp
(Thunder Bay—
Nipigon)
Foster
Frith
Fulton
Gagliano
Garneau
Gauthier
Gray
(Windsor West)
Grondin
Guilbault
(Saint-Jacques)
Heap
Henderson
Hopkins
Hovdebo
Isabelle
Jewett
Johnston
(Saint-Henri—
Westmount)
Kaplan
Keeper
Killens
Langdon
Lapierre
Malépart
Manly
Marchi
McCurdy
Mitchell
Murphy
Nicholson
(Trinity)
Nystrom
Orlikow
Parry
Penner
Pépin
Prud'homme
Riis
Robinson
Rodriguez
Rompkey
Rossi
Tardif
(Richmond—Wolfe)
Tobin
Turner
(Vancouver Quadra)
Waddell
Young —58

• (1830)

Mr. Deputy Speaker: I declare the motion carried.

It being 6.30 p.m., the House stands adjourned until tomorrow at 1 p.m., pursuant to Standing Order 3(1).

The House adjourned at 6.33 p.m.

HOUSE OF COMMONS

Wednesday, March 18, 1987

The House met at 1 p.m.

Prayers

REVIEW OF DELEGATED LEGISLATION

[*English*]

Mr. Speaker: I advise the House that the Hon. Member for York Centre (Mr. Kaplan) will be rising, but before he does I have the obligation to deliver the following observations.

Before proposing the question of the Hon. Member for York Centre the House might allow the Speaker to express certain reservations about the form of the third report of the Standing Joint Committee on Regulations and other Statutory Instruments which will be the subject of the next hour's debate, if indeed there is an hour's debate.

For the first time since the new and still provisional Standing Orders were adopted on February 24, 1986, the joint committee has chosen to exercise its new powers under Standing Order 44 and ask the House to order the rescinding of a specific regulation.

[*Translation*]

The Minister has elected, as it is his right, to demand a debate on the question.

[*English*]

The question to be eventually put to the House today is that "The Third Report of the Standing Committee on Regulations and other Statutory Instruments be concurred in". In the said committee report I found the following key and principal words:

> Pursuant to Standing Order 44 of the House your Committee now moves: that the Fruit, Vegetables and Honey Regulations (C.R.C. c.875) be revoked.

In the opinion of the Chair, this phrase creates an ambiguity as to what in fact will be the order of the House should the concurrence motion proposed by the Hon. Member for York East (Mr. Redway) be adopted.

I wish to point out that the ambiguity originates with Standing Order 44 itself, which in the English version mentions a report of the committee "containing a proposed motion which, if the report is concurred in, would be an Order of the House . . . .". The French version, however, is clearer and refers to a "resolution of the Committee" and not a motion. A motion is a proposal, usually requiring notice, and is debatable and amendable. It only becomes a resolution when put and adopted.

However it happened, we must understand that we have an English version which talks about a motion, with all of the implications of what that word means, and a French version which talks about a resolution, something arrived at after a motion is put which amounts to a decision. In the opinion of the Chair, the French version is preferable because it makes a lot more sense procedurally.

If the House were to concur in this report, it would only have agreed to the committee moving a motion. The decision of the House would not provide for a clear direction to the Ministry to rescind a regulation but only express the House's agreement to the moving of a particular motion by the committee. Furthermore, such a procedure would be quite sterile for there is no mechanism in the Standing Orders for a committee to in fact move a motion and have it debated and adopted.

The Chair has reviewed the practice in other Commonwealth countries, more particularly that in Australia, and I have found that our Standing Orders are procedurally unique. Because this is a new procedure, the Chair is reluctant to reject outright the said report. Such a decision would not be supportive of the spirit of our recent reforms. Therefore, for the purposes of this report and of this report only, the Chair will deem the words used in the report to be a clear expression of the committee's intent to have the regulations revoked and, should the report be adopted, the Ministry will not be in doubt as to what the House has ordered.

I am grateful, as I am sure all Hon. Members are, that the Hon. Minister is in the Chamber at this time. I am sure the Minister will take careful note of the comments of the Chair.

In future reports of this kind, the Chair would ask the committee to use a form of words which will unequivocally express its intentions and, if adopted, can be extracted from the report and also be a clear expression of the House's resolve.

[*Translation*]

The Chair hopes that the Standing Committee on Privileges and Elections will look into this ambiguity in our Standing Orders as soon as possible.

Delegated Legislation

[*English*]

REGULATIONS AND OTHER STATUTORY INSTRUMENTS

CONCURRENCE IN THIRD REPORT OF STANDING JOINT COMMITTEE

Hon. Robert Kaplan (York Centre) moved:

That the third report of the Standing Joint Committee on Regulations and other Statutory Instruments be concurred in.

He said: Mr. Speaker, I am aware that the rules provide for interventions of 10 minutes. Before I begin the statement I had intended to make in my ten minutes, I want to make an observation about the ruling you just made. Of course, I accept your ruling and appreciate that the report before you containing the motion is acceptable for the purpose of this debate. However, I hope and ask that on the occasion of the presentation of our next report that I be given the opportunity to make submissions about it before you reach a conclusion as to the propriety of the language. I would like to be able to defend the language in the next report when it is submitted. I will not take it for granted that the present formulation will be acceptable next time. I understand that is the point that you want to make. However, before you, in effect, rule against this language I would ask to have the opportunity when I submit our next report to make submissions in that respect.

• (1310)

Mr. Speaker: The Hon. Member for York Centre (Mr. Kaplan) raises a matter of importance. I want to make it quite clear to the Hon. Member and all Hon. Members that, of course, I will hear any discussion that might be helpful.

What the Chair has tried to do in making these observations today is to point out to Hon. Members that while I think it is clear what the intent of the matter is, the Chair hopes that Hon. Members and the committee will be able to phrase the words in such a way that the intent is carried out in this Chamber if it is to be debated.

Mr. Kaplan: Thank you, Mr. Speaker. I will submit my next report and when I do I look forward to debating with you the propriety of the formulation used in the report. I would like to turn to the third report which—

Mr. Speaker: Perhaps the Chair will be permitted to observe that the luxury of debate is kept from it. I must confess, and Hon. Members probably have noticed, that there are times when it takes all of the constraint and restraint that I can muster to keep from entering into debate. However, the Hon. Member is certainly entitled to make representations and make an intervention.

Mr. Kaplan: As you noted, this is an unprecedented occasion. I believe it is worth heralding by remarking that one of the significant reforms of the Government is achieved today, in that the committee is proposing to exercise the authority that it has to move the revocation of a regulation after finding, in due course and in the normal workings of the committee, that the regulation is invalid.

I have had some discussions with all Parties, and the debate, although introduced today, will not come to the normal fruition that one would have anticipated, namely, a vote on whether the report should be concurred in. In any event, I want to take the opportunity to put the report before the Chamber and to indicate that it is a report which, if adopted, would revoke the Fruit, Vegetables and Honey Regulations, CRC Chapter 875.

These regulations propose non-tariff barriers on the importation of fresh fruit and vegetables into Canada. The regulations were originally adopted under the authority of the Fruit, Vegetables and Honey Act many decades ago. The validity of the regulations was not challenged for decades, until the introduction of the Statutory Instruments Act by the Leader of the Opposition (Mr. Turner) and which were reviewed pursuant to that statute in early 1983.

In 1983 the committee received the opinion of the legal advisers of the Department of Agriculture that the regulations were *ultra vires* of the Act passed by the Parliament of Canada. In other words, there never was any legal authority for the regulations. The present Minister of Agriculture (Mr. Wise), who is in the House, confirmed that these regulations are not authorized by law, and in a letter dated April 24, 1986, he informed the joint chairmen of the committee, Senator Nurgitz and myself, that he had "instructed his officials to proceed with the revocation of the regulations".

We then requested the assurance from the Minister that pending formal revocation, the regulations would not be enforced by customs officers. The then Minister, the Hon. Eugene Whelan, refused to revoke the illegal regulations on the ground that to do so would seriously jeopardize the Canadian produce industry.

The Minister's declared intention to continue applying these restrictions led the committee, then chaired by the Hon. Senator John Godfrey and the present Minister of National Defence (Mr. Beatty), to table the fourth report of the joint committee. In that report, the committee stated that:

—the continued application of these Regulations at the present time involves an inadmissible departure from the usages of Parliamentary government and a repudiation of the concept of the Rule of Law which is at the heart of our constitutional order. While the Committee recognizes that the revocation of these import restrictions may result in an economic disadvantage for domestic producers of fruit and vegetables, it does not accept that this justifies the Executive in illegally restricting the liberty of trade and commerce of Canadian importers. To do so would be to accept that ours is a government of men and not of laws.

Our committee has no business passing judgment on the policy justification of regulations. I could easily agree that the regulations are desirable in the interest of the horticultural industry and I would go so far as to say that regulations of that character may be needed. Our objection as a committee is to the failure of the regulations to conform to the rule of law, which is to say that the statute under which they have been purported to be introduced does not justify passing regulations

of this sort. Within the mandate of our committee, we must come to the conclusion that they ought to be recognized as being invalid and ought to be replaced.

For some time, in the interest of the rule of law, our committee has been urging the Government to replace—

Mr. Wise: Mr. Speaker, I rise on a point of order. It is that there was an acknowledgement which is on the record—and discussions took place between certain parties—that a certain procedure would be followed on this particular item. I just remind the Hon. Member that he was part of that agreement. I hope that he would honour the agreement that was made eyeball to eyeball, in a handshake between he and myself, that a procedure would be announced in the House, would be followed and that the debate on the substance of this issue need not take place. I am honouring that commitment. I would ask that all participants do the same.

Mr. Kaplan: Mr. Speaker, I did not understand when we made the agreement that the report would not be presented. I will certainly conclude my remarks now, if that was the understanding of the other two. But I thought I would have the opportunity to present the report, explain it and discuss the procedure. I certainly confirm that we had a discussion. If it was the understanding of my colleagues that there would be no discussion or no explanation of the procedure I will accept that and conclude by simply saying that I look forward to a reconsideration of the report and hope that in due course the issue will be dealt with by the Government.

Mr. Speaker: I think the Chair should observe that there clearly was some discussion among members. The Hon. Minister has pointed that out. I certainly want to thank the Hon. Member for York Centre (Mr. Kaplan) for so quickly accepting the remarks and the intervention of the Hon. Minister. I am sure that all Parties can have a useful discussion with respect to this matter in whatever future course it takes.

• (1320)

Mr. Riis: Mr. Speaker, I simply wanted to indicate that there had been previous discussions and the impression was that we would simply introduce ourselves to the issue or the problem, hear you in terms of your observations, and then agree to refer the matter for further discussion.

Mr. Corbett: Mr. Speaker, I want to thank you for providing me with the opportunity of an intervention at this point in our discussions. This is an historic day in Parliament. I think it is encouraging for all of us as private members to see that the processes of the McGrath report have indeed been effective and that committees have had an opportunity of exercising to some degree the extended powers which have been placed with them through the adoption of the McGrath report by the House.

I believe the position which has been related by the Hon. Member for York Centre (Mr. Kaplan) fairly represents the situation as indeed it does exist. I would like to put forward an amendment at this time. I think the amendment is particularly opportune in view of the comments you made preceding the discussions which have taken place here today. I also believe that my amendment will preclude the necessity of any further discussion on the matter by the House.

Mr. Speaker: I will hear the Hon. Member for Fundy—Royal (Mr. Corbett) in a moment. The Chair, of course, is aware, as are all Hon. Members in the Chamber and those who are watching this debate, that there seems to have been some arrangement made between the Parties. The Chair is in the hands of the House, naturally, but I am just wondering whether an amendment at this time might be deemed by some other Members to not be in accord with the understanding. If it is, I would perhaps ask the Hon. Minister, the Hon. Member for Kamloops—Shuswap (Mr. Riis) and the Hon. Member for York Centre (Mr. Kaplan) to give the Chair some guidance in this matter.

Mr. Wise: Mr. Speaker, if you would simply recognize my colleague, the Hon. Member for Fundy—Royal (Mr. Corbett), we would be in motion.

Mr. Speaker: The Hon. Member for Fundy—Royal.

Mr. Bob Corbett (Fundy—Royal): Therefore, I move, seconded by the Hon. Member for Simcoe North (Mr. Lewis):

That the Third Report of the Standing Joint Committee be not now concurred in but that it be recommitted to the said Standing Joint Committee on Regulations and other Statutory Instruments for further consideration.

Mr. Speaker: I thank the Hon. Minister, the Hon. Member for Fundy—Royal and other Hon. Members.

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

Motion agreed to.

[*Translation*]

Mr. Gauthier: Mr. Speaker, I would like to go back to your comments at the beginning of this sitting about the need for having Standing Order 44 revised and corrected or referred to the Standing Committee that deals with the Standing Orders of the House regularly. I would also like to ask the Chair given its comments whether it wants the Committee to report as soon as possible on the difference between "motion" in English and *résolution* in French, so that the matter will be settled once and for all.

[*English*]

Mr. Speaker: In response to the Hon. Member, the Chair cannot order the Committee to do anything. Clearly, all Hon. Members have a problem with the fact that there are two quite different versions intending to address the same situation. The Chair has suggested that it be considered by the Committee. The Chair cannot order the Committee to even consider it and the Chair cannot order the Committee to report back speedily. The Chair can observe that if the Committee is prepared to

consider it, it might very well be to the advantage of all of us to report back speedily.

[*Translation*]

The proceedings of the House are adjourned until 2 p.m.

The House rose at 1.25 p.m.

SITTING RESUMED

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S. O. 21

[*English*]

PHARMACEUTICAL INDUSTRY

PATENT ACT—OPPOSITION TO AMENDING LEGISLATION

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, it is high time the Government took the time to listen to what Canadians and the organizations that represent them are saying about Bill C-22 and the proposed changes to the Patent Act affecting prescription drugs in Canada.

The Consumers' Association of Canada stated before the legislative committee that studied the Bill that:

> We do not see anything in the bill that really gives a guarantee that Canadians can receive the benefits that are promised in the press releases—
>
> Unless we are careful in writing something into the act to guarantee that research promises relate to net jobs, we could actually end up being had.

Another quotation reads:

> —if the bill is going to do something for Canada on the research front it will have to contain some specific target, like an 8 per cent or 10 per cent performance target for research and development per firm on the basis of the firm's sales.

It is time the Government listened to the opinion of Canadians about this terrible piece of legislation. Canadians want this Bill withdrawn. I call upon the Minister of Consumer and Corporate Affairs (Mr. Andre) to come to his senses, and to withdraw it immediately.

* * *

THE CONSTITUTION

SUPPORT FOR PROTECTION OF RIGHT TO LIFE OF THE UNBORN

Mr. Paul Gagnon (Calgary North): Mr. Speaker, next week we will have the fourth hour of debate on M-37, a motion proposed by the Hon. Member for Grey—Simcoe (Mr. Mitges). It is of great importance to many Canadians because it would grant to the unborn the right to life, liberty, and security of the person.

In the riding of Calgary North some 37,000 households received a questionnaire with respect to this measure. Some 1,895 people responded. The results show that 1,251 believe the motion should pass, while 622 think it should be rejected.

Some 66 per cent of the respondents in Calgary North support the protection of the unborn. I trust other members have notified their constituents of this motion and that they have inquired as to their feelings toward it.

* * *

WILDLIFE

PORCUPINE CARIBOU HERD—DANGER PRESENTED BY U.S. OIL EXPLORATION PLANS

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, on behalf of the NDP I would like to protest the fact that the U.S. Department of the Interior plans to go ahead with oil exploration and development within the Alaska Arctic Wildlife Refuge, a move which Canada opposes because of the danger to the Porcupine caribou herd, and the native people who depend on it.

In ignoring Canadian concerns the Americans are showing contempt for the value of wildlife, for the rights of aboriginal people, and for the tradition of joint Canadian-American management of the shared resource which the migrating caribou represent. Even the U.S. National Wildlife Federation called the U.S. action a case of "arrogant disregard".

The U.S. is increasingly regarding its own north and the Canadian North as an area which exists only for the economic and military purposes of the majority to the south. Canadian sovereignty in the north must be built on respect for native people, for wildlife, and for the environment. I say to the Government that strongly protesting this unilateral American action is a good place to start.

* * *

VIA RAIL

CHANGES IN SERVICE AFFECTING GUELPH

Mr. William C. Winegard (Guelph): Mr. Speaker, if there is a more arrogant organization in Canada than VIA Rail I hope we never hear of it.

VIA promised the people of Guelph a liaison committee to discuss problems and changes. We got our committee, and we got a lot of smoke as well. We also have two changes which were not discussed with anyone. We were ignored, Mr. Hanigan, until your letter telling us of the deleted train from Toronto to Guelph, Kitchener and London, and the untenable change of time of another. So much for consultation. So much for liaison. So much for the public. Thank you, VIA Rail.

[*Translation*]

THE CONSTITUTION

NEED FOR RECOGNIZING SPECIAL STATUS FOR QUEBEC

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, the constitutional conference called by the Prime Minister (Mr. Mulroney) so that Quebec can join the Canadian Constitution seems to have got off on the wrong foot. Yesterday Mr. Pawley, the NDP Premier of Manitoba, said Quebec was not different and that he was against special status. Today Mr. Getty, the Conservative Premier of Alberta, says he is against special status for Quebec, and that when he was a football player, he didn't notice any difference in the spectators from that province. And yesterday, a proposal by the Premier of Quebec to have the province's authority to select its own immigrants enshrined in the Constitution, a matter of vital importance, was turned down by the Prime Minister of Canada.

Mr. Speaker, I want to ask the Conservative Members from Quebec and the Leader of the New Democratic Party to urge the two Premiers to come to their senses and enable Quebec to join the Canadian Constitution by recognizing Quebec's special status.

* * *

NEW DEMOCRATIC PARTY

QUEBEC

Mr. Gilles Bernier (Beauce): Mr. Speaker, yesterday the press had some troubling news: "The real face of the NDP which treats Quebec like a third world country". At the convention in Montreal, an NDP Member from Ontario representing garment workers described the situation of francophone Quebecers in apocalyptic terms. She said, in referring to Quebecers: "They are oppressed, like Blacks and women; they do not have the right to speak French and are kept in line by their anglophone bosses; and they have the worst schools and the worst hospitals."

Mr. Speaker, Quebecers do not need a lesson from the NDP, and I suggest that this Party which is full of the most flagrant contradictions brush up on its facts. We do not need the comments of NDP Howard Pawley, who conducted a wide-open campaign against Quebec in the CF-18 dossier. Quebecers do not need the comments of Allan Blakeney, who one night in November, 1981, cooked up an agreement with the Liberals which excluded Quebec.

Quebecers will not support a socialist party financed by the CTC and Shirley Carr, without the consent of the membership. Workers of Canada, beware! The team of Shirley Carr and Broadbent is determined to invest your union dues in their election campaign. And I want all Quebecers to know that their Conservative Members, including the Member for Beauce, will continue to protect their interests.

What do Ontario, the west and the Maritime Provinces think of the resolutions that were adopted Saturday in Montreal by the New Democratic Party? A two-faced party, Mr. Speaker.

* * *

• (1405)

[*English*]

CANADIAN MORTGAGE AND HOUSING CORPORATION

MANAGEMENT OF GRANVILLE ISLAND PUBLIC MARKET

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, the Granville Island Business Association in Vancouver has released a strongly worded report which questions the organization of the Granville Island Public Market and the management practices of CMHC. The report calls on the Minister responsible for housing to strike an independent task force to study solutions for the market. Market merchants have strongly endorsed the report and put forward a list of highly qualified individuals willing to serve on the task force. The Government must start recognizing the legitimate needs of the small business community on Granville Island and act quickly on this matter.

* * *

EXTERNAL AFFAIRS

REPORTED INVOLVEMENT OF CANADIAN COMPANIES IN ROUTING SUPPLIES TO HONDURAN CONTRAS

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, a few weeks ago I alleged in this House that Canada was involved in the arms trade with the Contras in Nicaragua. We were involved through covert activity to get around the U.S. congressional ban of 1984. Examples were Propair Caribou planes going to the Contras, and Trans World Arms.

I have obtained from the Tower Commission the flow chart from Colonel Oliver North's office which shows Trans World Arms was indeed involved, as well as Defex of Portugal. I have obtained Spanish copies of two end-user certificates, one used by Energy Resources International, a company controlled by Oliver North and Richard Secord, and exactly the same wording was on the certificate used by Trans World Arms of 5340 Ferrier Street in Montreal. This is conclusive evidence to show that Canadian companies were involved in the White House undercover project. There should be a public inquiry in Canada and a Canadian response to the Tower Commission report on those matters involving Canada.

S. O. 21

PROVINCIAL AFFAIRS

CRITICISM OF TAX MEASURES IN MANITOBA BUDGET

Mr. Felix Holtmann (Selkirk—Interlake): Mr. Speaker, on Tuesday evening Manitobans found out what electing an NDP Government means. That Government handed down the biggest tax grab in the history of Manitoba. This tax grab will take an additional $700 per year from over 80 per cent of Manitobans. The sales tax increased to 7 per cent, hydro increased 4.7 per cent on top of a previously announced 5 per cent. Imagine this, a job tax of 2.25 per cent. Cigarettes, alcohol, diesel fuel, insulation, take-out foods—which the NDP criticized us for in this House—virtually everything consumed by the average Manitoban has been hit hard.

Even worse is the NDP do-nothing approach to agriculture. Last week the Premier of Manitoba gave hope to Manitoba farmers with his speech in Montreal. Two days later he fell flat in a stubble field. It is shameful that while the federal Government continues to pump over $500 million in direct contributions to Manitoba farmers, the NDP can only spend a measly $85 million. The NDP disappointed the farmers of Manitoba and of all of Canada, and always will.

* * *

• (1410)

ENVIRONMENTAL AFFAIRS

EFFECT OF PROPOSED POWER PURCHASE IN UNITED STATES

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, from the world of acid rain we learn that the Potomac Electric Power Company has signed a contract to purchase electricity for 18 years from the Ohio Edison Company. The contract is still subject to approval by the U.S. Energy Commission.

The Canadian Embassy joined the Natural Resources Defence Council in saying that the sale shows how loopholes in U.S. environmental law allow electrical utilities to avoid investing in pollution control measures.

"Our concern and the concern of the environmental groups is that it gives the appearance the utilities are trying to circumvent the intention of the Clean Air Act which was passed to ensure new plants would be built with the best available technology for reducing emissions", says Jim Wright, top environmental official at the Embassy in Washington.

Evidently, utilities are able to get around the regulations by hanging on to dirty old plants that pre-date the new pollution control standards. I call upon the Government to protest officially this proposed power purchase, which will cause additional environmental damage to Canada.

ENVIRONMENTAL AFFAIRS

ACID RAIN—ANNOUNCEMENT OF UNITED STATES PROGRAM

Mr. Stan Darling (Parry Sound—Muskoka): Mr. Speaker, it appears the mountains may finally be moving in the acid rain issue south of the border.

President Ronald Reagan announced this morning that he will implement a control technology commercial demonstration program by providing $2.5 billion, to be matched by the private sector. This could be a long awaited breakthrough in acid rain abatement on this continent.

Following the recommendations in the Joint Report of the Special Envoys on Acid Rain, released in January of last year, the President will also provide for an advisory panel comprised of experts from both countries. He is also recommending a review of U.S. federal and state regulations, which could result in additional sulphur dioxide and nitrogen oxide reductions.

Both the Prime Minister (Mr. Mulroney) and the Minister of the Environment (Mr. McMillan) have been seeking action from the U.S. administration on this issue, and the President's promise today could be the first step toward environmental security.

Let us all hope that the President's announcement today is just the thin edge of the wedge in active acid rain abatement.

* * *

FORESTRY

CRITICISM OF BRITISH COLUMBIA GOVERNMENT'S ACTIONS

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, last month, before he was forced to resign, the B.C. Minister of Forests decided to shelve a $28.6 million silviculture program and said that the British Columbia Government could not afford an increase in silviculture spending this year.

The Minister for International Trade (Miss Carney) referred to British Columbia as a reforestation slum with its woefully inadequate reforestation policies. Only last week the B.C. Government said that it could not afford a $21 million request package to stop the budworm infestation ravaging the forests of central B.C.

This unwillingness to act is a disgrace. This year the Province of British Columbia will receive $360 million from the export lumber tax, yet its Government has stated that it does not plan to reinvest this money to maintain and develop the British Columbia forest resource.

A recent poll by Decima Research found that 75 per cent of British Columbians favour putting all or most of the money collected from the lumber tax back into forest related spending.

I urge the Prime Minister (Mr. Mulroney), the Minister for International Trade, and the Minister of State for Forestry

and Mines (Mr. Merrithew) to do whatever is necessary to ensure that in tomorrow's Budget the Minister of Finance for British Columbia includes a provision stating that the full $360 million is to be dedicated to husbanding the province's forests, through direct investments where feasible, and through the establishment of a forest industry heritage fund for the long-term funding of silviculture programs in that province.

* * *

CANADIAN ARMED FORCES

ROLE PLAYED BY HELICOPTER PILOT IN RESCUING RUSSIAN SAILORS

Mr. Lawrence I. O'Neil (Cape Breton Highlands—Canso): Mr. Speaker, many Canadians are now aware that a Canadian Forces pilot on exchange duty with the United States Coast Guard at Cape Cod, Massachusetts, was involved last Saturday in an heroic rescue mission off the coast of New Jersey in which 37 lives were saved.

A distress signal from a Soviet freighter was received early Saturday morning, and soon thereafter rescue helicopters were dispatched to the scene. Canadian Forces pilot, Captain Rick Hardy, a native of Prince Edward Island, was the second helicopter pilot to arrive on scene. With a steady hand during heavy rain and sleet, screaming winds and dangerous sea conditions, his helicopter plucked 16 Russian sailors off the deck of their ship.

This daring rescue during severe weather conditions shows the great expertise and coolness of this Canadian Forces pilot. All Canadians can feel proud of the honour which has been bestowed upon him and his Coast Guard colleagues by the President of the United States. All Atlantic Canadians are especially proud.

Some Hon. Members: Hear, hear!

* * *

WAR CRIMINALS

DESCHÊNES COMMISSION REPORT—CALL FOR PUBLICATION OF STUDY ON ENTRY TO CANADA

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, the Deschênes Report reinforces the commitment of Canadians to the principles of justice. An important part of the commission's mandate was to report on when and how Nazi war criminals obtained entry to Canada.

The analysis of this question prepared by Alti Rodal has been described by Justice Deschênes as "an outstanding contribution—which deserves wide distribution". I therefore call upon the Government to make the document public without which there is no historical context for the individual cases reviewed by the commission.

• (1415)

I am pleased the Government intends to amend our Criminal Code to permit prosecutions of war criminals in Canada. In March, 1985, I introduced a similar amendment and was advised that it was premature. I trust the Government will proceed quickly with amendments and direct our law enforcement agencies to give these cases a priority. To do otherwise would be to betray the victims of Naziism, the privilege of Canadian citizenship, and Canada's moral and international obligation to prosecute war criminals. The passage of time does not diminish the severity of war crimes committed by any individual, wherever and whenever perpetrated.

* * *

POLITICAL PARTIES

CANADA-UNITED STATES TRADE NEGOTIATIONS—POSITION OF NDP AND LIBERAL PARTIES—EFFECT ON ALBERTA

Mr. Albert Cooper (Peace River): Mr. Speaker, for decades now Albertans have been held down by trade shackles. The Progressives of western Canada set out to remove those fetters. They later joined the Conservatives and the fight to free Alberta continued.

Tommy Douglas and his CCF joined the battle, but when the unions took over the NDP the tradition of Tommy Douglas died and Alberta was abandoned by that Party. Under Pierre Trudeau, Marc Lalonde and their colleagues, the Liberals not only ignored Alberta but added to the problem with their oppressive energy policies. Now, Mr. Speaker, the NDP and the Liberals have once again joined to prevent Alberta from throwing off those shackles.

The Liberals have joined forces with the Premier of Ontario, the NDP and the union bosses in an attempt to prevent the Prime Minister (Mr. Mulroney) from negotiating a freer trade agreement with the United States, an agreement that could finally remove some of the heaviest shackles from around the necks of Albertans. The Liberals, the New Democrats and their colleagues are working against Alberta. They should be declared Public Enemy No. 1.

* * *

HARBOURS AND PORTS

SMALL CRAFT HARBOURS—CALL FOR INCREASED MAINTENANCE BUDGET

Mr. Len Hopkins (Renfrew—Nipissing—Pembroke): Mr. Speaker, the Government has neglected small craft harbours, boat launching ramps and wharves in Canada to the point of being irresponsible. Existing small craft boating facilities are being allowed to deteriorate because there is no money for maintenance. As a result, existing harbours, wharfs and

launching ramps are going to cost more money to repair because when they are neglected they deteriorate faster. This is not a saving, Mr. Speaker. It is simply throwing money away. It costs money to maintain and repair them but it saves money if they are repaired regularly. This neglect is just plain bad management on the part of the Minister.

The Government preaches about tourism and recreation but does nothing in the development of onshore and offshore tourist facilities to support the rapidly growing boating industry in Canada which, incidentally, pays large amounts of taxes to both federal and provincial Governments.

In Ontario the budgets for small craft harbours and boating accommodations have been nil. There is a great demand for boating facilities and maintenance in eastern and northern Ontario. If the Government is truly interested in tourism and recreation, it is time it started doing something for the boating industry in Ontario and across the country. A lot of Conservative unkept promises and self-praise will never launch a boat.

Mr. Speaker: I would like to advise Hon. Members that before we commence Question Period I will be hearing remarks by the Hon. Minister of Veteran Affairs (Mr. Hees), the Right Hon. Leader of the Opposition and the Hon. Member for Vancouver—Kingsway (Mr. Waddell).

* * *

THE LATE HON. DOUGLAS CHARLES ABBOTT

Hon. George Hees (Minister of Veterans Affairs): Mr. Speaker, following consultations with the other Parties I am rising now to speak in remembrance and tribute to the Hon. Douglas Abbott who died yesterday. Mr. Abbott was elected first to Parliament in 1940 and became Minister of Finance in 1946. He served in that portfolio with great distinction until 1954 when he retired to become a Justice of the Supreme Court of Canada.

I was privileged to serve in the House for my first four years during Mr. Abbott's term as Minister of Finance and found him to be one of the most able and popular Ministers whom I have ever known, and I think probably one of the most popular and able Ministers who ever served in this Parliament. He was a remarkable man.

He had friends in every part of the House in equal quantity. Members of all Parties admired his ability, appreciated his warm personality and his very keen sense of humour. He will be very greatly missed by all of those who were privileged to know him.

Some Hon. Members: Hear, hear!

• (1420)

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, that was a typically generous gesture made by my friend, the Hon. Member for Northumberland, the Minister of Veterans Affairs (Mr. Hees). I would like to respond on behalf of our side of the House and particularly on behalf of my colleague, the Hon. Member for Saint-Henri—Westmount (Mr. Johnston) and myself. Both of us knew Mr. Justice Abbott personally, held him in high regard, and felt great affection for him.

I think the Minister of Veterans Affairs and Mr. Stanley Knowles are probably the only two people here in the House now who served in the House of Commons with Douglas Abbott. They will remember him as we remember him, a great servant of the people of Canada. He was not only a Member of Parliament for 14 years but he was Minister of Finance from 1946 to 1954. He brought down nine Budgets in the House, a number of them bringing down surpluses. In the extraordinary flavour of that time, he was roundly criticized for that. I might say that I can say this with some authority because I was the last Minister of Finance ever to bring down a surplus in Canada.

Mr. Justice Abbott had an irresistible personality. The Minister of Veterans Affairs has referred to it. He was irresistible, engaging, and a wonderful friend. He sat on the Bench of the Supreme Court of Canada until retirement age. When he retired, he was the Senior Puisne Judge of that court and was renowned for his wide and vast knowledge of the public law of Canada.

Mr. Justice Abbott was born in Lennoxville in the Eastern Townships of Quebec. One of the personal honours accorded to him that he valued most highly was having been elected Chancellor of Bishop's University.

On behalf of the Liberal Party we send our deepest condolences to his widow, to his son Tony who served in the House of Commons as well and was a Minister in the Government of Mr. Trudeau, and to his family our warmest sympathies, our respect, and our admiration because he was a remarkable Canadian in his time.

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, I rise on behalf of the New Democratic Party to join with the Minister of Veterans Affairs (Mr. Hees) and the Right Hon. Leader of the Opposition (Mr. Turner) in regretting the passing of a distinguished Canadian, the Hon. Douglas Abbott. As has been mentioned, he was a successful politician and a distinguished judge. He was elected to the House of Commons before I was born. As a young lawyer I had the honour of appearing before Mr. Justice Abbott, the first time I appeared before the Supreme Court of Canada, while he did not rule for me, he gave me a good hearing.

Mr. Justice Abbott was, as I saw him, courteous, sharp, and very able. Many of us know his son Tony and our condolences go out to him and to the family. As the Leader of the Opposition pointed out, Tony did serve as a Member and as a Minister in this great House of Commons like his father.

Today, on behalf of my Party and all of us in the House of Commons, including those of us who did not have the honour of serving in the House with the Abbotts but served subsequent

to them, I offer condolences to the family and thanks for a distinguished Canadian life.

Mr. Speaker: I would ask Hon. Members to stand for one minute's silence.

[*Whereupon the House stood in silence for one minute.*]

• (1425)

ORAL QUESTION PERIOD

[*English*]

TRADE

CLOSURE OF NORTHERN ONTARIO SAWMILL—LUMBER EXPORT TAX

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, in the absence of the Minister for International Trade I will direct my question to the Deputy Prime Minister. As a result of the Government's imposition of a 15 per cent export tax on Canadian softwood lumber exported to the United States, Kimberly-Clark, the maker of Kleenex, is closing its sawmill in Longlac in northern Ontario, laying off every worker, and ending an annual production of 20 million board feet of lumber.

Would the Deputy Prime Minister inquire of his colleague as to whether she still calls her sell-out of the Canadian lumber industry to the United States in order to salvage the free trade talks a great victory for Canada? Does she intend to do something to help Canadian lumber workers laid off from their jobs because of the imposition of this tax and the failure of the Government to have any guts in standing up to the American negotiators?

Hon. Gerald S. Merrithew (Minister of State (Forestry and Mines)): Mr. Speaker, it is regrettable when any mill closes for any reason. I find the reasons in this case rather perplexing given that that company indicated last year that it had lost $78 million over a decade. Therefore, it was losing last year. Incidentally, prices have risen by over 17 or 18 per cent since a year ago. Therefore, any company that was marginal last year would certainly be marginal this year.

[*Translation*]

EXCHANGE VALUE OF DOLLAR—EFFECT ON 15 PER CENT TAX

Right Hon. John N. Turner (Leader of the Opposition): Given these circumstances, Mr. Speaker, I must now direct my question to the Minister of State for Forestry and stress the fact that the 15 per cent tax exceeds the profit margin of Canada's whole forest industry, particularly softwood lumber. And not only did his Cabinet colleague abandon our softwood lumber industry workers when she imposed this 15 per cent tax, but she did not even make arrangements with the Americans to reassess the tax in case the value of our dollar would increase. So my question to the Minister is this: Considering the current exchange value of the Canadian dollar, will his colleague have the courage to reopen negotiations with the Americans with a view to repealing this tax?

[*English*]

Hon. Gerald S. Merrithew (Minister of State (Forestry and Mines)): Mr. Speaker, I have indicated in this House, as has the Minister for International Trade, that negotiations are ongoing with the American Government on this particular issue. The Ministers of Forestry are dealing with the replacement measures in the hope of changing from the export tax to other provincial measures.

There are a lot of reasons why any mill closes, varying from inventory adjustments to normal seasonal closures, to upgrading and capital improvements. We do not know the reason in this case and I do not think it is fair to put the blame on any one aspect. This happens regularly at this time of year.

SECONDARY LUMBER REMANUFACTURERS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, the Minister talked about marginal companies. His 15 per cent tax is a wider margin than the entire margin of profit of the Canadian lumber industry. His colleague has converted the Canadian lumber industry into sawdust.

Some Hon. Members: Oh, oh!

• (1430)

Mr. Turner (Vancouver Quadra): She admitted in the House that she had neglected, by mistake, to understand the position of Canadian secondary manufacturers in the industry. She gave an undertaking to the House that in January she would go to Washington to correct that oversight. Does the Minister's colleague intend to go to Washington and exempt the secondary remanufacturers, eighty of whom across the country are facing bankruptcy as a result of the incompetence of his colleague, the Minister for International Trade?

Hon. Gerald S. Merrithew (Minister of State (Forestry and Mines)): Mr. Speaker, while nobody welcomed the actions of the American producers and the American Government that forced this kind of action, we are dealing with it. We sought the best agreement possible for Canada. Perhaps that is the reason why market prices are up significantly. The price today for eastern spruce pine fir is $285. At the end of December it was $266. The market does not show that it is suffering that much.

CANADA-UNITED STATES NEGOTIATIONS—GOVERNMENT ASSISTANCE FOR SCIENCE AND TECHNOLOGY

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, my question is directed to the Deputy Prime Minister. The Minister for International Trade said on Monday that part of the negotiation in bilateral negotiations with the United States is to include subsidies and other measures, and asking the United States Government to set rules by which Canadian industry can be assisted by the federal Government. Will the

Minister confirm that the $183 million of assistance that is presently given by the federal Government in the policy of contracting out science and technology is one of those measures now subject to negotiation? Will he not agree that that particular measure, if negotiated away, would put in jeopardy the entire Canadian high-tech industry we are trying to promote and support?

Mr. John McDermid (Parliamentary Secretary to Minister for International Trade): Mr. Speaker, it is interesting to hear the Liberals say on the one hand that we must lay all our cards on the table while on the other hand their Leader says we have shown too many cards in the negotiations. Discussions and negotiations are continuing. I can assure the Hon. Member that the Government will protect that very valuable industry in these negotiations.

Mr. Axworthy: The Hon. Member has it wrong. We did not say that too many cards were shown; we said too many cards had been given away.

EXPORT DEVELOPMENT ASSISTANCE

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, my supplementary question is directed to the Deputy Prime Minister or the spokesperson for the Government. In the measures set out by the Minister, we now know that the Government has cut back the export development assistance from $313 million last year to $26 million this year. At the same time, the Secretary of the Treasury in the United States has just asked Congress for an additional $200 million of export assistance. How can we have a proper negotiation on trade when we are cutting back our export assistance to Canadian industry while the Americans are adding to theirs?

Mr. John McDermid (Parliamentary Secretary to Minister for International Trade): Mr. Speaker, I find it very interesting that the Hon. Member thinks the United States trades with Canada and no one else in the world, and that everything should stop when these negotiations are taking place. There is nothing further from the truth. The United States trades with the world, as does Canada. This goes on while these negotiations continue. To relate one to the other is foolishness.

* * *

AGRICULTURE

REQUEST FOR GUARANTEED RETURN FOR GRAIN PRODUCERS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is directed to the Minister of Agriculture. He will know that two weeks ago I asked him about the Government's decision on the initial price for our grain producers. The Government had not reached a decision. The Minister also knows that the initial price our grain producers received last year was down some 19 per cent and that disaster ought not be repeated this year. Will the Minister give a guarantee to our grain producers that their final price will certainly not be lower than what they received last year?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I am sure the Hon. Member will recognize the procedure that must be followed. The information will have to be considered very carefully by Cabinet. That is exactly what we are doing at the moment. It would be very inappropriate for me to comment at this time, for a whole variety of reasons, many of which I will raise later today in the course of debate on the motion put forward by the Official Opposition.

MINISTER'S POSITION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I understand the concerns with respect to some of the details and that there may be a reason for the delay in the Minister's announcement. However, I, and more relevantly, the grain producers, would like to hear the Minister say today that whatever the Government's final decision, the final return to the grain producers who already had a 20 per cent drop last year will not be lower than it was last year? Will the Minister at least give that guarantee?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, it might be helpful if I respond to the Hon. Member's question by reading a statement that was released on March 5 by 55 farm leaders and some 35 farm organizations. This is exactly the message they are saying:

> Farm leaders today agree that producers should base spring planting decisions on market signals. Farmers should not make assumptions about government assistance in planting their 1987 production. It is too soon to come to any conclusions about the help that will be needed or how it would be given but we will insist—

That is the farm leadership:

> —that any new assistance measures be production and market neutral.

I ask the Member to consider that statement on behalf of the farm leadership in this country.

REQUEST FOR GOVERNMENT COMMITMENT

Hon. Edward Broadbent (Oshawa): Mr. Speaker, if the Minister is saying that the market will ultimately be what dictates the Government's final answer, he is telling our grain producers that they can expect a major drop in what they will get this year compared to what they received last year. The Minister did not answer my first question. Will he answer my second question? Will he guarantee to our grain producers that their final return, which was already disastrously low last year, will not go below last year's level? That is what they want to hear.

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I have no problem with the question. Surely, however, if the Hon. Member does not recognize it, I am certain members of his caucus should recognize that it is very premature, very untimely and very improper in the interests of Canadian agriculture to answer that question in the House at this time or

until farmers have made up their own minds based on market signals, particularly in view of the fact that the seed drills have not been pulled out of the implement sheds, let alone triggered into the ground.

* * *

FISHERIES

CLOSURE OF PORTS TO FRENCH FISHING VESSELS

Mr. George Baker (Gander—Twillingate): Mr. Speaker, today's headlines read: "Canadian Ports Closed to French Fishermen"; and "Vessels Will Be Arrested Outside Disputed Zone"; and "Government Acts Against Overfishing".

Some Hon. Members: Hear, hear!

Mr. Baker: The only problem is that the French fleet does not use Canadian ports, the French do not fish outside the disputed zone, and the entire French fleet to which the Government has now closed Canadian ports has already gone back to France.

Some Hon. Members: Hear, hear!

Mr. Gauthier: Come on, John.

Mr. Baker: I ask the Minister of Transport, assigned by the Prime Minister to answer these questions and make statements in Newfoundland: why close the ports when the French do not use them; why forbid them to fish where they do not fish anyway; why have you made these statements after the French have already gone home? The Minister of Transport said: "This is a clear signal". We say that it is a smoke signal: "Heap big smoke, no fire".

Some Hon. Members: Hear, hear!

Hon. Thomas Siddon (Minister of Fisheries and Oceans): Mr. Speaker, we know the Hon. Member imagines himself to be an actor, but one wonders when he will get his act together.

Some Hon. Members: Hear, hear!

Mr. Siddon: On one day we hear the Hon. Member and his colleagues asking the Government to be firm and tough. The next day he is standing up in the House to say: "Why bother?" The inconsistency of the Member in his continued questions on this issue is regrettable and unhelpful. We announced our undertaking to close the ports and close the French fishing quota in the area known as 3PS because, according to our estimates, France has exceeded the quota which Canada accords to French-based vessels in that area. If this measure will not be effective, why is it that France has protested so strongly today?

• (1440)

Mr. Baker: The Minister of Fisheries finally stands up and answers a question on that subject. He reminds me of a whale which is usually below the surface but every now and then comes up to blow.

GOVERNMENT POLICY

Mr. George Baker (Gander—Twillingate): Are we now to assume from this statement that the French fleet can return to Canada in the fall, as they always do, and fish now unlimited in the disputed zone out to 200 miles, as they always do, as long as they go into the same ports that they always use? What is the Government up to? Has it assumed the same position and the same style as Premier Peckford with his intellectual terrorism? I am sure the French fishermen are shaking in their rubber boots.

Hon. Thomas Siddon (Minister of Fisheries and Oceans): Mr. Speaker, I do not know if I heard a question, but if there is any whale in this House which has learned to blow hard, it is the Hon. Member opposite.

What is so puzzling is that this Hon. Member sat and did nothing in 1972 as a member of that Government. When the Treaty was signed which led us into this debacle, this Hon. Member sat in his seat in 1976 while his Government cut off the nose and tail of the Grand Banks, cut off its nose and tail to spite its face, so to speak, which has denied Canadian fishermen their right and proper due. We are in the process of ensuring that those resources are conserved and managed to the benefit of the fishermen of Newfoundland and Labrador and, indeed, of all Atlantic Canada.

* * *

AGRICULTURE

ASSISTANCE FOR FARMERS—GOVERNMENT INTENTIONS

Mr. Vic Althouse (Humboldt—Lake Centre): Mr. Speaker, the Minister of Agriculture seemed, by his previous answer to my Leader, to be saying that farmers cannot be expected to know what sort of assistance intention the Government has for them in this coming year. Could he expand on that a little and explain why he thinks farmers should not know the position of the federal Government with regard to financial assistance when we know and he knows, and all the Canadian farmers know, that their American counterparts have been guaranteed between $35 billion and $36 billion over the next five years? American farmers know where they are at. Why can the Minister not tell us where our farmers are at?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I think the Hon. Member knows full well the answer to the question. He knows full well the reason that I at this point in time have to respond and if I had the choice of standing with the New Democratic Party or standing with the farm leaders

of this country, there is no question in my mind where I am going to stand.

I do not know what useful purpose it serves to point to an example beyond this country. Indeed, if other countries follow the same example which has been established by this Government and the farmers of this country, we would not be facing many of the difficulties we face today in the international market-place.

MARKET PRICES—MINISTER'S POSITION

Mr. Vic Althouse (Humboldt—Lake Centre): Mr. Speaker, my supplementary question is directed to the same Minister. If the Minister is intending that farmers respond only to market forces, and he is not going to interfere in the market, does that then mean that he is prepared to give up and permit the foreclosures through FCC and the other institutions to recommence? Has he decided there is no hope as he is reading the signals of the market, which are that grain prices ought to be down at least another 20 per cent in the coming year from the 20 per cent in the previous year? Is he now sending out a signal that they should not be producing anything, that they should give up and walk off their farms?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, that is just a silly observation. I think everyone in the House would recognize that there are certain things that Governments should do and can do, but—

Mr. Broadbent: And won't do.

Mr. Wise: —I am sure there is not a person in the House who would suggest that the Government of Canada, particularly, and even this Government, which has done so much for Canadian agriculture, should be involved in or dictating what farmers should plant in the 1987 season. Surely he is not suggesting that we do that.

Mr. Broadbent: No, he was not. You are right.

* * *

ENVIRONMENTAL AFFAIRS

ACID RAIN—UNITED STATES PRESIDENT'S ANNOUNCEMENT

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, in the absence of the Prime Minister, my question is addressed to the Minister of the Environment. According to a Canadian Press report, the Prime Minister is quoted as saying today that President Reagan's intention to seek funds for innovative technology projects to control acid rain is a "very significant movement". How can the Prime Minister claim a very significant movement if all that will happen is more of the same, namely, research, with no commitment to cut acid rain, no percentage cuts, no deadline, no programs, just more research?

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, I think the Hon. Member for Davenport is probably congenitally incapable of coping with good news. He will acknowledge with fairness that I probably have been as critical as anyone else in this House of the lack of action by the U.S. administration, following up on the last summit between the Prime Minister and the President. However, with equal fairness he will acknowledge that today's statement is a major statement by the President of the United States by any standard. I think it is probably the most detailed, most categorical commitment to joint action between the two countries on acid rain ever made by the President of the United States.

We have much more to do. The President and the Prime Minister will be meeting in Ottawa in a few weeks for that purpose. I especially welcome in the President's statement today a commitment "to future specific actions". That is the kind of constructive internationalism which produces results.

REQUEST FOR SIGNING OF CANADA-UNITED STATES AGREEMENT

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, according to the same Canadian Press report, the Minister of the Environment did not seem to be quite happy with the news himself. He is quoted as saying: "We do not have 'signed on the dotted line' . . . ". Can the Minister of the Environment assure the House and Canadians that at the next summit in April the Prime Minister will get President Reagan to sign with Canada an "on the dotted line" agreement of joint cutting of acid rain?

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, I do not want to be partisan, much less do I want to make invidious comparisons, but the fact is that the Government of which the Hon. Member for Davenport was a member cut off negotiations with the Americans altogether on acid rain in June of 1982. To the credit of the Prime Minister, he put acid rain back on the agenda. He put the issue back on the rails. We in Canada do not yet have the accord we want, but today's announcement out of Washington is a very significant step in that direction, and the Prime Minister deserves the credit.

* * *

AGRICULTURE

CANADA-UNITED STATES TRADE NEGOTIATIONS—POSSIBLE EFFECT ON DAIRY INDUSTRY

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, my question is directed to the Minister of Agriculture. The Minister will know that a free trade agreement which would allow the free flow of food products into Canada would seriously hurt Canadian food producers. Is the Government, while it is saying it will protect farm marketing boards and

supply management, considering allowing the free flow of dairy products from the United States into Canada under a projected free trade agreement?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I think we have previously answered that question. It was answered in the contents of the resolution and answered during the course of the debate. I want the Leader of the New Democratic Party to pay particular attention to this because, while I did not see him on *The Journal* last night, I sure had a lot of calls from farmers who were very critical of his comments. There is no question about that. He made some rather interesting comments about western farmers. This Government looks at agriculture from coast to coast. We are concerned about Canadian farmers regardless of from which region they happen to come and from which they produce food, I can tell him that.

• (1450)

GOVERNMENT POSITION

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, I did not receive an answer to my question. Is the Government guaranteeing that the free flow of dairy products and other supply management products will not be allowed after a free trade agreement is signed?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, we have some difficulty with Hon. Members across the way. I do not know whether it is their lack of understanding or their reluctance to listen to us and to read *Hansard*. I have answered the question on many occasions here and across the country. I ask the Hon. Member to listen very carefully.

We indicated that the Government gave a firm commitment to support the existence of the marketing boards and to decide in Canada their future. When that is done, and if one fully understands the manner in which they operate, it is necessary to maintain at the same time those underpinnings which are necessary for them to work.

Members opposite are interested in the Auto Pact and so on. We clarified that the other day with the debate on free trade. If they really understood the marketing board system, particularly those concerned with supply management, then we could call CEMA the Canada-U.S. egg pact. We could call the Canadian Chicken Marketing Agency the chicken pact. We sat down—

Some Hon. Members: Order, order!

Mr. Wise: There is not much difference. We sat down with the Americans and we negotiated import levels.

Oral Questions

AEROSPACE INDUSTRY

REPORTED PROPOSAL TO MANUFACTURE DASH-8 AIRCRAFT IN CHINA

Hon. Bob Kaplan (York Centre): Mr. Speaker, my question is for the Minister of Regional Industrial Expansion. On Monday I asked the Minister if he had authorized production of de Havilland's Dash-8s in China, something which de Havilland is prohibited from doing without his permission. He said, as reported at page 4175 of *Hansard*, that he had looked into the matter and was convinced that de Havilland had no intention of handing over some of its production contracts to China. De Havilland officials have indicated the opposite, that the Minister is wrong and that negotiations are under way to manufacture some of the Dash-8 production in China. Why was the Minister unaware of this, since his approval is required for it to take place? Does the Minister agree, and if so why, jobs should be created in China using the technology that was paid for by Canadian taxpayers?

Some Hon. Members: Hear, hear!

[*Translation*]

Hon. Michel Côté (Minister of Regional Industrial Expansion): Mr. Speaker, I did respond to this question, and I also said that the Government was very concerned. Of course when we concluded the sale of de Havilland we made sure that the technology and the jobs would be kept in Canada.

Since the deal was finalized, Mr. Speaker, more than 1,000 jobs have been created, which goes to show that the Government fully respects its mandate in this regard.

My colleague refers to certain negotiations or discussions. Mr. Speaker, of course de Havilland management are expected to seek new markets and, obviously, this may entail negotiations and discussions. But at this time no deal between China and de Havilland has been officially sanctioned.

POSSIBLE CREATION OF JOBS IN CHINA BY DE HAVILLAND FOR MANUFACTURE OF DASH-8 AIRCRAFT—GOVERNMENT POSITION

Hon. Bob Kaplan (York Centre): Mr. Speaker, is the Minister prepared to say now that he will not let de Havilland export jobs for the production of Dash-8 aircraft in China? Is it clear that this technology will be used exclusively to create jobs here in Canada?

Hon. Michel Côté (Minister of Regional Industrial Expansion): What is clear, Mr. Speaker, is that the Government remains convinced and anxious that the existing agreement with de Havilland must be respected. As it happens, it guarantees that the aerospace industry, the jobs and the technology will remain in Canada, and that is precisely what we want to do.

[*English*]

FISHERIES

OVERFISHING BY FRENCH VESSELS—REQUEST FOR TRADE SANCTIONS

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, my question is for the Minister of Fisheries and Oceans. The Minister of Transport said that Canada will do whatever is within its power to stop French overfishing in the disputed 3PS zone south of Newfoundland. So far we have seen nothing but meaningless gestures. When is Canada going to get serious about stopping the French destruction of our Atlantic fisheries? When will it take action that will get the French to the negotiating table? Is the Government now prepared to begin a process of progressive sanctions against French products, beginning with such items as mineral water and moving on to more serious ones?

Hon. Thomas Siddon (Minister of Fisheries and Oceans): Mr. Speaker, I do not know where the Hon. Member has been all these weeks. He is calling for action on a long unresolved problem that this Government did not create, which has to do with the fact that France believes that a treaty signed in 1972 entitles it to certain fishing rights in Canadian waters. That is what led the Government to enter into a process of negotiating an agreement which would refer to international arbitration the boundary issue south of St. Pierre and Miquelon, and a second agreement which would set quotas and administer fishing arrangements during the time it takes to solve that boundary problem once and for all. These are initiatives the Government is taking.

I would like to know if the Hon. Member is suggesting that we cut off all other forms of trade with France. Is that what the Hon. Member is suggesting?

GOVERNMENT ACTIONS

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, the Government should place fisheries at least as high in its priorities as does the French Government. Do the Minister and the Government really believe that the puny actions they have taken so far will be effective in preventing the French from overfishing in 3PS? When it finds out that these actions are successful, is it prepared to take stronger action up to and including sanctions against French products?

Hon. Thomas Siddon (Minister of Fisheries and Oceans): Mr. Speaker, in the style of his Leader I hear the Hon. Member suggesting that Canada mount a physical confrontation with France. That may be one way to gain some attention when a Party is seeking to win a few meagre votes in a by-election, but it is absolutely irresponsible.

WAR CRIMINALS

AMENDMENT OF CRIMINAL CODE

Mr. Bill Attewell (Don Valley East): Mr. Speaker, my question is for the Minister of Justice. It concerns the Deschênes Commission Report. I wish to commend the Government for its resolve to address this issue, particularly the balanced and sensitive way in which the Minister addressed it, and the made-in-Canada solution.

The Minister indicated that while the commission found the size of the problem of war criminals to be substantially less than indicated by some, the Government must be concerned if even one individual guilty of war crimes has sought refuge from justice in Canada. The next step is to amend the Criminal Code. I would like to ask the Minister of Justice how quickly we can expect that amendment or that process to take place.

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker, I very much appreciate the question of the Hon. Member who has had substantial interest in this important issue. I wish to thank him publicly for the input which he has given to me with respect to the response of the Government.

The Hon. Member points out the fact that we have some work to do on the floor of the House of Commons. It is my intention to make a priority issue in my Department the bringing forward of amendments to the Criminal Code at the earliest possible date. I am gratified by the response of the opposition Parties and by Canadians generally. I know that we will have co-operation in getting these amendments through the House at the earliest possible date.

* * *

REGIONAL INDUSTRIAL EXPANSION

SYDNEY STEEL CORPORATION—MODERNIZATION PROGRAM

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, my question is for the Minister of Regional Industrial Expansion. He will know that in July of 1984 the Prime Minister committed himself and his Party to the second phase of the modernization program of Sydney Steel. The people in my region had to wait for 20 months before a subsidiary agreement was signed with Nova Scotia in February of 1986. Another 12 months have now elapsed only for us to find out from the Minister in March of 1987 that they have to wait for a business plan. Why should the people of my region trust the Government in view of the fact that this matter has been delayed for such an unconscionable period of time?

• (1500)

Hon. Michel Côté (Minister of Regional Industrial Expansion): Mr. Speaker, the people in my friend's riding should trust this Government because we are doing much more

than the previous Government did for a number of years, point number one. Point number two, as I said, the Government remains committed to the modernization of Sysco but the company has to provide the Government with a business plan by the end of March. The Government will react to it right after that.

PRESENTATION OF BUSINESS PLAN

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, my supplementary is directed to the same Minister. I am somewhat surprised and annoyed at his response because the Deputy Prime Minister said in this House on June 16, 1986:

> The business plan has been received. The Treasury Board submission is in the final stages of being concluded.

Why has the Minister shown such wanton disregard for the people of that region who suffer such high unemployment? Is it a confirmation of his belief that we are second-class citizens in Atlantic Canada?

[*Translation*]

Hon. Michel Côté (Minister of Regional Industrial Expansion): Mr. Speaker, I can only repeat what I have just said. Management is expected to submit to the Government a business plan outlining the company's future policy. The Government remains committed with respect to the Sysco Steel modernization and is anxious to co-operate with the provincial Government. Mr. Speaker, once again we have done more for that region of the country than the previous administration ever did in 10 years.

* * *

[*English*]

LABOUR RELATIONS

FAIR WAGES SCHEDULE—DISCONTINUANCE OF PRODUCTION

Mr. Rod Murphy (Churchill): Mr. Speaker, my question is directed to the Minister of Labour. He has decided to stop producing the fair wages schedule, which has been the basis for the minimum wage paid on federal government construction projects for a number of years. Why has he made that decision? Why has he done so without consulting labour officials? Why has he done it since employers' groups have said it will result in lower wages for construction workers?

[*Translation*]

Hon. Pierre H. Cadieux (Minister of Labour): Mr. Speaker, all I did was to take the administrative measures required in connection with the situation which had been prevailing since 1982, and all parties interested in this matter have made their position known since 1982.

[*English*]

MINISTER'S POSITION

Mr. Rod Murphy (Churchill): Mr. Speaker, why has the Minister done so at the request of the employers? Why has he refused to meet with the workers? Is his Government not a Government for all people? He knows it will reduce wages in this country and he is not being fair.

Hon. Pierre H. Cadieux (Minister of Labour): Mr. Speaker, I have never refused to meet anyone. It is because of the contentious nature of this decision that it was made on a trial basis only.

* * *

[*Translation*]

SHIPYARDS

INQUIRY WHY GOVERNMENT IS DELAYING CONTRACT AWARDS TO THREE QUEBEC SHIPYARDS

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, my question is directed to the Minister of Regional Industrial Expansion. It has now been a year since the Government made its commitment to restructure the shipyard industry in Quebec. Five thousand workers are still waiting for jobs. At Lauzon, workers were informed that unfortunately, construction on the second ferry, *Caribou II*, will be postponed for the fourth time, until October 1987. Between now and the month of May, 200 workers will be laid off at the Sorel yard, and the marine section at Vickers in Montreal will close down completely in two weeks.

Could the Minister explain to the House why his Government is still putting off awarding the manufacturing and refitting contracts he promised the three shipyards?

Hon. Michel Côté (Minister of Regional Industrial Expansion): Mr. Speaker, to my knowledge, no contracts have been delayed. This Government has shown tremendous concern for the shipyard industry in Quebec. In fact, we initiated the rationalization process. Since then, contracts have been awarded to the various yards, and they will be respected. As I said before, it is now up to the management of Marine Industries to carry out the projects and contracts as scheduled.

INQUIRY WHY CERTAIN WORK HAS NOT YET BEGUN

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, the Pontius Pilate of the federal Government is now washing his hands of Marine Industries. He made a promise, on three separate occasions, in Quebec City, his hometown, that work on *Caribou II* would start a month ago. The shipyards are empty. Nobody is working there, and the only contracts are those awarded by the federal Government. Is the Minister, considering his incompetence and that of his predecessors, prepared to resign his post and make way for

someone who can handle this? And second, could the Minister explain to the House why the work on *Cariboo II* has not started yet at the Lauzon yard, and why work on the TRUMP program has yet to begin at the Sorel and Montreal yards?

Hon. Michel Côté (Minister of Regional Industrial Expansion): Mr. Speaker, again, I fail to understand the Hon. Member's attitude. First of all, Mr. Speaker, he has been shouting for months that the Government should award contracts to Quebec shipyards. The Government did so. The yards are operating—

Mr. Malépart: Operating?

Mr. Côté (Langelier): Yes, the yards are in operation at this time, Mr. Speaker—

Mr. Malépart: Who is working there?

Mr. Côté (Langelier): —and I repeat, it is up to Marine Industries to decide how it wants to schedule production, not the Government of Canada. So once again, Mr. Speaker, the Government has acted while Opposition Members were complaining.

Mr. Malépart: It did nothing of the sort. We have five thousand workers who are idle.

[*English*]

Mr. Speaker: I draw to the attention of the House that Question Period will shortly be coming to an end. We were delayed because of the tribute.

* * *

[*Translation*]

CANADA MORTGAGE AND HOUSING CORPORATION

CLOVERDALE PARK—REQUEST FOR INQUIRY

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, my question is directed to the Minister responsible for CMHC and has to do with the Cloverdale Park affair. Will there be a public or judicial inquiry concerning this suspicious sale? What is the Minister doing to protect tenants, especially those who need low rental accommodation?

[*English*]

Hon. Stewart McInnes (Minister of Public Works): Mr. Speaker, the problem is a matter of concern. I went to Montreal to meet with all of the citizens' representatives. I heard their representations. As a result of that and our own investigation we have instructed our solicitors to commence court action to right what we consider are many wrongs. The outcome is obviously unknown.

Mr. Speaker: The Hon. Member for Broadview—Greenwood, a short question.

[*Translation*]

REQUEST THAT GOVERNMENT HALT TRANSACTIONS NOT IN PUBLIC INTEREST

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, I thank the Minister for taking action. Will the Minister undertake to examine this whole question of sales of housing units to so-called non-profit companies, which in fact are profit-oriented companies, or to co-operatives which are not genuine co-operatives? Will he halt all these transactions which are not in the public interest?

[*English*]

Hon. Stewart McInnes (Minister of Public Works): Mr. Speaker, the Hon. Member's questions are appropriate and of concern to us. That is the reason we are taking action. We want to find out what has gone on in the past few years. Without that information we cannot make an appropriate decision. Hopefully the court will approve our request, give us access to the books, and then we can make an appropriate decision.

* * *

CANADIAN ARMED FORCES

ROLE PLAYED BY HELICOPTER PILOT IN RESCUING RUSSIAN SAILORS

Mr. Bob Hicks (Scarborough East): Mr. Speaker, my question is directed to the Minister of National Defence. Can the Minister clarify for the House the circumstances of the rescue of 37 Soviet sailors off the coast of New Jersey and, most particularly, the role played by Captain Hardy, a Canadian Forces pilot?

Hon. Perrin Beatty (Minister of National Defence): Mr. Speaker, Captain Rick Hardy, a native of Prince Edward Island, is on exchange at the present time with the U.S. Coastguard. When the Soviet ship capsized, Captain Hardy, at great risk to his own life, was able to save some 16 Soviet sailors. That action has been recognized by the President of the United States and this will be the second commendation received by Captain Hardy while on exchange. It is an example of the dedicated service given by so many people in the Canadian Forces.

Some Hon. Members: Hear, hear!

Mr. Speaker: The Hon. Member for Windsor West, one question, please.

TRADE

CANADA-UNITED STATES NEGOTIATIONS—TARIFF REDUCTIONS—EFFECT ON AUTO PACT

Hon. Herb Gray (Windsor West): Mr. Speaker, on Monday in the House the Minister for International Trade, referring to tariffs, said:

> —in the trade talks we are seeking to reduce them to zero on Canada-U.S. trade over a period of 10 or 15 years, whatever is negotiated.

In her absence I want to direct my question to the Deputy Prime Minister. Why does the Government ignore the fact that there have been a number of occasions in recent years where automobile companies did not meet their content requirements under the Auto Pact and a threat to impose tariffs was necessary in order to get those companies up to the levels they had to meet on jobs and content? Why is the Government ready to tear the heart out of the Auto Pact by eliminating tariffs and thereby put at risk hundreds of thousands of Canadian jobs?

• (1510)

Mr. John McDermid (Parliamentary Secretary to Minister for International Trade): Mr. Speaker, the premise of the Hon. Member's question is entirely wrong. As he should know, because he was a Minister in the former Government, those tariffs on automobiles have been coming down over the years. I believe they stood at 17.5 per cent originally. They are down now to about 9.2 per cent. Those tariffs have been coming down all along. That obviously has not damaged the auto trade between our two countries. It is booming, doing very well. Why is the Hon. Member so afraid of it?

* * *

REFUGEES

SITUATION OF CHILEANS NOW IN BUENOS AIRES

Mr. Dan Heap (Spadina): Mr. Speaker, my question is for the Minister of State for Immigration. I have here the transcript of his remarks last Thursday night and the reply to them on Friday by Miss Herrera of the United Nations High Commission for Refugees from Argentina. The Minister made the statement that none of the Chileans in the plane load at Buenos Aires are real refugees and claimed to base that on Miss Herrera's advice. But Miss Herrera says in fact that some of them, by United Nations standards, are refugees. Since the Minister now understands that what he said on Thursday night was not true, will he, to correct the problem, bring those refugees to Canada and have them examined in Canada according to our refugee determination procedure?

Hon. Gerry Weiner (Minister of State (Immigration)): Mr. Speaker, both the member and the journalists have misunderstood what we actually said. I clearly said that our officials examine, case by case, every individual person's claim that they have a legitimate fear. We determined that not one of those people fled from persecution. They were all economic migrants. I continue to maintain that I had received no advice at that time—and I still have no advice—from Miss Herrera, the UNHCR person responsible. We indicated that in the future if anything else would be said, we would have to look at it again. However, as of now, no advice has been given to our officials in Buenos Aires.

Mr. Speaker: I must advise Hon. Members that the time for Question Period has ended, and that I have a ruling arising from an intervention on March 9 in respect of the Hon. Minister of Transport and the Hon. Leader of the New Democratic Party.

* * *

[*Translation*]

PRIVILEGE

ALLEGED MISUSE OF HOUSE OF COMMONS STATIONERY, PRINTING AND FRANKING PRIVILEGES—MR. SPEAKER'S RULING

Mr. Speaker: On March 9, I recognized the Minister of Transport (Mr. Crosbie) on what he considered to be misuse of the House of Commons printing and distribution services by the New Democratic Party. Following the intervention of the Minister, the Hon. Member for Oshawa (Mr. Broadbent) in turn complained about the mailing of certain documents and the Government production of a documentary at public expense.

A few members intervened in the debate on these complaints, and I allowed wide-ranging latitude because it seems to me Hon. Members might want the guidelines on householder mailings and franking privileges revised.

[*English*]

The Hon. Minister of Transport quoted from the *Members' Manual on Allowances and Services*, which includes under the heading "Unacceptable Requests", material unrelated to activities of the House of Commons and material of a partisan political nature. Nevertheless, the Chair would hesitate to make too rigid a pronouncement without being entirely satisfied that the House as a whole agrees that the guidelines should be interpreted in this way. In any case, a breach of guidelines does not necessarily constitute a breach of privilege.

The complaint of the Hon. Member for Oshawa was challenged by the Hon. Minister of Transport who insisted that the material distributed by the Government and the documentary film were not of a partisan nature. There is thus a difference of opinion among Hon. Members as to whether or not this material was legitimately charged to the public purse. It is obviously not for the Chair to resolve disputes of this kind.

To return to the complaint of the Hon. Minister against the New Democratic Party, the Hon. Member for Oshawa categorically stated that the New Democratic Party paid for

the publication complained of and for its mailing. He also pointed out that the material was distributed before the writ for the by-election in St. John's East was issued.

[*Translation*]

In the course of his intervention, the Parliamentary Secretary to the President of the Privy Council (Mr. Lewis) indicated that he took the Hon. Member from Oshawa at his word. I am sure the House will appreciate the tradition of honour that has served us so well in the past and acknowledge that the assurances given by the Hon. Member for Oshawa have at least satisfied that aspect of the question.

[*English*]

I come now to a determination of whether or not a prima facie case of breach of privilege has been established. I would like to acknowledge the contribution of the Hon. Member for Windsor West (Mr. Gray). He dealt with the essentials of the matter in underlining the restrictive application of privilege and pointing out, with relevant quotations, that the privileges of Parliament are rights which are absolutely necessary to enable Members to fulfil their functions. It seems to the Chair that nothing which has been complained of has in any way obstructed the House or any of its Members in carrying out the activities for which they were elected.

I must therefore find that no convincing case relating to privilege has been made, but I would not dismiss the issue, out of hand, for it has triggered a considerable amount of concern on both sides of the House. I believe it is necessary to re-examine the guidelines which apply to the use of the parliamentary frank and the distribution of bulk and householder mailings and determine what changes in our practice, if any, are desirable in order to remove the use of these facilities from any suspicion of impropriety.

[*Translation*]

I therefore suggest that the Standing Committee on Management and Members Services examine the question and make recommendations as appropriate.

[*English*]

Mr. Crosbie: Mr. Speaker, I rise on a point of order. Of course I would not want in any way to challenge your wise rulings. In the reference you are suggesting to the committee, I am wondering whether it could also consider whether or not these rules apply when a special rate is given a member to send out a householder.

For example, in this particular case, the Hon. Member for Oshawa (Mr. Broadbent) was allowed to pay $201 to send out 35,566 pieces of mail to St. John's East. The question which should be addressed is whether the same rules apply to this kind of special rate, fantastically cheap postal rate—

Mr. Broadbent: You are just so petty.

Mr. Crosbie: —whether partisan propaganda should be allowed to be sent out in that manner, or whether the same rules should be applied—

Some Hon. Members: Oh, oh!

Mr. Crosbie: —to the Hon. Member for Oshawa—

Mr. Broadbent: You are a jerk, Crosbie.

Mr. Crosbie: —whether the rules of the House—

Some Hon. Members: Oh, oh!

Ms. Copps: Tory socialists, they are all alike. Pull up the sheets, Tory socialists.

Mr. Gauthier: Kiss and make up.

Mr. Speaker: Order. What the viewing public cannot see is the continuation of the debate. However, I think I should point out and draw the Hon. Minister's attention to the second to last paragraph in the ruling. "I believe it is necessary to re-examine the guidelines which apply to the use of the parliamentary frank and the distribution of bulk and householder mailings and determine what changes in our practices, if any, are desirable".

I want to assure the Hon. Minister that the Chair's suggestion to the committee—and it is only that; I cannot order the committee—takes into account the very point which he has raised.

Mr. Crosbie: Mr. Speaker, on another point of order, I wonder whether Your Honour could rule whether or not the term "jerk" is parliamentary.

Some Hon. Members: Oh, oh!

Mr. Crosbie: The Hon. Member for Nickel Belt—

An Hon. Member: John Jerk Crosbie.

Mr. Crosbie: The New Democratic Party is not led by a statesman, that is for sure.

Some Hon. Members: Sit down.

Mr. Crosbie: The honourable jerks opposite should be—

Mr. Speaker: The Hon. Minister has risen to ask the Chair if I think the word "jerk" is unparliamentary. I am not sure whether a clear allegation was made that anyone had in fact said that word. However, I want to tell the Hon. Minister that I did not hear it. Of course, if I heard it repeatedly, I might have to make a ruling. However, I think under the circumstances and if the word was used, it was not used by any member in formal debate. As I said, the Chair did not hear it.

Of course, if it is used again, I would invite any Hon. Member who felt offended to rise. Perhaps if a number of members felt that the word applied to them, they might all rise and bring the matter to my attention.

Mr. Crosbie: Mr. Clean no more; he is a rough, tough guy.

Mr. Speaker: Tabling of documents.

Mr. Crosbie: He is a jerk.

Some Hon. Members: Oh, oh!

An Hon. Member: The Speaker did not hear that.

• (1520)

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

GOVERNMENT RESPONSE

Mr. Doug Lewis (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, pursuant to Standing Order 106(8), I have the honour to table, in both official languages, the Government's response to petitions, Nos. 332-745, 332-746, 332-869, 332-870, 332-871, 332-1225, 332-1226, 332-1268 and 332-1269.

* * *

POINT OF ORDER

ADVANCE NOTICE OF MINISTERS' STATEMENTS

Hon. Herb Gray (Windsor West): Mr. Speaker, I want to raise a brief point of order. It is this. At 2.25 p.m. during the Question Period I had handed to me an envelope. In that envelope I found a copy of the statement to be given by the Minister of Employment and Immigration (Mr. Bouchard). At the same time an envelope with the same statement was delivered to the Hon. Member for Notre-Dame-de-Grâce—Lachine East (Mr. Allmand), our Official Opposition critic for employment.

It has been the long standing custom and tradition, in fact an informal understanding, between the Government and Opposition Parties, which applied before the election, that opposition spokesmen would get at least two hours' notice of statements to be presented on behalf of the Government. In spite of this tradition, in spite of this understanding which dated back before the election, the statement was not presented in advance to myself or to the New Democratic Party House Leader and the critics for the Official Opposition and the NDP pursuant to that understanding. This is a gross discourtesy, Mr. Speaker. It is a breach of that understanding of which I spoke.

I want to say after learning of this, the Parliamentary Secretary to the Government House Leader came to me behind the curtains, recognized the breach of the understanding and suggested that we interrupt our Liberal Opposition the day after the first three speakers so that the statement could be given and responses pursuant to the rules could be made by the Opposition spokesmen. His intentions were positive. He wanted to give the critics more time to prepare their responses. I said then and I say now that this is unacceptable. We should not have to interrupt our Opposition day for that purpose. In fact, there is another discourtesy involved here with the Minister of Employment and Immigration desiring to make a statement on motions prior to an Opposition day. This is not generally done.

[*Translation*]

Mr. Speaker, this occurrence is a serious breach of courtesy and of the informal understanding that exists between the Parties in this House, and I therefore raise a point of order. I must point out, not only to you, Mr. Speaker, who are very much aware of the courtesy that must prevail in dealings between parties, but especially to the Government that if it wants co-operation between the Parties in this House, it must stop this habit of not giving the Official Opposition or the third party in the House sufficient notice of a statement so that we can prepare an appropriate reply.

[*English*]

Therefore, Mr. Speaker, I want to say that this is unacceptable conduct on the part of the Minister, and if this Government, which already has so many things to answer for, wants to have any kind of co-operation in future in this House, it must cease this unacceptable conduct.

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, I want to add to the comments made by my hon. colleague, the House Leader for the Official Opposition (Mr. Gray), and say that this goes beyond the simple courtesy that the House has been used to now for many, many months whereby Ministers before they give statements simply carry out the appropriate courtesy and inform the critics well in advance enabling the critics to respond in an appropriate and thorough fashion.

As the House Leader for the Official Opposition has indicated, for the House to work effectively it requires co-operation on both sides of the House. It requires members to be thoughtful, courteous and to take the extra steps to facilitate a very sophisticated debate in the House of Commons. To do that, it is important that Members of Parliament be given as much advance notice as possible about the business of the House.

I am pleased to say that the House Leader for the Government has given us, a number of days in advance, an indication of the business of the House. But, Mr. Speaker, halfway through Question Period we were all surprised to learn that an Opposition day was to have a portion of it taken up by the Minister making a statement—

Mr. Mazankowski: No.

Mr. Riis: Disrupted by the Minister making a statement. We are not asking so much for the courtesy—I think that goes without saying—but to facilitate and elevate debate, it is important that Members such as the Hon. Member for Nickel Belt (Mr. Rodriguez), who was unaware that this statement

was going to be made by the Minister today and is the official critic for the New Democratic Party, be given the maximum advance notice. A few minutes prior to a Minister's Statement is insufficient. I would urge the Government House Leader and the Parliamentary Secretary to the Deputy Prime Minister (Mr. Lewis) to ensure that this type of discourtesy not occur in the future.

Mr. Doug Lewis (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, first, with respect to the question of a Minister's statement occurring on allotted days, I would point out to the House that there is no loss of time because the time of adjournment is extended. That, therefore, deals with that argument.

Second, and I make this point specifically to the House Leader for the Liberal Party, I would point out that in 291 days of the thirty-second Parliament there were 28 ministerial statements. In 304 days of the 32nd Parliament, during which we were in Government, there were 83 ministerial statements.

Ms. Copps: What is the point?

Mr. Lewis: The point very simply is this, Mr. Speaker. We are making ministerial statements in the House and not at some university campus so that opposition spokespersons have equal opportunities to reply.

Third, there was an hour's notice. I would point out to the House that neither critic responding on behalf of his Party took part in Question Period and, therefore, schedules were not disrupted.

Mr. Gauthier: How would you know that?

Mr. Gray (Windsor West): What a dumb statement.

Mr. Lewis: Did they?

Mr. Mazankowski: If you don't want to have the statement, we can forget it.

Mr. Lewis: I think we have tried wherever possible to accommodate our colleagues, Mr. Speaker. I think the point has been made and we should continue and hear the Minister's statement.

Mr. Sergio Marchi (York West): Mr. Speaker, I rise on the same point of order. I think what the Parliamentary Secretary to the President of the Privy Council (Mr. Lewis) is trying to do is hide behind a facade. This is not an isolated case. This Minister also happens to wear the hat of the Minister of Immigration as well as the hat of the Minister of Employment. On February 20 when he announced changes to the immigration program as it relates to refugees, he pulled off the very same routine. As critic for immigration for my Party I had only one-half hour notice of the statement. The statement was not made in the House of Commons, as the Parliamentary Secretary is trying to indicate. It was made at a press conference on a Friday at 10 o'clock. Not only was there only half an hour notice but there was not even ample opportunity for the Official Opposition to respond because, by the time the opportunity arose, it was 11 o'clock and time for Question Period in the House. This is not an isolated case on behalf of this Minister and it is not a case where the Opposition is against ministerial statements.

Ms. Copps: Relax, Maz, Mr. Nice Guy.

Mr. Marchi: What we are trying to tell this Minister and other Ministers is that there needs to be due process and there needs to be ample opportunity for the Official Opposition to respond constructively, as is our responsibility. We are simply not able to do that when we have only 20 or 30 minutes at the most to look over a statement and give a response on behalf of Canadians. That is simply not good enough. It is time the Government began to show some responsibility to the House of Commons and to the traditions that we value.

• (1530)

Mr. Rod Murphy (Churchill): Mr. Speaker, I rise on the same point of order. If this were an isolated case, I do not think members of the Opposition would be upset. However, this has happened time after time. Just last week, a statement was made by the Minister of Finance (Mr. Wilson) on equalization. Even the Parliamentary Secretary to the President of the Privy Council (Mr. Lewis) did not know what would happen that day.

Mr. Lewis: That's incorrect.

Mr. Murphy: You did know?

Mr. Lewis: Don't put words in my mouth.

Mr. Murphy: The problem is that on a continuing basis, we are getting very late notice of statements. The fact that it is happening on an Opposition Day is upsetting as well. In addition to that, I believe the Minister is trying to make the statement today because he knows that a committee of the House which has studied this matter for many, many months will be making its report tomorrow, and that is also upsetting.

Mr. Speaker: Naturally I have listened with care to the interventions that have been made. I think the Hon. Minister would like to respond to the point of order and I will hear the Minister. I think the point Hon. Members wished to make has been made and I certainly have heard it. I will now hear the Hon. Minister and perhaps that will be sufficient for the Chair.

[*Translation*]

Mr. Bouchard: Mr. Speaker, when I asked for the paper to be distributed, it was 2.15 p.m., which is the beginning of Oral Question Period. The document was distributed. Did it reach my colleagues opposite at 2.18 p.m.? I feel courtesy is not a matter of 30 or 42 seconds. Courtesy is a matter of using the time available. I think Hon. Members have had about an hour

to examine the document which happens to be a three-page statement.

Mr. Speaker, if the Opposition, if Hon. Members opposite feel I should have given them 30 minutes more, all I can do is apologize. Now I don't think this has had any impact on . . . I had the papers distributed at 2.15 p.m. It is now 3.30 p.m., and there has been no presentation yet. The Leader of the Liberal Party rose at 2.20 p.m.

I repeat, I feel we acted according to the rules, and as the Parliamentary Secretary said, we do our best to try and make statements in the House, but we find that every time the Opposition tries to keep us from doing so.

Mr. Speaker: I must say it is impossible for the Chair to come down with a satisfactory ruling in a case like this. There is obviously a problem between the Government and the two opposition Parties. It is also clear it has always been the custom and even tradition here in the House to give sufficient notice when a Minister intends to make a statement or a speech in the House. I am very unhappy about the situation, but I repeat, it is impossible for the Chair to come up with a satisfactory solution.

[*English*]

Hon. Members have been on both sides of the Chamber. I would urge all government Ministers to give as much notice as possible in cases where the critics have an obligation to respond. This is a completely understandable tradition. It has not always been honoured, and in that regard, perhaps members on both sides of the Chamber in this particular Parliament are not blameless. The Chair has been here for some years. I have certainly heard this complaint before and I have been in a position where I have made the complaint. I know the Hon. Parliamentary Secretary will urge members of the Cabinet to make an extra effort to give adequate notice.

For the benefit of members of the public who are watching, the reason for adequate notice is that the critics who must respond to a Minister's statement do require time to think through the implications of the statement and its subject matter, and also for the formulation of a response. A statement by a Minister may be very brief but, nonetheless, a statement is important or it would not be made in the House. I must say that I commend the Government for the fact that it is making a great many statements in the House. That is in the traditions of this place and it is a good thing. However, I would ask Hon. Ministers to remember that the critics of the opposition Parties have their jobs to do too, and in the public interest of Canada, and notice wherever possible ought to be given with as much regard to the courtesies and traditions of this place as possible. Having said that, I hope Hon. Members will accept that the matter is closed. Under the rules, I must hear the Hon. Minister.

Statements by Ministers

UNEMPLOYMENT INSURANCE

TREATMENT OF PENSIONS AND SEPARATION PAYMENTS AS EARNINGS—U.I. PROGRAM

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, I rise to advise Hon. Members of my intention to table, within the next few weeks, a Bill on the treatment of employment pensions and separation payments as earnings under the Unemployment Insurance Program.

[*Translation*]

Members may recall that on December 5, 1986, I announced this Government's intention to modify the UI legislation dealing with pension earnings. While maintaining the principle that persons who have retired should not use UI as supplementary income, the announcement proposed that workers who take other employment after their retirement and then work long enough to requalify for UI benefits should receive those benefits without any deduction of the previous pension income. The Government will amend the pension regulations to permit this as of April 5, 1987. Moreover, the Bill will permit retroactive requalification back to January 5, 1986.

[*English*]

These changes to the pension legislation are consistent with the Government's belief that persons who have retired from the labour market should not look to unemployment insurance as a supplementary source of income.

[*Translation*]

However, there is a difference between people who retire and leave the labour market and people who retire and start a new career. The changes I announced on December 5th addressed this difference and will ensure that people who retire and begin subsequent careers are treated fairly and equitably as active members of the labour force.

[*English*]

These changes will ensure that workers who start subsequent careers and contribute to unemployment insurance and subsequently become unemployed will be entitled to full unemployment insurance benefits based on their post-retirement employment income regardless of their previous pension income.

[*Translation*]

Madam Speaker, you may also recall that in my announcement of December 5th, the Government noted there were allegations of imprecise information about the implementation of the January 5th, 1986, rules concerning pension income. I said in December—and I have said many times since then—that we would ensure fairness in the implementation of the January 5th provisions.

In December, I proposed that the Government establish a process to re-examine any case where people had alleged that they made their decision to retire on the basis of inaccurate information from federal Government sources.

[*English*]

To this end, an administrative procedure and a draft questionnaire were prepared. Upon examination of this procedure, we saw the likelihood of excessive administrative complexity arising. Thus, to eliminate such complexity and the potential for uneven application across the country, the legislation I will table draws a clear and simple line to ensure fairness in the transitional provisions.

[*Translation*]

The rule is simply this: those who applied for Unemployment Insurance prior to January 5th, 1986—that is to say those who applied under the previous rules—will have their entitlement to benefits determined under the previous rules. Equally straightforward, those who applied for benefits on or after January 5th, 1986, will be governed by the new provisions.

Today, I also wish to address an issue of fairness which has arisen in connection with the treatment of payments on separation. Members will recall that on March 31, 1985, the treatment of payments on separation for unemployment insurance purposes was changed.

Since its introduction, certain employer-employee agreements have sought to take advantage of what can only be described as a "loophole" in the wording of the current UI regulations. The purpose of these arrangements is to circumvent the legislative intention. The Government will change the regulations to close this loophole, to ensure that people will not be able to receive double indemnification, namely receiving separation pay and UI at the same time. These regulatory changes will also become effective April 5, 1987.

• (1540)

[*English*]

The proposed Bill will also permit the extension of both the qualifying and benefit periods when an allocation of separation payments has prevented the payment of UI benefits or has delayed the start of the UI claim. For example, if an allocation of separation pay delays the start of a claim by seven weeks, the qualifying period can be extended by seven weeks. This further measure will, I am sure, receive the approval of all Members of the House.

I call on my hon. colleagues to permit the rapid passage of this Bill so that the Employment and Immigration Commission can commence payment of benefits to all those people affected by this legislation.

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Madam Speaker, it appears—and I say "appears" because we never know when to trust the Government and because we have not had adequate time to examine this proposal—that the Government has made a complete reversal on the cut which it imposed with respect to unemployment insurance on early retirement pensioners who had applied for unemployment insurance before January 5, 1986. After a year and a half of questions in this House, demonstrations outside the House, Opposition Days, Statements pursuant to Standing Order 21, and visits to the Minister's office, in short, an onslaught of attack on the Government, it has finally seen the light. The Minister has been dragged kicking and screaming to recognize that the policy which his predecessor introduced a year and a half ago is wrong with regard to those who applied for unemployment insurance after being preretired before January 5, 1986.

This gives credit to those many groups across the country including *Action Chômage* in Montreal, the associations of retired people from the Armed Forces and the RCMP, and people who were retired from many companies throughout the country and who were cut back by the savage action of the Government. Their persistent action has proven that when they are right and persist they can win over a government which does not really know what it is doing or where it is going. I give credit to those groups which continued this battle, just like those who continued to battle against the Government when it tried to deindex old age pensions. They fought and fought and made the Government reverse its position. We have once again been able to do this and I thank God for those who kept up the battle against this ridiculous and unjust policy.

We will have to watch the implementation of this policy because I am always doubtful when I listen to the words of any Minister on the other side. They very often say one thing and end up doing the very opposite. My earlier comments relate to those who took early retirement pensions before January 5, 1986.

With regard to those who were forced to take early retirement pensions after January 5, 1986, the policy is still unacceptable. The Minister has not changed it one iota, and in this respect he contradicts his own principles and policies. In this case he is saying that those who were obliged to take early retirement pensions after January 5, 1986, will not qualify for unemployment insurance because of those early retirement pensions, even though they are still in the labour force or still looking for work. They must find another job and if they get laid off from that second job they will qualify for unemployment insurance.

Why should that take place? Ever since unemployment insurance was established people who were laid off or forced to take early retirement in those circumstances got their unemployment insurance as long as they wished to continue in the labour market. There is no rationale now and there was none a year or a year and a half ago to change that. Many of these people live in parts of Canada where they will never be able to get a second job even if they want to. Therefore, they are denied unemployment insurance although they made contributions all those years.

Many of these people accept early retirement pensions because they have little or no alternative. Firms decide to cut back on the number of its employees and can either lay them off directly or devise a plan of early retirement to offer to the workers. The workers know that their only real choice is to

take the early retirement pension. Many of those people are in their 50s, still have children in university or college, and have to pay their mortgages. They are cut off from unemployment insurance which they paid for and would have received under the rules which were in force for a long time in this country. They are forced to get another job and requalify before they can get any unemployment insurance benefits. That is completely unacceptable, Madam Speaker. I will urge the people who are brutally hurt by that measure to continue their battle, as their colleagues who retired prior to January 5 have done.

There is a third part to the statement made today and it is with regard to severance payments. The Minister found out that certain groups of workers, certain unions and so on, were able to circumvent the measure he implemented over a year ago to deduct severance pay from the reception of unemployment insurance benefits. As a matter of fact, the Government of Ontario introduced legislation to overcome what the Minister tried to do. The Minister is now introducing new laws and regulations to try to ding the workers who are receiving severance pay because they are being laid off early in life, which severance pay they would use to retrain themselves, relocate, start a business or, in general, set themselves up again.

The Government of Ontario tried to help the employees at Otis Elevator in Hamilton who were being laid off. The Minister is now going to take that away from them by filling in the loophole and trying to overcome the Ontario legislation. Madam Speaker, we won a victory on the first measure. However, the Minister is still being obstinate and inconsiderate with respect to the other two measures. We will continue to fight him on those to the very end.

Mr. John R. Rodriguez (Nickel Belt): Madam Speaker, did the Minister rush in with this statement at 2.15 today because he knows that the Standing Committee on Labour, Employment and Immigration will be bringing down its report in response to the Forget Commission tomorrow? Perhaps he believed he would be embarrassed by some of the recommendations contained in that standing committee report.

In November, 1984, the Minister of Finance (Mr. Wilson) announced in this House that pension income, severance pay and holiday pay would be considered as earned income. That was the principle enunciated in November, 1984. There was great opposition to that across the country. Thousands of Canadians opposed that particular change. In response to that, the Government set up the Forget Commission to study the unemployment insurance program and consider the pension income issue. Forget concluded that the Government was wrong-headed in doing it in the way in which it did, that the Government did not give adequate notice.

Forget did not disagree with the principle that pension income was earned income. He supported the Government on that principle. However, he said, in effect, to let it start on January 5, 1989, and pay unemployment insurance benefits to those who qualified previously. What did the Government do? The Minister stood up in the House on December 5 and compounded the confusion. He said he would send out a questionnaire. People who had taken an early retirement and applied for unemployment insurance benefits had to go down to the local offices and fill out the questionnaire. He now admits that it was very complex, very confusing, very bureaucratic, highly unacceptable and obviously very costly.

• (1550)

The Minister is saying now that if someone takes early retirement, gets a second job and is laid off, that person can collect unemployment insurance benefits while collecting the pension at the same time. The Government has abandoned the principle that pension income is earned income.

Now the Minister is relying on a principle that unemployment insurance benefits cannot be used to supplement pension income. That is not the argument. The argument is that those who are available for work, are capable of work and are looking for work should be able to collect unemployment insurance benefits for which they have paid premiums. In fact, if the Government had a proper job-search program it could sort out those who are not looking for work, available for work and capable of working.

The Minister's response in his statement today only goes part way. It is absolutely unfair. The Minister had a golden opportunity to wipe the slate clean and begin again, using the job-search provisions of the Unemployment Insurance Act to ensure that people get what is due them under the Unemployment Insurance Program.

The Minister's statement also dealt with the severance pay. I believe the Minister is referring to Regulation 58(10) of the Unemployment Insurance regulations, which was a loophole discovered by the Steelworkers of America *vis-a-vis* the Collingwood shipyards. The Province of Ontario has already passed legislation stating in effect that one can only lose two weeks of unemployment insurance benefits on severance pay. The Government has not challenged the constitutional right of Ontario to pass legislation which affects a federal Act. Workers in the Province of Ontario who receive severance pay can only lose two weeks, but in other parts of the country the whole severance pay is used as earnings and applied against unemployment insurance. That is unfair.

The Minister had another golden opportunity to say that severance pay will not be considered earned income for unemployment insurance purposes. Instead, the Minister believes he is giving something to people who lose their jobs when he says that he will allow the allocation if the severance pay reduces the weeks of collecting benefits, because it can be added at the end. However, if a worker receives $10,000 in severance pay, that is almost a whole year of benefits and it is not considered insured earnings. Therefore he cannot qualify because he does not have 20 weeks in the previous 52 weeks. It is not insured earnings.

Mr. Bouchard: Yes.

Mr. Rodriguez: The Minister does not understand the Act and I suggest that he read it. It is not insured earnings. Therefore premiums are not deducted from it. Since there are not 20 insured weeks of earnings in the previous 52 weeks, a new claim cannot be established. Therefore, the worker loses, and in some cases his benefits are reduced.

The Acting Speaker (Mrs. Champagne): It is with regret that I must advise the Hon. Member that his time has expired.

[*Translation*]

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Madam Speaker, this is going to be very straightforward. Our 35,000 early retirees have just won a splendid victory, no thanks to the Conservative Government. They had to work hard for it. And as for the next 75,000, Madam Speaker—

The Acting Speaker (Mrs. Champagne): Order, please! The Hon. Member knows perfectly well he is starting debate, not raising a point of order.

* * *

[*English*]

INTERPARLIAMENTARY DELEGATIONS

PRESENTATION OF FIFTEENTH REPORT OF CANADIAN NATO PARLIAMENTARY ASSOCIATION

Mr. Bob Hicks (Scarborough East): Mr. Speaker, pursuant to Standing Order 101, I have the honour to present to the House the fifteenth report of the Canadian NATO Parliamentary Association, in both official languages.

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

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. John McDermid (Parliamentary Secretary to Minister for International Trade): Madam Speaker, I ask that all questions be allowed to stand.

The Acting Speaker (Mrs. Champagne): Shall all questions be allowed to stand?

Some Hon. Members: Agreed.

MOTIONS FOR PAPERS

Mr. John McDermid (Parliamentary Secretary to Minister for International Trade): Madam Speaker, I ask that all notices of motions for the production of papers be allowed to stand.

The Acting Speaker (Mrs. Champagne): Shall all notices of motions stand?

Some Hon. Members: Agreed.

The Acting Speaker (Mrs. Champagne): I wish to inform the House that because of the ministerial statement this day's sitting will be extended by 18 minutes.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S. O. 82—AGRICULTURAL ECONOMY—PRESERVATION OF FAMILY FARMS

Mr. Maurice Foster (Algoma) moved:

That this House, recognizing the serious plight of Canadian farmers due to record low world prices for grain and other commodities, calls on the government to make a commitment now to farmers:

(a) to ensure that their returns on grain in the new crop year will at least equal the levels of the 1986-87 crop year;

(b) to maintain the current freeze on grain freight rates charged to farmers;

(c) to reduce farm input costs through methods that include measures to deal with high chemical prices; and

(d) in view of the worsening farm debt crisis, to provide greater assistance to preserve the family farm as the primary means of production and a vital part of rural Canadian life.

He said: Madam Speaker, the motion before us today is designed to call attention to the desperate situation we see in Canadian agriculture today, especially in the grain sector of that industry. While the vast majority of the grain sector is centred in the Prairie Provinces, there is grain production in all parts of the country. The motion urges the Government to take certain action to alleviate the situation.

• (1600)

Two weeks ago yesterday it became known that grain prices would drop by some 20 per cent in the coming crop year. That is on top of a 19 per cent or 20 per cent reduction last year. It hit the western agricultural community as effectively as a lightning bolt hitting every prairie community. Nothing could have been more cataclysmic for the western agriculture economy. At that time the Canadian Federation of Agriculture, of which the prairie pools are an integral part and important member, was meeting in Hull. The indication that grain prices would drop by 20 per cent fell like a devastating thud on the floor of that convention meeting in Hull.

A few days ago I talked with a group of people living in southern Alberta who were attending a fall farm show. They said the announcement just drained away all the enthusiasm there was for what otherwise would have been a very happy occasion. A 20 per cent reduction in the price of grain this year would drop the price from $130 a tonne, which was the price last year, to around $105 a tonne, or from $3 a bushel last year to $2.40 or $2.50 a bushel this year. To put that into perspective, we have to recall that three years ago, during the 1984-85 crop year, the price of No. 1 and No. 2 wheat was $170 a tonne. So it does not take much imagination to realize what a devastating impact that kind of reduction in the price of grain will have.

I would like to quote from an article in *The Regina Leader-Post*. Mr. John Morriss, spokesman for the Canadian Wheat Board, was quoted in the March 5 edition as saying:

> This is really getting pretty serious. We're talking nuts-and-bolts economic survival and whether it's worthwhile for farmers to put in a crop.

I would like to quote as well from *The Calgary Herald* of March 5 in which Doug Livingstone of the Alberta Wheat Pool was quoted as saying:

> Any significant cut in initial grain payments to farmers would mean a further deterioration of the already "scary" situation facing rural Alberta, the president of the Alberta Wheat Pool said Wednesday.
>
> Doug Livingstone said his gut feeling is that 25 per cent of Alberta's 50,000 farmers are already insolvent because of today's critically low prices.

The headline of *The Regina Leader-Post* of March 5 reads: "Impossible for Most Farmers to Break Even".

The editorial in *The Saskatoon Star-Phoenix* of March 6 says in part:

> But Agriculture Minister John Wise is telling farmers they should not count on another deficiency payment, using the market alone as their guide in deciding what to plant this spring. Surely farmers deserve a firm commitment of continued Government support which will, in effect, provide them a guaranteed minimum price higher than anticipated world prices.

To put that into perspective, last year with the market price and the Canadian grain program our producers received about $3.48 a bushel. This year, if prices drop by 20 per cent, we will see a reduction of that to $2.50 a bushel. United States farmers have a guarantee of around $6 a bushel and the European Economic Community has a guarantee of about $8 a bushel for their top quality wheat. It is obvious our farmers are in a desperate situation, not knowing how they can survive or whether they can even plant a crop this year because they do not know what the initial price is going to be and whether the Government is going to provide any assistance or how much. That is why the first part of my motion before the House today just simply calls upon the Government to ensure that the returns on grain in the new crop year will be at least at the levels of the 1986-87 crop year.

Second, it would be most helpful if the Government would make a commitment to freeze the grain freight rates, the part the farmer pays himself. Last year the Minister of Transport ordered the Grain Transportation Agency to roll back its estimate of some 31.5 million tonnes to something in the 27 million to 29 million tonnes range. In fact, it did roll it back to 28.5 million tonnes which resulted in an effective freezing of the freight rates. Unfortunately, the volume shipped is estimated in this crop year to be around 31.5 million tonnes. That means the surplus of some $70 million which was contained in the tally-averaging account has been used up because the estimates were very close or slightly above what the Grain Transportation Agency had given the Minister originally. In the upcoming crop year it is estimated to be almost 32 million tonnes. This will result in an increase in the price charged to farmers for shipping their grain from around $6 a tonne to about $9 a tonne, a 50 per cent increase. Surely if we average that increase over 33 million tonnes of grain, we are looking at an increased cost to farmers of about $100 million. That is an added expense which is really hard for the farmers to absorb in a falling grain market with no guarantees at this stage. Therefore, I would hope the Minister would be able to announce this afternoon that he will freeze the grain freight rates. The Minister of Transport went to a lot of trouble last year so that the Prime Minister (Mr. Mulroney), before he flew off to the International Summit Meeting in Japan, would be able to announce that grain freight rates had been frozen. I hope he will be able to announce that today.

Late last summer the CNR finally provided its cost figures for the operation of grain handling operations. Its input into its estimates of the grain handling costs under the Crow benefit was about $25 million higher than it had been previously estimated. It has been recommended by the senior Grain Transportation Agency that the Crow benefit should be increased from $658 million to $683 million. I would hope the Government would move on that recommendation which was made last fall.

The second part of my motion today deals with input costs. I think it is important that we survive the current trade price wars, we have to drive down input costs and provide assistance on top, at least at a level where our farmers can survive this most agonizing and difficult farm situation since the 1930s. There are many ways to drive down the input costs. One way that I think has been most impressive to the agricultural committee, which is doing a study on this, is the cost of farm chemicals. We had a group called the Manitoba—North Dakota Zero Tillage Group before the committee. They told us that the average price of four pesticides which were not patented was some $2.91 a pound, whereas those which were patented were some $30.56 a pound. That points out that the price in Canada of a herbicide such as Roundup, which is commonly used for the control of weeds and reducing tillage, is almost double what it is in Australia. It seems to me that this is an area in which the Government could act, along with others, in providing reduced input costs. It is a dramatic way of reducing input costs. It is also very important in the conservation of our crops and farm land.

• (1610)

The last point I wish to deal with is the worsening farm debt crisis. Since the Farm Credit Corporation first reported the

details of the farm debt crisis in the fall of 1984 the situation has deteriorated dramatically because of reduced commodity prices. Today, if we look at the latest FCC figures, we see that 8 per cent of our farmers with gross sales of more than $20,000 are insolvent. That amounts to some 13,000 farmers. There is another 23 per cent, or 39,000 farmers, who have serious cash flow problems. This gives us a combined figure of 52,000, or almost 30 per cent of our farmers who are facing a moderate to serious stress level in terms of their financial situation. Those figures are especially typical of Alberta and Saskatchewan because of the very low commodity prices.

It is interesting to look at the mortgage rates and loans of the FCC, since it carries about 40 per cent of the farm long-term debt. This year its arrears have increased by 38 per cent over last year's. Last year there were arrears of $253 million compared to $355 million for this year. This means that some 16,000 of the 75,000 accounts which the corporation has are in arrears, which points to serious financial difficulties being faced by the agriculture industry today.

Worse than the fact that some 16,000 are in arrears is that some 6,150 have been in arrears for more than two years. It is the experience of the Farm Credit Corporation that when accounts are in arrears for more than two years this points to extreme difficulty and the likelihood of not ever being able to meet mortgage payments. Fully 7.7 per cent of FCC portfolio loans are now in arrears. That is more than twice as high as the most difficult time in history, which was in 1969 or 1970, when only about 3 per cent of loans were in arrears.

The other factor I find extremely disturbing is that during the past two years we have seen the farm asset value, the land value, drop by 15 per cent. This amounts to over $17 billion which has been lost in farm asset values. For a person who owns 100 per cent of the farm and who will continue to farm over a long period of time this may not be a devastating factor. However, when we are dealing with young farmers who are highly leveraged in terms of that farm asset value it means that their equity drops, as does their ability to maintain the farm.

So far the Government's main instrument for helping young farmers who are facing financial difficulty is the commodity-based mortgage. There are funds in place to be used over a two-year period to provide about 2,500 mortgages with reduced rates per year, or about $20 million. When we look to the amount of the arrears and at the 5,200 accounts of farmers who are having cash flow problems, it does not seem like a very large number of loans are available for those in serious financial difficulty. If we really want to preserve the family farm, and if we want to keep young people on the farm, then we have to make a renewed commitment to these young farmers.

A couple of years ago there was an all-Party committee which looked at the idea of providing assistance to young farmers facing serious financial difficulties. We made a report to the House which contained a five-year program. We called it an agri-bond program which would reduce the interest rate by 4 per cent. In today's world it would be down around 5 per cent or 6 per cent. We said that as a result of our study there were at least 12,000 farmers who could be helped by a low interest mortgage such as that. The problem with the commodity-based mortgage is that as the commodity goes up in value, and we hope it will over the course of a 10-year or 15-year mortgage, farmers have to pay 2 per cent more than the going rate to the FCC. A great many farmers shy away from it because of that.

When the all-Party committee met to make its report a couple of years ago it recommended a program that would provide interest rates at about 4 per cent lower for farmers who are capable of staying on the farm and surviving. The value of that would have been extended to 12,000 farmers. The cost would have been some $96 million. However, when we considered the magnitude of the problem facing the country it certainly seemed like a reasonable investment in the future of agriculture in Canada.

If we look at the report of the Farm Debt Review Board we see that in January some 2,627 farmers made application for help. Some 590 of those are facing financial difficulty, while 785 are insolvent. So far panels have dealt with about 349 of those cases, and agreements have been made in about half of them. A great many of them have not been signed. So the whole farm debt review program, which the standing committee hopes to review in the next few weeks, is going to be overburdened as we move through this year in this cycle of extremely low commodity prices.

Those are some of the concerns that we face as we consider this resolution today. I point out that Alberta and Saskatchewan are the provinces with the most serious areas. In Saskatchewan, 11.4 per cent of farmers with gross sales of over $20,000 are in an insolvent position. Some 28.3 per cent are having serious cash flow problems. In Alberta, 9.9 per cent are in an insolvent position, while 22.2 per cent are in a serious cash flow position, according to recent reports of the FCC.

We really have a financial disaster on our hands, something which is unprecedented since the 1930s. This is because the prices of grain are lower in actual dollars, in constant dollars, than they were then. I think that there is a good appreciation in the country for dealing with this problem. I urge the House to do this. It is a national problem which requires national action and the support of every Member of this House. The whole future of the agricultural community, of farms and young people depends on action by us in the House of Commons. I hope that we will move ahead to face this challenge and overcome the problem.

• (1620)

The Acting Speaker (Mrs. Champagne): Questions or comments.

Mr. Clark (Brandon—Souris): Madam Speaker, without in any way underestimating the significance of the financial crisis in Canadian agriculture, and I think all of us in this House

recognize the gravity of that crisis, I want to ask a question for clarification.

During the course of his speech the Hon. Member referred to the study on input costs with which the Standing Committee on Agriculture is currently engaged. One thing which has come to light during the course of our hearings is that PSR 80, a regulation enacted by the previous Government, has had a very negative impact on input costs. There is a widespread negative reaction, and has been for a considerable amount of time, to PSR 80. Given that, how could he and his colleagues, members of the previous Government, have permitted that legislation to be enacted? Why was it allowed to remain on the books for the four year life of that Government?

Mr. Foster: Madam Speaker, that is an important question and an important problem. Clearly if this was 1978 or 1980 we would not be as concerned. However, look at the situation we have today. Land prices are not increasing at an 18 per cent rate. Wheat is not a couple of hundred dollars higher in price.

Given our studies in committee it is clear we must move toward the kind of recommendation made in the Senate report on herbicide pricing. That suggested we should have a compulsory licensing arrangement for farm chemicals. Whether it is done in the manner prescribed in the report, or in the manner used in Australia, where prices of certain farm chemicals are half what they are here, we do not have any choice. Action should be taken because it is not just a farm input cost we are concerned with here. That is very important, but we are concerned with conservation.

The Senate report recommended compulsory licensing with a period of exclusivity for the company making the chemical for a period of four years or perhaps more. That report recommended that a fund be established to compensate the chemical company concerned. In the long run chemicals would come on stream much earlier than they do now and we would have a kind of generic pricing system for producers.

Mr. Redway: Madam Speaker, as I read over the motion put forward today by the Hon. Member, and as I listened to the words of concern and care and the help which has come from the Minister of Agriculture (Mr. Wise) over the past two and a half years, I certainly, as a Member of Parliament from an urban area, have been made aware of the desperate plight of Canadian farmers. I certainly understand the great concern out there in rural Canada. That concern is shared in urban Canada as well.

However, as I listened to the Hon. Member I could not help but think back to the days when he was a member of the previous Government in the early to middle 1980s. That Government was responsible for an increase in interest rates to an astronomical level. I could not help but think of the days when interest rates hit 22 per cent. I could not help but think of the farm bankruptcies that that caused right across this country. I could not help but think of the havoc wreaked and devastation caused by the policies and approach of the Government of which the Hon. Member was a part, and the Party of which he is still a member and supporter. I could not help but think about how that cut the underpinnings of Canadian agriculture and laid it flat. Certainly it was left weakened, indeed helpless before the onslaught of world conditions which have ensued since that time. The Minister of Agriculture and the Government have been struggling with those conditions valiantly and in many case quite successfully to help farmers.

When the Hon. Member reflects back on these things is he not truly embarrassed to get up in this House and make the statements he makes? When he goes out to talk to farmers in this country does he not really feel ashamed of himself?

Mr. Foster: Madam Speaker, I listened with great interest to the Hon. Member for York East (Mr. Redway). I was pleased with his comments about the concern in urban Canada. I read an Angus Reid poll last May or June which indicated something like 75 per cent of Canadians thought farmers were facing the most difficult time since the 1930s. They thought this would have an extremely adverse impact on the national economy.

I would point out to the Hon. Member that the increase in interest rates in the late 1970s was a world-wide phenomenon. The Republican Government of the United States decided that was the appropriate way to handle certain problems. However, one of the great problems we have today is still that of reducing interest rates. As recently as a few months ago something like 32 per cent of all FCC loans carried interest rates between 12.75 per cent and 16.75 per cent. Most of the loans carrying the 12.75 per cent rate were due to the use of $575 million which was unused in the fall of 1984 when the Minister gave permission to farmers who were on their last legs and about to lose their farms to convert mortgages above 14 per cent to the 12.75 per cent rate.

We are now dealing with an issue which involves the vitality of rural Canada, especially in grain growing areas. It will require every bit of ingenuity and know-how we can muster in this House to meet that challenge and come out of the trade wars with our rural communities intact. We will have to do that if we are to maintain a reasonable percentage of our young farmers on the farm and maintain the vitality of the community life which still exists.

• (1630)

Hon. John Wise (Minister of Agriculture): Madam Speaker, I welcome the opportunity to rise in the House to respond to the motion before us today. At the outset, I should like to express appreciation to the Hon. Member for Prince Albert (Mr. Hovdebo) who allowed me to enter into the debate at this time. Hopefully it will provide me with the opportunity of sitting down with the Board of Directors of the Canadian Horticultural Council at a meeting later today.

I have seldom in the past, if ever, witnessed so much nerve, hypocrisy, and gall. I am referring particularly to the fact that this motion has been put before us today by the Liberals. The

contents of the motion do not bother me particularly, because basically the Hon. Member is endorsing what we have done up to this point.

I will save the time of the House by not reading the entire motion and by referring first to item (a). If we include what the Government has done under the Special Canadian Grains Program and other programs, we see that the amount of income to Canadian farmers will be slightly higher this year. In item (b), the Hon. Member talks about a freeze on freight rates. They have already been frozen. In fact, if we had followed the pattern of the Liberals, farmers would have been paying about $12 per tonne for the movement of grain, whereas today it is about $6 per tonne. By freezing freight rates we have saved western farmers, primarily western farmers, between $100 million and $150 million.

The Hon. Member for Brandon—Souris (Mr. Clark) made a very intelligent observation with reference to item (c). With reference to item (d), the final one, we are well under way. We have been given a clear mandate by the Prime Minister (Mr. Mulroney) and by the Minister of Finance (Mr. Wilson) to meet with the farm leadership across the country, as we did last year. We had our first meeting on March 5.

What bothers me—and I guess I must accept it because when I look across the way, there is not a farmer in the whole Liberal crowd over there; perhaps it is one of the reasons we keep hearing this question—is that the Liberals have always had two ways to deal with agriculture. One was through verbiage. One does not live very long on verbiage. Second, it was always an afterthought. There is not much more nutrition in what the Liberals say in verbiage and afterthought than there is in trying to raise a group of cattle on a feedlot or a bunch of hogs in a barn on an east wind and snowballs.

However, I will say again that it is not really the contents of the motion that bother me, because we are way ahead of them on that. It is the timing. If there were any farmers or any people who had any real contact with the farming community in the Liberal Party, then it would not be pushing us at this time to make statements on certain items.

Again I draw to the attention of the House the fact that on March 5, not long ago, the Minister of State for Canadian Wheat Board (Mr. Mayer), the Parliamentary Secretary to the Prime Minister (Mr. Gustafson), and other colleagues joined us in the boardroom of the Sir John Carling Building. On that occasion we met with 55 farm representatives, an excellent cross-section of the country. They represented some 35 farm organizations. It is important that they joined with us in making three clear statements to which I will refer. They demonstrate that it is premature and untimely to make further statements on the subject at this time for very obvious reasons. I should like to read the three statements. The first one reads: "Farm leaders today agreed that producers should base spring planting decision on market signals".

That was not me speaking as a farmer or as the Minister of Agriculture on behalf of the Government. It was a joint statement, as it should be, made by the Government of Canada in co-operation and in concert with the farm leadership across the country from East to West, representing every possible commodity group.

Mr. McDermid: Read it again.

Mr. Wise: I hear the Hon. Member for Brampton—Georgetown (Mr. McDermid). I will read the second sentence because it is just as good. It reads: "Farmers should not make assumptions about government assistance in planning their 1987 production".

It is just as sensible as the first one. Let me read the third sentence: "It is too soon to come to any conclusions about what help will be needed or how it will be given, but we will insist that any new assistance measures be production and market neutral".

Again, it was not the Minister of Agriculture or the Government speaking in isolation. It was a joint statement by the Government and by the agricultural leadership of the country. How in the world can we make a further statement other than what has already been made? The Government will spare no effort. A clear mandate has been given to the Minister of State for the Canadian Wheat Board and me to reconvene meetings with the farm leadership across the country. We have done that, and we will meet again. I think that meeting will be held prior to the Prime Minister's leaving Canada to attend the summit, about the same as we did last year. The Prime Minister wants to sit down again with the farm leadership of the country. That meeting will take place either in the latter part of May or the first part of June.

How in the world could we make any further statements which would be in keeping with the commitment we made with the farm leadership of the country not to violate production and market neutral signals? Anyone with any connection with the farm community would recognize the importance of that statement.

In answer to questions—and I think they were from the Leader of the New Democratic Party—in the House today, I said that Governments have various roles. Municipal Governments have to do certain things. Provincial Governments have to do certain things. Federal Governments have to do certain things. If we can stay out of anything, then we should stay out of it. There is no doubt in anyone's mind today about Governments at any level dictating how the agri-food industry in the country should run; surely no one in the House would make that comparison.

Again I say that we are working in concert with the farm community. I suppose it is a pleasant surprise. It may be shocking to the Liberals who did very little, and whatever they did was done unilaterally and in isolation. Obviously it was not in the interest of the farm community, and I guess it was not of any political benefit to the Party across the way.

Let me say that the record of the Government is second to none of any other federal Government in the history of the

country, and if I have the time, I will read into the record a few things on which I made notes today. There are reasons behind that fact. Of course the first reason is that there is a large number of farmer MPs in our caucus, as well as a large number of MPs who represent urban-rural ridings. We have my colleague from Metro Toronto who is a urbanite. He is present in the House, he is listening to the debate, and he is interested in it. He will participate as he already has. The second reason can be found by looking at the complexion of the cabinet table. More farmers and people representing urban and rural ridings are around the cabinet table than at any time in the past. With the possible exception of the Diefenbaker administration and its Minister of Agriculture, my colleague, the Hon. Member for Qu'Appelle—Moose Mountain (Mr. Hamilton) who is in the House today, we have not had a Prime Minister prior to or since who possessed as much understanding, appreciation and compassion for the agri-food industry, particularly the primary sector, the farmers, as does the Right Hon. Prime Minister who leads this Party and this Government.

• (1640)

I do not know whether I will ever get to the record here, but I am sure that if I do I will not have enough time to go through it. What really galls me about the major financial difficulties that our farmers, primarily the young ones, are experiencing today is that they are a direct result of inaction by the previous Government and certain signals it sent out which turned out to be wrong. What were the Liberals saying? In the mid 1970s they were sending out messages trying to convince Canadian farmers, young people, that certain things would take place in the 1980s and beyond. Having listened to what the Liberals were saying, it is no wonder they got into a lot of trouble. In the mid 1970s the Liberals said: "Look, boys, go out and buy land. Expand, produce, produce to beat the band. Do you know what the future looks like? Interest rates will remain stable". The Liberals were dead wrong. They said that energy costs would remain stable. They were dead wrong. They said inflation was going to remain constant. They were dead wrong. And, listen to this one, Madam Speaker. The Liberals said that we would be going through a situation of world shortages. In complimentary terms, the Liberals were dead wrong again. Do you know what else the Liberals were saying, Madam Speaker? They said: "Go out, produce to beat the band and expand your operations. Borrow the money. Go ahead. You will not have any problems getting out of debt. You will also be going through a period of record high prices for all commodities in Canada during the 1980s and beyond". Those are just some of the signals that were sent out.

Let me talk for a moment now about how indignant the Liberals are over the special Canadian grains program. That program of ours is the largest single financial contribution ever made to Canadian farmers in our history. It amounted to $1 billion. We never said it would fully compensate, but it went a long way. There is no question about that.

We hear some argument about a shortfall. I never got into the shortfall except to acknowledge it. We acknowledged it in Vancouver the first time the Prime Minister, the Minister of Finance, the Secretary of State for External Affairs and I met the farm leaders. The farmers do not want to get into a bidding game about what the shortfall is. From our Department, the best calculation of it is somewhere around $1.5 billion. Somebody will say the shortfall is $2 billion, someone else will say it is $3 billion and someone in a letter of transmittal said it was $4 billion. That is not important. There is a shortfall and it is a big shortfall and we have acknowledged it. I have also said that we do not have the financial resources here in Canada to take on the United States dollar for dollar nor do we have the financial resources in Canada to take on the European Economic Community dollar for dollar.

There is a shortfall that is far larger than the shortfall caused by the U.S. Farm Bill, the Export Enhancement Program and the trade war between the U.S. and the EEC.

When the Liberals were in office, interest rates rose from about 10 per cent to, as somebody said, 22 per cent. That is nonsense. I can tell you that a lot of farmers had to pay 24 per cent, 25 per cent, 26 per cent and 27 per cent. Let me give the benefit of the doubt and suggest that interest rates increased from 10 percentage points to 24 percentage points, which I believe is a 14 point spread. Each percentage spread in the interest rate is a direct saving in our case, and we will come to that later. In the farmers' case it is a direct increase. Each percentage point makes a difference of $130 million either on the plus or on the minus side of farm input costs. Now multiply 130 by 14 and we arrive at a shortfall of nearly $2 billion. If I had not given the benefit of the doubt, then that shortfall, as a result of economic policies and over-spending which caused interest rates to go beyond the 14 per cent spread, would be well in excess of $2 billion. That is far larger than the impact on Canadian farmers caused by the U.S. subsidy war and its Export Enhancement Program.

What did the Liberals do? One cannot say they did nothing. But the only thing I can find in the record is a little farm assistance program which assisted 2,100 farmers. It brought interest rates down from 16.75 per cent to 12.75 per cent. Do you know who paid for that, Madam Speaker? The Liberal Government did not pay. Its Minister of Finance did not pay. The farmers themselves paid for the shortfall, that little special farm assistance program. It was not until our Government came to office that we negotiated an agreement through our Minister of Finance. We took the burden away from the farmers and introduced our interest rates conversion program, an $80 million commitment, and we reduced interest rates of all 5,600 FCC borrowers from 16.75 per cent to 12.7 per cent.

Since September, 1984, when we took office, interest rates have declined more than 4 percentage points. If we apply the same $130 million that we applied on the cost side when the Liberals were in office in interest rate reduction alone we will find that we have saved farmers $650 million. Let us just apply that to a typical farm operation with a $500,000 mortgage.

Under the Liberals, the payment would have been $83,000. Now, under our Government, the cost would be $54,000, a saving alone to the typical farm operation of $29,000. If you add the gas rebate tax—and we have rebated all federal sales and excise taxes to the farmer—there is another saving of $5,000.

We made 16 campaign commitments. To this point we have fulfilled 14 of them. We are going to fulfil them all. In addition to the 14 that we have already fulfilled, we have done many, many other things. We have taken over 400 initiatives. That is an initiative every other working day that we have been in office. We have delivered well over $6 billion into the hands of Canadian farmers. I see that my time is up, Madam Speaker. I have not really had time to deal with the important things which our Government has done on behalf of Canadian agriculture in the international market-place. The leadership has been taken by the Government through the Prime Minister. The leadership role in the international market-place will continue to be played by the Prime Minister in the world forum and at international meetings.

• (1650)

I regret very much that I do not have adequate time to deal with this. Our commitment to the Canadian agri-food industry is not verbiage. When we took office, we took action. We are not acting unilaterally but are working in concert and in co-operation with the farm leadership of Canada. We have stood by the farm leaders in the past and we will stand by them in the future.

Mr. Hovdebo: Madam Speaker, I am sure the Minister does not want to emulate Nero who stood fiddling while Rome burned. Right now, the Government is fiddling while farmers are going broke.

I know the Minister can relate all the problems farmers are having to a series of decisions made both on and off the farm over the last many years. However, one of the most important things right now is that many farmers would like to have some assurance from the Government that the Government will continue to take some of the actions it has taken.

It has concerned me that over the last few weeks, a number of farm organizations have interpreted the Minister's meeting with them as being a guarantee that there will be assistance made available, while in the House the Minister has never committed himself to providing that kind of assistance. I am not talking particularly about deficiency payments. When I ask about the kind of assistance that will be available, I am not saying that it has to be acreage, production or per-bushel payments. It can be production-neutral. Farmers do want some assurance that returns from their farms, after taking into account grain stabilization and insurance, will at least be as high as they were last year.

As the Minister knows and has often said, in this past year, even farmers without debt were still unable to make money. If, after taking all government programs together, the farmers' income drops below that which it was last year, all farmers will be losing money, not just those with debts.

Mr. Wise: Madam Speaker, I want to be as helpful as I can in response to the Hon. Member because I believe he is the only farmer who sits on the opposition benches and I think he understands agriculture to a reasonable degree.

Mr. Nystrom: What about Vic Althouse?

Mr. Wise: Yes, I must also acknowledge the Hon. Member for Humboldt—Lake Centre (Mr. Althouse). I do not sense the same necessity as the Hon. Member does. There seems to be more on the down side of making a specific announcement at this time than there is on the plus side. I know it is a subject of debate, but we should take a look at the risks involved. Look at the risk involved if a formula were used on cultivated acres rather than seeded acres. There would be a risk if we indicated that assistance would be the same as it was last year. After quick calculations, those in the west would do certain things and those in the east would more than likely transfer from soybeans to corn based on the deficiency payment. We cannot get by this problem at this time.

As I indicated before, we have a mandate through the clear statement that the Government will spare no effort and a mandate through the Budget announced by the Minister of Finance which authorizes my colleague and me to reconvene meetings and go forward. We sat down with the farmers on March 5 and they joined with us in making a statement. Clearly they have asked me not to make statements of the kind to which the Hon. Member has referred at this time for all of the reasons the Hon. Member for Prince Albert (Mr. Hovdebo) would understand.

It is next to impossible to respond by providing anything that would be production and market-neutral other than what I have already provided to the Hon. Member. At this point, the final payment under the Agricultural Stabilization Act has gone out as has the final payment under the Western Grain Stabilization Act. The $700 million portion of the $1 billion that was made available is now available if all the applications come back to us by March 31, a very crucial date for farmers. If they respond by that time, then we can issue the cheques and every cheque we have issued has been right on time.

There will be an interim payment under the Western Grain Stabilization Fund. Everyone knows that that fund is in a deficit position, but the Government has a responsibility and the will to honour its commitment to Canadian farmers. The payment will provide direct dollars out of the federal Treasury. We have a responsibility to do some management. We think we have done that and in our discussions with the farmers, they appear to agree.

I can understand the Hon. Member's frustration. I suppose he will have to bear with us because as long as the leadership is telling me to do certain things, I am quite well advised to take their advice.

Mr. Foster: Madam Speaker, the situation of FCC mortgages is rapidly deteriorating. Arrears have jumped by 38 per cent in the last 12 months. Some 16,000 of the 70,000 mortgages are now in arrears and 6,150 of them have been in arrears for more than two years. The Minister said earlier last fall that as soon as the farm debt review boards were established, he would lift the moratorium on FCC foreclosures. Perhaps he could tell us what he is planning to do in that regard as many people seem to think that if the FCC and the banks were to take over all the land on which they have mortgages, the value of land would drop dramatically.

Since the genial Minister of Transport (Mr. Crosbie) is in the House, perhaps the Minister could comment on whether or not the freeze on freight rates will be continued into the new crop year. Perhaps my motion did not make it clear that I was interested in knowing if that freeze on freight rates would continue or if the grain transportation charges would be increased by the 50 per cent that has been forecast by the senior grain transportation agency and other groups.

The Acting Speaker (Mrs. Champagne): I must advise the Minister that his answer will have to be very short, perhaps one minute.

• (1700)

Mr. Wise: The Hon. Member has raised a number of questions. With regard to the FCC we have had the moratorium, the interest rate conversion program, the shared risk mortgage and the commodity based loan. There is $300 million in there. The equity financing task force is to report to me by the end of the month. We have established the Farm Debt Review legislation, the farm debt review boards and the Rural Transition Program. I could go on and on.

The fact is that I put that moratorium on in September of 1985. If I had to do it over again, I would do it over again. The Hon. Member may find this surprising, but the fact is that, even given the difficulties in farm financing, I am under more pressure to lift the moratorium. However, I am not going to do it abruptly or unilaterally for the very reasons that the Hon. Member mentions. The Farm Debt Review boards are up and operating. The rural transition program is 80 per cent successful. We have had an approximately 66 per cent success rate in the farm debt review boards in Alberta and about 55 per cent across the country. That is not bad because the first cases they will be dealing with are very, very severe.

I have consulted with some of the farm leadership. I am meeting with the Farm Debt Review chairpeople across the country. We are going to work out a system whereby there will be more fairness and equity for those farmers who are not protected by the moratorium. We are exploring ways of giving more prosperity to the FCC on longer term leases and so on.

The Acting Speaker (Mrs. Champagne): The Minister knows that it is with deep regret that I have to interrupt him at this time.

Mr. Stan J. Hovdebo (Prince Albert): Madam Speaker, I appreciate the opportunity to rise to debate a motion which deals with agriculture. As I said a little earlier, many farmers and farming organizations are very much concerned that we here in the Parliament of Canada are fiddling while the agriculture industry goes down the drain. It is not as though it were decreasing by the day or the season. It is a major blow to grain producers, now that grain prices will be 20 per cent lower, that the Government has not committed itself to having the money available to keep incomes at the level of last year at least, even if not through deficiency payments on a per bushel or per acre basis.

There is no doubt that agriculture needs a considerable amount of attention from the federal and provincial Governments since it is a shared responsibility. All the Governments of the country must look at the agricultural industry. If we cannot find a solution acceptable to everyone which can deal with the crisis in agriculture, we will lose 20 to 30 per cent of our farmers in the next year, particularly on the Prairies. That does not mean that that farmland will go out of production or that we will produce less grain. It just means that a way of life which started 150 years ago and developed into the best lifestyle in the country is going to disappear. It does not have to disappear. The important point is that it does not have to disappear. Surely there are enough people in this country who recognize that and will commit the necessary time and effort to ensure that that does not happen.

I am not going to spend a lot of time discussing the concerns of the effect that high input costs have had on the incomes of farmers which has led to the crisis we are facing in the farming communities. That does not apply only to the grain farming communities but to most farm communities because commodity prices have gone down almost right across the board. We have had some temporary relief in hogs and cattle, but commodity prices have gone down and input costs have gone up in almost all other commodity areas, with the result that the net farm income has been reduced to almost zero in most of those areas.

Let us take a look at the truths of the situation, at what is happening in the farm community today. In only a couple of minutes of scanning rural papers from the Prairies I came up with four little items which speak to the quality of life which is disappearing in the farm community, and not only on the Prairies although these come from prairie publications.

The farm suicide rate has increased and is now several percentage points higher than that in other categories in the country. In fact, there is a suggestion that 50 per cent of the farm deaths in Saskatchewan last year could have been suicides. Last week there were 30 stress seminars in Saskatchewan and I understand that they were all well attended. The Legal Aid Societies in Saskatchewan are establishing seminars to teach farmers their rights with regard to bankruptcies. Last, but not necessarily of least importance, the children of credit union managers are being harassed by their classmates on the school grounds.

By not dealing with the crisis in the farm community we are breaking up the structure which has existed in farm communities for so long, the custom of helpfulness and assistance to neighbours. Instead, stress is driving people off the farm and unacceptable conditions are prevalent.

This motion deals with four items. I will spend only a short time on those items because I think it is important to look at the global situation. Deficiency payments which we have been discussing have a tendency to encourage farmers to overproduce. If you are paid a deficiency payment per bushel, the more bushels you produce the more subsidy you will receive. That happened to a great extent in the United States. Even when they used subsidies to reduce the amount of production, they found that farmers used the subsidy to increase fertilizer application and, consequently, increase production on less acreage. It does not work quite the way the Minister wants. I must agree with him that there is a danger in making an announcement. However, the danger lies in making the announcement in a certain way. There is a need to assure the farming community that the Government will find the necessary funds to ensure that incomes do not drop below what they were last year. Even farmers who did not have debts last year and paid no interest have found this year that they could hardly make ends meet. Another 20 per cent reduction in the price of grain will affect those farmers as well.

• (1710)

All of us, regardless of our Party and regardless of who is in Government, have a responsibility to devise a solution that will effectively deal with the crisis in the farm community. We should include provincial Governments and farm organizations in that solution because they are the most concerned and probably have the best insight into what needs to be done.

There is one area of the farm community that seems to be surviving. It is those who have been on supply management structures, such as dairy producers, egg producers and turkey producers, that were developed primarily by farmers themselves, but under permissive legislation that Governments have passed over the years. Those kinds of marketing structures have been operating rather well.

The Government's proposal for free trade concerns many farm groups, but those areas which have supply management are particularly concerned because if the philosophy of the free market system is adopted, there will be the free movement of food across the border. While we can protect supply management as much as we want in this country, if the products of the dairy industry are allowed to enter the country, the need for dairy products in this country will be reduced and the industry will collapse. One need only look at the statistics from the United States for this week to see that the Americans produce enough surplus in their dairy industry to supply Canada without any increase in production. Furthermore, they are looking for a market for those products.

Free trade at its extreme means that one should not produce anything in Canada that can be produced cheaper elsewhere. If we reached that extreme, very few of our basic industries would do much more than supply the local market, because many areas in the United States can produce most of our food products cheaper than we can do it here most of the year. The total farm debt in Canada, including Canadians farmers in all areas of the industry, is $23 billion. Experience tells us that even in good years, farmers with less than 75 per cent equity have a very slim chance of survival. In recent years, even farmers with 100 per cent equity are having difficulty surviving. It behooves us as Members of Parliament and Governments in Canada to find a way to take care of this debt. It is not sufficient simply to suggest that we will reduce the interest rate from 16 per cent to 12 per cent or 8 per cent. The debt itself must be eradicated. We cannot afford to hope that the industry will turn around and we will begin to produce and receive enough for our products in two to five years to pay off that debt.

Most farmers realize that they will never repay a good portion of that $23 billion. Therefore, there will be a foreclosure on the debt and it will not be paid by the farmers who presently own the land. The farmer will have to give up farming or relinquish a portion of the land which someone else will buy. We are not talking about the elimination of agriculture; we are talking about the elimination of a way of life for many farmers.

I, many in the farm community and, in fact, many Canadians believe that the elimination of the present agricultural structure is unacceptable. The use of land in financing has been a major problem, possibly because the cost of land went up so high. For instance, I have 160 acres of land that is worth perhaps $100,000. However, I am lucky to have a return of $5,000 from the land. In fact, last year I lost money on it, but I do not depend upon the production of that land to pay debts.

Let us consider the situation of a prairie farmer who has almost 30 per cent of the land in debt and the farmer is unlikely to survive on the farm. If the banks, the credit unions, the loan companies and the Farm Credit Corporation cannot collect the debt, they will end up with the land. If they were to take all that land and put it on the market, the price of the land would probably drop to some $200 an acre from its present $500, $600 or $700. The Government has suggested that perhaps land companies should be formed from the land that is being foreclosed. I call that a type of modern feudalism, a situation where we are developing land owners who will then lease the land to the farmers. Again, that is not necessarily a bad thing, but what it does is to eliminate the kind of structure we have accepted in the farming and rural community for many years, the community which has produced the products which are part of this country's wealth. I do not think anyone in this House, or even anyone in the urban communities, if he thinks about it, wants that to happen. Unless we in this House, and the provincial Governments, do something about it, it is going to happen regardless of whether we want it to do so.

• (1720)

Mr. Caldwell: Mr. Speaker, I listened very carefully to the speech of the Hon. Member for Prince Albert (Mr. Hovdebo). He is one of the more respected farm spokesmen in this House and I followed his line of thinking very closely. However, I did not notice too many solutions to the problem or what his Party would do if it were in government. The only thing I heard him mention was supply management. Supply management seems to be the answer. I think it has worked in many of the commodities such as feathers, some of the fruit and vegetable areas and in the dairy industry. However, I wonder how he is going to apply supply management to the western grain farmers when 65 per cent of their production is exported. Is he suggesting that 65 per cent of the farmers go out of business or that they should cut down by 65 per cent?

Second, the Hon. Member says we should basically almost match the Americans in the amount of money they are going to put into the system. He knows very well that Canada is a major grain producer and that we produce about 20 per cent of the world market. The U.S. supplies 40 per cent, but we certainly do not have half the population to support that tax base. Is it the position of the Hon. Member's Party that this money should be put in there to increase the deficit which, in many cases, I think would devalue the dollar and also increase interest rates? Or is he suggesting making cuts in other areas of government spending? I would like to know, first, where he is going to get this money? And does he believe there should be a 65 per cent reduction in the number of farmers or a 65 per cent cut in production in western Canada? And how would the farmers feel about that?

Mr. Hovdebo: Madam Speaker, I thought I spent a particularly large amount of time suggesting that that is exactly what we do not want. We do not want the elimination of 65 per cent. In fact, if we could find a method of doing it, I would suggest that the land we have, particularly on the Prairies, could handle another 25 per cent of farmers and we could still produce enough to keep those people going.

At no time did I suggest that we try to match the United States. In fact, I do not think you would find many farmers right now on the Prairies or even in the Hon. Member's part of Ontario who would say they wanted us to match the U.S., although in the deficiency discussions that came up quite often. I think right now most of the farmers out there would be quite satisfied if there were some assurance that as long as they produced, they could survive. They would produce what was saleable. However, if they do make a wrong choice or if the markets do continue to fall, they still want to be able to produce something which will make them a living. They do not want to go on the dole. They don't want to have to collect unemployment insurance in some city. They want a farm, a community and a rural life. They do not mind working for it and they will accept anything almost to the survival level.

I am not suggesting that I or anyone else have a solution at this moment. However, the agronomists of Ontario made a very well defined suggestion on what could be done as far as the grain industry was concerned. That suggestion is something we should look at. Neither my Party, the Liberals, nor the Conservatives should look at it separately. We should look at it together as a solution to the problem. They suggested that we knew how much grain we use domestically. We have a pretty good idea of how much grain we can sell, at what quantities and at what particular price. The main concern, of course, is that the price goes down and we have no way of knowing how much we are going to lose. However, if the Government is willing to admit that we need the farm community, we need this production, then we can make a decision jointly with the farmers and with the Governments which will allow them to survive.

If it costs more than it is costing now, that is the price we will have to pay. If we do not do that, those farmers are going to go off the land and we will end up paying for them because they will not find jobs in the cities. We will be paying for them in other ways. It does not take a great deal of extra money to keep them on the farms, and that is all they want at the moment.

Mr. Caldwell: Madam Speaker, I am not sure whether the Hon. Member for Prince Albert (Mr. Hovdebo) has really answered my question or even if he understands what supply management means. It means that we produce for the domestic market and give up our exports. That is what a supply management board is, as we understand it. I do not quite understand how the Hon. Member can say we can increase production and still be in supply management. I do not quite understand where he is going there. If we are going to go into straight supply management and produce for the domestic market, we are going to have to cut our crops by 65 per cent on the Prairies in western Canada to meet just the domestic market.

Mr. Hovdebo: The Hon. Member should know that the dairy industry, which is probably the most sophisticated structure of supply management we have, produces in a variety of ways. It produces, first, for the domestic milk market, then for the industrial milk market and for an export market. The same thing can be done with any of the products with which we are concerned.

I am not suggesting, although it might be the only way we have to go, that supply management of that type is what is going to work in the grain industry. What I am suggesting is that we do know the parameters of the domestic market. We have a pretty good idea as to what we can sell. We know, for instance, that if we can produce a high quality wheat, we will sell more. We sell 10 per cent of our grain right now to the United States even if there are barriers to allowing it in. There are possibilities, but we will not find those possibilities, and they will not become part of the agricultural production system, unless we put them in place and we all accept them.

I suppose what I am suggesting is that perhaps the time has come, as far as agriculture is concerned, when the farmers in

the Conservative Party, the Liberal Party and the New Democratic Party, and the farm organizations, should all get together and decide that this is one way we can survive.

Mr. Nystrom: Madam Speaker, I have a short comment. I have been working with the Minister for some months now to try to establish a complaint mechanism to referee between a farmer and a farm chemical company when they are having a dispute. I wish the Minister were here because he has been kind enough to have a policy review done in his Department and there appears to be some headway made in establishing such a mechanism.

• (1730)

A number of months ago I was approached by some Saskatchewan farmers not from my riding but from the Town of Eston in the riding of the Minister of Indian Affairs and Northern Development (Mr. McKnight), in particular farmer Roger Oakland and farmer Lorne Johnston who were representing a group of Eston farmers who had a dispute with Dow Chemical over a chemical called Tordon 202C. They could not get any satisfaction because of a problem they have had with this chemical. Thus they had to go to the courts. This involved a very lengthy court case. I cannot comment on it because it is still before the courts.

I see that the Minister is now in the House. Because of this situation these farmers came up with the idea that there should be some type of a mechanism to solve disputes between a farmer and a farm chemical company when there is a problem with chemicals that malfunction, do not work, do not perform or which damage the soil or crop. Now the situation is that a farmer cannot really afford to take on a big multinational farm chemical company, or he does not have the time. I want to say that the Minister has been very co-operative in this regard. Perhaps it is even out of order to commend the Minister, I am not sure, Madam Speaker. However, not very often do we see that type of review instituted. I just want to say publicly that I am happy that there is this review going on now in Agriculture Canada with respect to some type of complaint mechanism.

I am sure we may have to start off with the industry itself setting up a voluntary mechanism procedure with full consultation with farmers and farm organizations as a first step toward an official mechanism or a referee, which I guess might be another way of putting it. I think we will make some progress on this issue. It is an example of a number of Saskatchewan farmers having got together with a good idea. I suppose there is nothing more powerful than an idea whose time has come. It shows that these farmers, when they push their ideas and do their research, are able to persuade officials in the Department of Agriculture that they have ideas well worth looking at. Hopefully, before not too long the farmers of the country will have an independent referee who will settle disputes between farm chemical companies and farmers. I wish to ask the Hon. Member for Prince Albert (Mr. Hovdebo) whether or not he would support such a fantastic idea.

The Acting Speaker (Mrs. Champagne): The Hon. Member for Prince Albert (Mr. Hovdebo) has one minute in which to respond.

Mr. Hovdebo: Madam Speaker, I would very definitely support such an idea. It brings up a matter on which I would like to comment. I think it is time to carry out a review of a great many of these areas, such as financial, inputs and production. The research that should be done these days should not be with respect to increasing production, since we have plenty of most of our products, but with respect to reducing the costs of production, even if we end up producing less in the end.

Hon. Alvin Hamilton (Qu'Appelle—Moose Mountain): Madam Speaker, this is a subject which I think really concerns a question of trust of the people of Canada as between the Liberal Party and the Conservative Party. With all due apologies to the NDP, this is our battle.

First, it should be made clear that this was a dangerous type of thing to have done at a time when the Canadian Wheat Board is in desperate travail trying to do its duty under the Act. I could have said that my first thought in reading this motion was that it is an attack on the Canadian Wheat Board. Under the legislation of this Parliament, the Canadian Wheat Board has the power to handle the selling of all the grain in western Canada, or at least almost all of it. I do not think that was in the minds of the Liberals. I hope it was not. What we are being asked to do is to vote no confidence in the Government if we believe that the Conservative Party has betrayed its past and its present.

In very simple terms, the Liberal record on agricultural policy has not been good over the last number of years. I have in my hand their Bible. It is entitled *Canadian Agriculture in the Seventies*. It was prepared by some of the brightest men from across the country. It was started under the Pearson administration and published in 1969 under the Trudeau administration. The Minister of the day tried to carry out its policies.

It is known to the people of western Canada that the Liberal Party under Pearson and Trudeau attempted to carry out the policies of the task force report of 1969. What are the guts of the report? It states that if one looks into the future that there is no future for farmers in Canada at all. It recommends that we get rid of two out of every three farmers. It also recommends that we reduce the acreage in western Canada to one-half in three years. That was the policy the Liberals followed from 1969 until the time they were defeated in 1979.

The Conservative record from 1957 to 1963, with respect to which we have quantitative evidence, earned the trust of the western grain farmer for the next 50 years. The Minister was rightfully upset about this motion after all the Government has done in the last two years to maintain that trust. To bring in a motion as silly and untimely as this one could be taken as an attack on the Wheat Board to which Parliament has given the right to decide what the returns will be.

I put it very simply to you, Madam Speaker, that this debate is really a matter between two major Parties which have governed this country for the last 100 years. This is a question of trust. I have a list here a page long of the horrible things that happened to us. I remember in the early days of the Diefenbaker period when my job was to prepare an over-all national agriculture policy. The same type of criticism was thrown at us. At the time it looked pretty bad. Specifically, I can recall when I came back with the news of the first grain sale, the long-term deal, to China. The NDP said that it was not a deal at all, that it was a hoax. The Liberal Party said that it looked as if we were selling wheat on credit to our enemies to fight our friends.

I can say no more. This is a question of faith. Does our record not deserve a little more trust than this motion represents? If we look at the Liberal record, then how are we to respond?

Some Hon. Members: Hear, hear!

[*Translation*]

Mr. Champagne (Champlain): Madam Speaker, I sincerely believe that the short but convincing comments by my hon. colleague have shown that especially since this Government was elected in September 1984, Canadian agriculture has made tremendous progress.

[*English*]

I would like to ask a question of my hon. friend.

[*Translation*]

Madam Speaker, I wish he would tell me how he sees the various efforts that have been made in the agricultural industry across Canada. Let's start in Newfoundland and go on to British Columbia. First of all, let's talk about the long-term dairy policy that Canadian producers wanted so badly. The Liberals had been promising the policy since 1980, and since 1980, producers have been in limbo, and it took a Progressive Conservative Government to finalize the policy.

• (1740)

Madam Speaker, the House will recall that as far as Quebec and the 1983 crop losses are concerned, we signed the agreement and we dealt with the problem because the Liberals had failed to do so, claiming that Quebec producers didn't need the money. Madam Speaker, I wish the Hon. Member would tell me what he thinks about the proposal by the Hon. Member for Algoma (Mr. Foster) and his comment that Canadian producers and Canadian agriculture are at risk, when for 20 years his own Government refused to help them. Madam Speaker, I wish the Hon. Member would talk about the 16.75 per cent interest the Farm Credit Corporation was charging farmers when the Liberals were in power. Why didn't the Hon. Member for Algoma, the present agriculture critic, present his motion at the time? If he had been perfectly honest he would have done so. I wish the Hon. Member would explain, because I know how well informed he is on agricultural issues and how concerned he is about the economic future of our farmers.

Madam Speaker, what Canada wants, what the Government of Canada wants and what the Minister of Agriculture (Mr. Wise) has been delivering since 1984 is, first of all, consultation with the provinces. We have talked and we have agreed on various programs. The last agreement we signed with Quebec was worth $35 million. I wish my hon. friend would comment on the agreements we signed with the Maritimes. Effectiveness depends first and foremost on how we treat our farmers, the provinces and the Canadian agricultural industry. Madam Speaker, in concluding, because I would not want to make undue demands on the time of this House, I wish the Hon. Member would comment on upcoming agreements. These are the bilateral agreements with the United States and the multilateral GATT agreements, because this is the first time a responsible Government, a Progressive Conservative Government has taken the trouble to put the agriculture question right out in front at the Tokyo Round.

This is the first time a responsible Government, a moral Government has taken on the responsibility for making stabilization payments, for making an additional payment of one billion dollars to grain producers, and the Hon. Member for Algoma is complaining. Madam Speaker, what is he complaining about? Is it because we are helping farmers? If that is the purpose of his speech, I think he should try listening a little more. He should co-operate more, and above all, and I say this for the benefit of the Hon. Member for Richmond—Wolfe (Mr. Tardiff), look at the 400 or so achievements of this Government in the agricultural sector since it came to power. Those are not mere words, those are concrete measures. Canadian agriculture is one of our main economic priorities, and with a responsible Government and a responsible Minister of Agriculture like the one we have today, I think we will be able to see some very positive results.

I therefore wish my hon. friend would give me his views on these various questions.

[*English*]

Mr. Hamilton: Madam Speaker, I cannot answer all those questions. What I am simply saying is that the Government of which I was a Member had a tremendous record in every province of this country. When we are met with a motion like this it becomes a question of whether the people have forgotten the trust they put in us for all those years.

On the question of trust, the man working for me when I was winding up this effort in 1962 is the man who is presently Prime Minister (Mr. Mulroney). I called him my private secretary but he called himself by another name. He brought the exotic semen into Canada which caused a great revolution in the cattle industry. When I could not speak very well in Quebec he explained what I was trying to say. We did well in Quebec in 1962, 1963 and 1965 in the rural areas. I think that is all I need to say.

Mr. Stackhouse: Madam Speaker, it is a great honour to offer this intervention following one of the greatest Ministers of Agriculture this country has ever known, and one of the greatest debaters this House of Commons has ever known.

Some Hon. Members: Hear, hear!

Mr. Stackhouse: Madam Speaker, we do not usually expect Members from Metropolitan Toronto to participate in an agricultural debate. In doing so, the point I make is that while I do not represent many farmers, I represent a large number of consumers of farm products. The health of the farming sector of our society is vitally important to all Canadians, whether we live on the farm or in the cities. In my constituency we have the largest producer of flour-based products in this country. Government policies affecting wheat and flour are of vital importance to that company and the 400 people working in it. I am very grateful to and very impressed by this Government for the balanced way it handled the wheat pricing issue. It cares about the concerns of the wheat producer. It cares for the concerns of the consumers. It cares for the concerns of the people in industry. It has brought all that together to meet the legitimate needs and aspirations of us all. That is an example of what the Hon. Member for Qu'Appelle—Moose Mountain (Mr. Hamilton) was talking about when he said it is a matter of trust. Surely this is a Government in which we can have confidence because it cares about all segments of our society. It approaches policy issues with balance and justice for all.

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

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Madam Speaker, let me start with the issue of trust raised by the Hon. Member for Qu'Appelle—Moose Mountain (Mr. Hamilton). He has a long and distinguished career and surely he recognizes that trust is based upon a return of that trust. When confidence is placed in a Government there is an expectation that it will result in effective and useful action on behalf of the people who gave that trust.

In 1984, the Conservative Government received a huge majority. A great deal of hope was placed in the Government by western Canadian farmers. They had great expectations. I would just remind the Hon. Member of what has happened since then. In the prairie provinces, long a bastion of Conservative support, the Conservatives are in third place. In a short two-year period they have lost the trust and confidence of western Canadians. They have not fulfilled the hopes and expectations placed in them by those people. There is no doubt that the trust was there.

The whole point of this motion is to remind members of the Conservative caucus that it is about time they started acting as representatives of the people who elected them. They are not here simply to lash themselves to the mast of a sinking ship and obey orders. This is a time of conscience for members of the Conservative caucus who represent rural constituencies. They know what is going on. They know they are losing the trust of the people and they are doing so because they are not responding to circumstances.

• (1750)

Let me give you some examples, Madam Speaker. Last Friday night I was being driven to Toronto from the Lambton—Middlesex area of southwestern Ontario by two farmers in order to catch my plane to Winnipeg. These farmers were from families who had been in business for three or four generations. They were good farmers, not marginal by any means. For two and a half hours I listened to their story. Day by day, week by week, they would see their neighbours down the road slowly packing what was remaining of their household goods into pick-up trucks to move off the land and recognizing that there was no one out there to give them a helping hand. There were not only one or two examples; they were by the tens of hundreds in that part of southwestern Ontario. These farmers said that it broke their hearts to see their communities dissolving in front of their eyes.

Let me also talk about another example. About two weeks ago I was meeting with people in my Winnipeg constituency office. Suddenly a group of seven or eight persons came in. They said that they did not have an appointment but that they wanted to speak to the Member of Parliament. They were from the Interlake area of Manitoba, Beausejour, to be exact. They had had a meeting the night before, and they said that they had only one choice and that was to leave the land. Their sons and daughters no longer had faith or hope in farming because there was no longer money to be made. These men and women were in their late fifties. They told the same story as that of the farmers in southwestern Ontario. They had lost hope, trust, and confidence. As a result, a way of life or a way of making a living was disappearing around them.

Last week I met with delegates of the Agricultural Stability Action Committee of southern Alberta representing some 20,000 farmers in that part of the country. It was the same story. They coined a new phrase for me. I had not heard it before. It was called "minding the farm". This means that what farmers are planning to do this year in many parts of Canada is simply to put in a minimum amount of seed to qualify for their acreage payment, get their government stabilization cheque, and walk off the land. That story is being repeated across the country.

It is not a matter of the resolution simply saying that we want to put forward our policies. In the resolution we are trying to get both sides of the House of Commons to respond to the deepest crisis faced by the agricultural community in generations and in decades. We are watching the dissolution of the grain economy of Canada. Farmers and their wives and children do not want the smug complacency we have heard this afternoon, indicating that things are okay, that we do not have to take action, that nothing needs to be responded to, that we do not need to worry, that it will be okay tomorrow, and that the market will take care of it. They do not want those kinds of

supercilious answers when they see their way of life disappearing in front of their eyes. That is what the resolution is about. It is not simply saying business as usual or that we should tinker with the system. We are talking about an economy that is being severed from its ties.

The Member from Metro Toronto rose to his feet to say that he felt a common cause with farmers. It was a genuine statement, and I agree with it. However, if he says that, then he should vote for the resolution which says what farmers want. It is not based upon some esoteric think-tank or upon what officials in the Department of Agriculture said. It is based upon the discussions we have held with farmers over past months who are worried about losing everything they have.

I was part of a task force of our caucus which visited our four western provinces during the parliamentary break. At every single stop farmers refuted exactly what the Minister of Agriculture (Mr. Wise) had to say today. They said they needed an efficiency payment or a commitment that the initial payment on Canadian Wheat Board grains would be maintained at last year's level. They needed not only to continue their cash flow to allow them to buy their seeds and to make their preparations for planting, but to send a signal to the Americans and the Europeans that we in Canada will not be forced out of business.

We know what is the objective of the U.S. Farm Bill. It is to put us out of business. The Americans are using their incredible volumes of grain to bring down world prices, to subsidize their farmers at $3 or $4 per bushel, and to push the producers of Canada, Argentina, and Australia out of business. The only way to convince them and to stop that demonic attempt to put us out of business is to send them the signal that we will not be cowed.

If it means that Canadians will be required to pay more money to support farmers over the next year or two or three years, then we should say so now and tell the Americans and the Europeans that they cannot push us around. That is the kind of signal that is needed.

The Parliamentary Secretary to the Minister of Agriculture (Mr. Champagne) rose and said that he had this matter put on the agenda of the summit. However, what have they done since then? Have they given the Americans that kind of signal?

I refer to a brief which we received when we were in Winnipeg. It was from United Grain Growers. In the polite language which is used in front of parliamentary groups, it reads: "It is disappointing in our view to see a country like Australia deliver its message effectively to the United States when Canada has such strong economic and social ties with our neighbours to the south". During their presentation they said that they were disappointed with the Minister of State for Canadian Wheat Board (Mr. Mayer) in terms of the "dance of the seven veils" which he does at those meetings. It is no longer a time for cute diplomacy. It is no time to repeat the briefs written by the people in the striped pants from the Department of External Affairs. It is time for tough language with the Americans. It is time for tough language which says that they will not put us out of business, and that we will keep our farmers on the land producing effectively until there is a change. The Americans have not heard that kind of language from the Government, and that is what we need.

They will not stop. They have every intention of keeping the U.S. Farm Bill and of ratcheting down the prices 15 per cent to 20 per cent this year, next year, and the year after, until someone says "halt". That is partly the reason for the resolution. That is partly why the Government needs to give a signal now, not several months from now.

We also believe that there is an opportunity for both sides of the House to give a clear message that we will do something about farmers affected by credit problems. We tend to disparage these people. We talk about marginal farmers who will go out of business anyway. What kind of language is that? Who in this House of Commons is so omniscient that he can call someone a marginal farmer?

I was told by the Minister of Agriculture that somehow the only people who have any business participating in this debate are the farmers themselves. It is like saying that only women should be interested in feminist issues or only easterners should discuss problems of the St. Lawrence Seaway. I am a Member of Parliament. I come from western Canada. I am deeply concerned about what I see happening in my region of the country. I will speak out on it, whether or not I am a farmer. What I am saying is that many of those farmers were aggressive farmers in the 1970s. They were good farmers who talked about expanding their operations and building up their machinery. There are young farmers with degrees in agriculture. The future of farming is in the hands of the people who are now in deep arrears to the FCC. Those are the people upon whom we need to build. They are the future of our grain economy. They are the ones who are going down the chute.

We heard the numbers. The Hon. Member for Prince Albert (Mr. Hovdebo) and the Hon. Member for Algoma (Mr. Foster) indicated that 30 per cent of FCC credit holders have been in arrears for over two years. In fact they are legally bankrupt.

What has the Government done? Hon. Members across the way have been beating their chests in pride about what they have done. They have given $15 million to the FCC in two years, $10 million of which was to help write down some debts; $10 million against an outstanding debt pool of over $23 billion. This is what the Government is doing to deal with the credit crunch facing the farm economy. It is not fair to the farmers. It is not fair to the country as a whole. The Hon. Member from Metro Toronto was right. The rest of us depend in large part upon the grain economy and the farm economy.

• (1800)

The jobs of the people in the food processing industry and the many workers in transportation depend upon land producers. So why are we letting the land go fallow? Why are we

allowing people to go off the land? Why do we have farmers in southern Alberta talking about mining their farms? I do not think there is any dispute about the facts. I do not think anybody here has argued about the deep-seated conditions we are in.

Why are we going to disagree about the kinds of measures that can be brought forward to give some hope, confidence and trust that the Hon. Member for Qu'Appelle—Moose Mountain (Mr. Hamilton) asked for? We recognize it will cost money. As did my colleague, the Hon. Member for Algoma (Mr. Foster), we applauded when the Government announced the $1 billion program. It was a good start. Farm groups said it was not enough, but it was of some assistance. That, however, was last year. We are talking about what is happening next year. We are talking about farmers now nearing the end of March, who are making their plans today as to what to do, whether to stay on the land, what they can seed or whether they will be in business three or four months from now.

Mr. Wise: They know more about it than you do, Lloyd.

Mr. Axworthy: I concede they do. But I must say to the Hon. Minister that I think they know more about it than he does.

Mr. Wise: I agree to that.

Mr. Axworthy: I have been listening to them, Madam Speaker. That is why I have been out in the countryside for the last two months talking to people in the farm economy in western Canada. That is why I was in southwestern Ontario last weekend. They told me to act as a vehicle for their point of view. They said they needed help and they need it now.

Mr. Wise: They will get it.

Mr. Axworthy: They need the assurances now.

Mr. Wise: They have the assurances.

Mr. Axworthy: That is all this resolution asks for. It does not say that the Minister of Agriculture has to say how much or whether it will be acreage, cultivated or resource-free; it simply says make the commitment now—

Mr. Wise: The commitment is made.

Mr. Axworthy: —rather than dancing away from that commitment.

Mr. Wise: The commitment is made.

Mr. Axworthy: The commitment is not made.

Mr. Wise: It is.

Mr. Axworthy: It is not out there.

Mr. Wise: Yes, it is.

Mr. Axworthy: If that is the case, it is the best kept secret in Canada. Farmers sure as hell don't know about it. No one out there knows about it. Perhaps the Minister of Agriculture and his colleagues know about it. If that is the case, let them say so.

Mr. Wise: You cannot say it now.

Mr. Axworthy: If that commitment is out there, then we have no problem. The Minister of Agriculture can get to his feet in two or three minutes and vote for this resolution. That is all it takes. We do not ask him to do any more than that. Just let him get to his feet and say yes to this resolution. Then there will be no mistake and no confusion. And we can say is that this House of Commons has done its job. It will give farmers a little hope. We will have shown that this Parliament of Canada is prepared to take some action when necessary. We can say that all Parties got together and took the action necessary.

If the Minister of Agriculture and his colleagues say that the commitment has been made and the assurances are there, then I say to them, get on your feet and vote for this resolution.

Mr. Wise: Madam Speaker, I rise on a point of order. I think we have had other items on the agenda today. It has been a good debate. Could you seek unanimous consent not to see the clock to give the Hon. Member for Crowfoot (Mr. Malone) an opportunity to pose a question or two?

Mr. Gauthier: No.

The Acting Speaker (Mrs. Champagne): Is there unanimous consent for the Minister's suggestion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

Mr. Wise: Just one question?

Mr. Gauthier: No.

The Acting Speaker (Mrs. Champagne): We do not have consent.

[*Translation*]

Order. It being 6.05 p.m., it is my duty, pursuant to Standing Order 82(9), to interrupt the proceedings and put forthwith every question necessary to dispose of the supply proceedings now before the House. Accordingly, the question is as follows:

Mr. Maurice Foster (Algoma) moved:

That this House, recognizing the serious plight of Canadian farmers due to record low world prices for grain and other commodities, calls on the government to make a commitment now to farmers:

(*a*) to ensure that their returns on grain in the new crop year will at least equal the levels of the 1986-87 crop year;

(*b*) to maintain the current freeze on grain freight rates charged to farmers;

(*c*) to reduce farm input costs through methods that include measures to deal with high chemical prices; and

(*d*) in view of the worsening farm debt crisis, to provide greater assistance to preserve the family farm as the primary means of production and a vital part of rural Canadian life.

The Acting Speaker (Mrs. Champagne): Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mrs. Champagne): All those in favour of the motion will please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mrs. Champagne): All those opposed will please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mrs. Champagne): In my opinion, the nays have it.

And more than five Members having risen:

The Acting Speaker (Mrs. Champagne): Call in the Members.

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

(Division No. 76)

YEAS

Members

Allmand
Althouse
Axworthy
Baker
Berger
Boudria
Broadbent
Caccia
Copps
de Corneille
Dingwall
Finestone
Foster
Frith
Garneau
Gauthier
Gray
(Windsor West)
Grondin
Guilbault
(Saint-Jacques)
Heap
Henderson
Hopkins
Hovdebo
Isabelle
Jewett
Johnston
(Saint-Henri—
Westmount)
Kaplan
Killens
Lapierre
Malépart
Manly
McCurdy
McDonald
(Broadview—
Greenwood)
Mitchell
Murphy
Nicholson
(Trinity)
Nystrom
Parry
Pépin
Prud'homme
Riis
Robinson
Rodriguez
Rompkey
Skelly
Tardif
(Richmond—Wolfe)
Tobin
Turner
(Vancouver Quadra)
Waddell
Young —50

NAYS

Members

Andre
Attewell
Beatty
Bernier
Binns
Blackburn
(Jonquière)
Blais
Blenkarn
Bouchard
Bourgault
Bradley
Browes
Caldwell
Cardiff
Champagne
(Champlain)
Clark
(Brandon—Souris)
Clinch
Comeau
Cook
Cooper
Corbett
Cossitt
Côté
(Lac-Saint-Jean)
Crofton
Crouse
Darling
Daubney
Domm
Dorin
Duguay
Duplessis
Edwards
Ellis
Epp
(Provencher)
Fennell
Forrestall
Gagnon
Gass
Gérin
Gervais
Girard
Gormley
Graham
Grisé
Guilbault
(Drummond)
Gustafson
Halliday
Hamelin
Hamilton
Hardey
Harvey
Hawkes
Hees
Hicks
Hnatyshyn
Horner
Hudon
Jacques
James
Jardine
Jelinek
Jepson
Johnson
(Bonavista—Trinity—
Conception)
Joncas
Jourdenais
Kelleher
Kempling
King
Lawrence
Layton
Lesick
Lewis
Lopez
Mailly
Malone
Mantha
Martin
Masse
Mazankowski
McCain
McCuish
McDermid
McInnes
McKenzie
McKinnon
Merrithew
Minaker
Moore
Murta
Nicholson
(Niagara Falls)
Nickerson
Oberle
Oostrom
Pennock
Peterson
Pietz
Price
Redway
Reimer
St. Germain
St-Julien
Schellenberg
(Nanaimo—Alberni)
Schellenberger
(Wetaskiwin)
Scott
(Victoria—Haliburton)
Scott
(Hamilton—Wentworth)
Shields
Siddon
Sparrow
Speyer
Stackhouse
Stevens
Stewart
Tardif
(Charlesbourg)
Thacker
Towers
Tremblay
(Québec-Est)
Tupper
Turner
(Ottawa—Carleton)
Valcourt
Van De Walle
Vankoughnet
Vincent
Warner
Winegard
Wise—125

The Acting Speaker (Mrs. Champagne): I declare the motion lost.

It being 6.31 p.m., the House stands adjourned until tomorrow at 11 a.m., pursuant to Standing Order 3(1).

The House adjourned at 6.31 p.m.

HOUSE OF COMMONS

Thursday, March 19, 1987

The House met at 11 a.m.

Prayers

ROUTINE PROCEEDINGS

[*English*]

ELECTORAL BOUNDARIES READJUSTMENT ACT

TABLING OF REPORT OF COMMISSION FOR PRINCE EDWARD ISLAND

Mr. Speaker: It is my duty, pursuant to Section 9 of the Representation Act, 1985, Chapter 8, Statutes of Canada, 1986, to lay upon the table a certified copy of the 1987 report of the Electoral Boundaries Commission for the Province of Prince Edward Island.

[*Translation*]

Pursuant to the Act, this report is deemed to have been referred to the Standing Committee on Elections, Privileges and Procedure.

* * *

[*English*]

INTERPARLIAMENTARY DELEGATIONS

PRESENTATION OF REPORT OF DELEGATION OF THE CANADIAN PARLIAMENTARY ASSOCIATION TO BARBADOS AND GRENADA

Hon. Lloyd R. Crouse (South Shore): Mr. Speaker, I rise pursuant to Standing Order 101 to present to the House a report on the meeting of the delegation of the Canadian Branch of the Canadian Parliamentary Association to Barbados and Grenada in February, 1987, in both official languages.

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

[*Translation*]

COMMITTEES OF THE HOUSE

TELEGLOBE CANADA REORGANIZATION AND DIVESTITURE ACT—REPORT OF LEGISLATIVE COMMITTEE

Mrs. Lise Bourgault (Argenteuil—Papineau): Mr. Speaker, as Chairman of the Committee, I have the honour to present the report of the Legislative Committee on Bill C-38, an Act respecting the reorganization and divestiture of Teleglobe Canada, with amendments, in both official languages.

[*English*]

LABOUR, EMPLOYMENT AND IMMIGRATION—FIRST REPORT OF STANDING COMMITTEE

Mr. Jim Hawkes (Calgary West): Mr. Speaker, I have the honour to present the first report of the Standing Committee on Labour, Employment and Immigration concerning unemployment insurance in both official languages. In accordance with Standing Order 99(2), I request that the Government make a comprehensive response to this first report.

First, I want to pay tribute to committee members who have laboured long and hard. In the last two weeks I recall four occasions when the committee meetings began early in the morning and concluded at midnight or shortly thereafter. I think that that type of schedule speaks to the complexity of unemployment insurance. It also speaks to the importance of unemployment insurance in the Canadian mosaic. Our report contains 90 recommendations from all three Parties. There was agreement on 89 of those recommendations and slight differences on only one. I think that speaks for the spirit of co-operation which members have shown in this endeavour.

The major feature of the changes recommended by the committee are to restore equity from coast to coast, in a geographic sense. We hope the days are over when there were first-class unemployed in some regions of the country and second-class unemployed in other regions.

We are also recommending that the beneficiaries of unemployment insurance will increasingly be allowed to take better control of their own lives by becoming trained and retrained while receiving benefits. I believe it is the first time that a committee of the House has recommended that as a matter of right, adult Canadians who do not have a basic education be allowed to use their benefit periods to seek that basic education. We think it is a major attack on the problem of functional illiteracy in this country. If our advice is to be

followed by the Government and this Parliament, we think it will make an enormous difference.

I believe Members will also be pleased with the notion of eligibility being determined on the basis of 400 hours of work. While this seems simple at first blush, this refers to the resource nature of this country, in the oil industry, fishing, forestry and many other sectors of the Canadian economy in which people work large numbers of hours in a week. Previously, unemployment insurance did not acknowledge the reality that people may work 100 or 120 hours in a week rather than the normal 40 hours a week associated with the manufacturing industry. We are pleased to be able to assert a recommendation that would acknowledge the resource sector and its differential work patterns.

There are many other recommendations, including major reorganization, but I think those three thrusts represent significant departures. I hope they will find favour with the Government and the Parliament of Canada.

[*Translation*]

PRESENTATION OF THE THIRD REPORT OF THE STANDING COMMITTEE ON PRIVATE MEMBERS' BUSINESS

Mr. Gabriel Desjardins (Témiscamingue): Mr. Speaker, I have the honour to present the third report of the Standing Committee on Private Members' Business, in both official languages.

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

* * *

• (1110)

[*English*]

POINT OF ORDER

PRESENTATION OF COMMITTEE REPORT—EQUAL TIME SOUGHT FOR OPPOSITION CRITICS' RESPONSE

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Mr. Speaker, when my colleague, the Chairman of the Standing Committee on Labour, Employment and Immigration was tabling the report of the standing committee with respect to unemployment insurance, a report which I, for the greater part, support, he made some lengthy comments. It seems to me that while I support much of what he said, I think it is appropriate that when one makes such a lengthy statement in tabling a report, the opposition critics should have similar time to comment as well.

If I understand correctly, the usual rule is that you simply table the report. I think it is a good thing that the Chairman is able to make the kind of comments he made. However, I also believe that if he does make that kind of comment, which is similar to comments made when a Minister makes a statement on Motions, opposition critics should have a similar short period of time to make comments as well.

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, I rise on the same point of order. In the same vein, I applaud much of what our Chairman has said. I would think it is a good idea if we had a few minutes to highlight, from our perspective, the work which was done in this particular committee with this particular report. I think it does signal a new mood in committees. We have come up with a report which has the support of all Parties in this House. In fact, only one Member from the government side—and it is in the report—departed from the rest of his colleagues with respect to the issue of pension income as earned income. I think there was only that one departure. I would ask Your Honour to consider giving us an opportunity to respond briefly.

Mr. Doug Lewis (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I would not for a moment want to be seen to be prohibiting freedom of expression in the House. However, I think we are dealing here with the tabling of a document. It has been customary in previous Parliaments, and this Parliament, to allow for certain non-partisan remarks to be made by the individual in his or her capacity as chairperson of that committee. I think that is appropriate and is well understood.

I would suggest to the Chair that the Committee on Elections, Privileges and Procedure is presently reviewing the Standing Orders. It seems to me that if a new practice is to be created, and I am not for a minute suggesting it should or should not be created, the format for dealing with a change in our procedures should be through changes to the Standing Orders rather than by a point of order on the floor of the House.

For that reason, I think my colleagues have had their opportunity to comment and in future we should simply try to confine the remarks to those pertinent to the tabling of the reports, and any comments a Member may want to make should be made during Question Period or outside the House.

[*Translation*]

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, I would also like to comment. First, I am happy to see that the annualization principle that had detrimental effects for fishermen of the Atlantic provinces has been unanimously rejected. I am happy to see Conservative Members oppose the Government's decision to take pension income into account to reduce unemployment benefits. I am also very pleased, Mr. Speaker, that Members of the House, be they Liberal, Conservative or New Democrat, worked in a very constructive way.

[*English*]

Mr. Lewis: Point of order, Mr. Speaker.

Mr. Speaker: I think perhaps the Chair might comment, and I note the Hon. Parliamentary Secretary calling for a point of order.

[*Translation*]

The Hon. Member for Montreal—Sainte-Marie (Mr. Malépart) has finished speaking.

[*English*]

Perhaps the Chair could assist Hon. Members. What has happened here is that pursuant to the Standing Orders, the Hon. member for Calgary West (Mr. Hawkes), as Chairman of the committee, has reported to the House on a report from that committee concerning the whole question of unemployment insurance, and it is clearly a very important matter. The Hon. Member for Calgary West has also commented on the fact which is, I think, a credit to the committee, if the Chair can say so, that there was great unanimity and that members of all Parties collaborated and worked very hard on the committee report. The report has already received some attention in the news and it is perhaps not too hard to understand why the Chairman of the committee wished to say a few more words than a committee chairman would ordinarily do when bringing in a report of such nature to the House.

What has happened is that other Hon. Members have risen and said that when there is a statement like that, perhaps it would be appropriate if representations from the Official Opposition and the New Democratic Party were also permitted. I take it literally that the Chair is being asked if the Chair could accede to that request at this time. I draw to the attention of Hon. Members Rule 99(1) which states:

> Reports to the House from committees may be made by Members standing in their places, at the time provided pursuant to Standing Order 19(3) or 82(15)(c), provided that the Member may be permitted to give a succinct explanation of the subject-matter of the report.

This House can do anything by consent, of course. If it were the disposition of the House at any given time, on any particular report, to hear as well from representatives of the other Parties, and if the House agreed, then that of course would be completely appropriate. However, the Chair is in the position, in this case, of having to look to the rule. On some other occasion, and even on this occasion, the Chair does not, under any circumstances, wish to close off legitimate comment or what might even become debate, if it were the wish of the House to do so. However, I think that under the circumstances, the Chair must adhere to the rule and say to Hon. Members and to the Hon. Member for Notre-Dame-de-Grâce—Lachine East (Mr. Allmand), the Hon. Member for Nickel Belt (Mr. Rodriguez) and the Hon. Member for Montreal—Sainte-Marie (Mr. Malépart), that looking at the rule, the Chair cannot unilaterally take away from that rule and give the permission requested. In saying this, the Chair is in no way diminishing the importance of the matter. As the Chair indicated a few moments ago, and I think I am quite permitted to say it again, the House, and the country as well, owes a great deal to the work of all Parties in the preparation of this report.

[*Translation*]

Mr. Jean-Pierre Blackburn (Jonquière): I rise on a point of order, Mr. Speaker.

Mr. Speaker: The Hon. Member is raising a point of order.

Mr. Blackburn (Jonquière): On the same point of order, Mr. Speaker.

Mr. Speaker: I am sorry, but the point of order has been dealt with.

* * *

PETITIONS

OPPOSITION TO PROPOSED CHANGES TO PATENT ACT

Mrs. Thérèse Killens (Saint-Michel—Ahuntsic): I have the honour, Mr. Speaker, pursuant to Standing Order 106, to table a petition signed by 32 residents of the Montreal area who object to the amendments proposed in Bill C-22 to the Patent Act. They consider that the government proposals will increase the already high costs of provincial health care systems and will directly affect all Canadians who are not covered under private drug insurance schemes. The undersigned call upon the Canadian Parliament to reject those proposals which will increase drug prices for all Canadians.

REQUEST FOR ASSISTANCE FOR CO-OPERATIVE HOUSING PROGRAMS

Mrs. Thérèse Killens (Saint-Michel—Ahuntsic): I also have the honour to present a second petition dealing with housing policy in Canada. That petition is signed by 36 residents of the Montreal area who object to the decision of the Government to bring about major changes in the housing policy in Canada. They believe that in this International Year of Shelter for the Homeless the definition of essential needs as understood by this Government prevents hundreds of thousands of Canadians living under the poverty line to receive housing assistance from the Government. Wherefore, the undersigned humbly pray and call upon Parliament to increase immediately the assistance provided for co-operative housing programs.

OPPOSITION TO CANADA POST DECISION TO REDUCE SERVICES

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I have the honour and privilege to present a petition dealing with Canada Post Corporation. The petition is signed by a number of constituents from the Glengarry—Prescott—Russell riding who are objecting against the decision of Canada Post to reduce its service in rural as well as in urban areas. This petition is signed by 1,116 constituents of my riding. They are joining in with the 5,606 people who have already voiced their complaint for a grand total of 6,723.

The undersigned are residents of the communities of Plantagenet, Treadwell, St. Albert, Alfred, Casselman,

Limoges, Embrun, Bourget, Apple Hill, Green Valley, Glen Robertson, Alexandria, Russell, Clarence Creek, Saint-Bernardin, Dalkeith, Dunvegan, l'Orignal, Hammond, Rockland and Wendover in the riding which I have the honour and privilege to represent.

RIDEAU HALL—PUBLIC'S ACCESS TO GROUNDS

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I have the honour and the duty to present a petition that is in accordance with Standing Order 106. The undersigned, residents of Canada, now prevail themselves of their right to present a grievance against the decision to close Rideau Hall made by the National Capital Commission, the Department of Public Works, the Royal Canadian Mounted Police and the Office of the Governor General, without prior notice. The closure of this attractive and tranquil park affects thousands of visitors to the capital from across the country who held Canada's uniquely accessible Rideau Hall as a symbol of the trust, openness and democracy of which Canadians are so justly proud. And the area residents from the entire National Capital Region who have used and enjoyed the grounds of Rideau Hall, recognizing the security concerns that prompted the closure decision, cannot accept a blanket closure of the 20-acre park to public access. Wherefore, the undersigned petitioners humbly pray and call upon Parliament to open the decision for consultation with a group of citizens, representative of the large and growing opposition, in order that a *modus vivendi* can be created that would satisfy the Government and the public.

• (1120)

[*English*]

OPPOSITION TO PROPOSED CHANGES TO PATENT ACT

Mr. Rod Murphy (Churchill): Mr. Speaker, I have the honour to present a petition pursuant to Standing Order 106. In this petition people from Norway House, Snow Lake, The Pas, Churchill, Flin Flon and Thompson, Manitoba, express their concern about the Government's intention to change the Patent Act relating to prescription drugs. They believe this measure will increase drug prices for Canadian consumers and severely restrict the ability of average Canadians to buy necessary prescription drugs. They also believe that it will hurt those Canadians whose health needs require the purchase of prescription drugs on an ongoing basis. In their petition they also state that they believe that this is yet another example of the Canadian Government making concessions to the United States at the expense of average Canadians in the free trade negotiations.

Mr. Lewis: Mr. Speaker, I rise on a point of order. I wonder if the Hon. Member might be good enough to give us the date of certification of the petition and the name of the Member who presented it for certification.

Mr. Murphy: Certainly, Mr. Speaker. The name of the person who asked for the petition to be certified is Rod Murphy, which you may have guessed from the fact that all the communities listed on the petition are from the federal riding of Churchill. I believe the petition was certified according to the regulations by the Clerk of Petitions on January 6 of this year. I do not know whether or not the petition went to the Government House Leader for ratification.

Mr. Gauthier: Mr. Speaker, I rise on the same point of order. If we cannot trust Members of Parliament to present petitions in this House in their proper form and in the proper manner, then why does the Parliamentary Secretary get up each time and ask Hon. Members to identify who gave it authorization, who signed it and under what authority? I think that a gentleman's trust is involved here. Hon. Members must trust other Hon. Members in this House.

Mr. Lewis: Mr. Speaker, I can only say to my hon. colleague that the reason for the question I ask will unfold with the passage of time.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

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

Mr. Murphy: Mr. Speaker, I certainly do not disagree with the request of the Parliamentary Secretary. However, in the vein of questions he has been asking members of the Opposition lately, can he tell the House the date for the question which the Government has yet to provide an answer and has been on the Order Paper the longest?

Mr. Speaker: The Chair is not sure whether or not the Parliamentary Secretary can answer such a question. Perhaps the Hon. Member for Churchill (Mr. Murphy) and the Parliamentary Secretary can discuss the matter in their own time.

Shall all the questions on the Order Paper be allowed to stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS AND FEDERAL POST-SECONDARY EDUCATION AND HEALTH CONTRIBUTIONS ACT, 1977

MEASURE TO AMEND

Hon. Tom Hockin (for the Minister of Finance) moved that Bill C-44, an Act to amend the Federal-Provincial Fiscal Arrangements and Federal Post-Secondary Education and Health Contributions Act, 1977, be read the second time and referred to a legislative committee.

He said: Mr. Speaker, I rise in support of Bill C-44, an Act to amend the Federal-Provincial Fiscal Arrangements and Federal Post-Secondary Education and Health Contributions Act.

[*Translation*]

Mr. Speaker, Hon. Members remember the statement made by the Minister of Finance (Mr. Wilson) when he introduced this Bill last week.

[*English*]

This statement sets out very clearly the main purpose of the Bill. It is to provide strong financial support to the lower income provinces by renewing the equalization program. I say "strong financial support" because that is what renewal of the equalization program means.

Under this Bill total equalization entitlements are expected to grow substantially in the years ahead. They should grow from about $5.3 billion in 1986-87 to about $5.6 billion in 1987-88 and about $5.9 billion in 1988-89. This means estimated increases of about $300 million each year, or over 5 per cent growth annually.

• (1130)

As the Minister of Finance (Mr. Wilson) indicated in his statement, this Bill will also provide for the net forgiveness of about $270 million owed to the federal Government under equalization as a result of the 1986 census.

[*Translation*]

In short, Madam Speaker, this Bill is aimed at giving low revenue provinces the financial assistance they need. This Bill shows the federal Government's clear intention to give them that assistance.

[*English*]

I will briefly underline the significance the Government attaches to the provision of equalization. As the Minister of Finance said in his statement, there are few federal programs as important as equalization. It is part of the fabric of this country. Indeed, the provision of equalization has become so accepted in this country that a commitment to the principle of making these payments is now included in the Constitution. The unconditional cash transfers which the federal Government provides to the low income provinces under equalization are funds which they can use as they choose to help provide public services. They are unconditional cash transfers.

This assistance is provided on the basis of the relative strength of provincial economies *vis-à-vis* one another. Lower income provinces with relatively stronger economies are in a position to finance services more directly themselves. Those which are not as well off relatively speaking have more need for federal assistance.

[*Translation*]

Naturally the Atlantic provinces benefit more from this kind of federal Government assistance. However the assistance is important as well to Quebec and Manitoba, and more recently to Saskatchewan.

Madam Speaker, our Government is fully aware that equalization payments are an important aspect of the financial structure of low revenue provinces.

[*English*]

That is why the federal Government has acted repeatedly to increase equalization payments despite its own financial difficulties. We did this two years ago when we provided $285 million in special payments outside the regular program. There was no obligation to do this. We are doing it now by renewing the equalization program. This renewal includes some adjustments being implemented over two years which will contribute to the enhanced growth of total payments. We are also doing it through the net forgiveness of amounts owed to the federal Government under equalization as a result of the 1986 census. It is worthwhile to remind the House of the net forgiveness of these amounts which was announced last week.

As the statement of the Minister of Finance indicates, the forgiveness of equalization overpayments arising from the 1986 census is not something the Government is compelled to do. These overpayments are part of the normal process of adjustments to payments, both up and down, which take place on an ongoing basis. The Government is taking this step because it wants to be helpful. It recognizes and understands the cash flow and financial difficulties faced by the provinces receiving equalization.

[*Translation*]

Our decision will help the Atlantic provinces, Quebec and Saskatchewan, and will lighten their tax burden.

[*English*]

Manitoba is not affected by this provision because it does not owe the federal Government money under equalization as a result of the census. Instead, Manitoba will automatically receive a further $15 million.

[*Translation*]

Madam Speaker, this Bill also reorganizes the system designed to set minimum and maximum equalization pay-

ments, a system of lower and upper limits which was established recently but has yet to be implemented.

[*English*]

As Members will be aware, this Act also contains a number of other programs and provisions which together make up what is generally known as "the fiscal arrangements". These programs, that is the authority to enter into agreements with the provinces for the collection of income taxes and for the payment of each others' sales and excise taxes, the personal income tax revenue guarantee, and Established Programs Financing, will all continue essentially unchanged.

The fiscal stabilization program which provinces have said they would like to see continue will also be maintained. Some adjustments are being made to improve and clarify the program in light of difficulties which have arisen in its administration, but in administration only. Should any future stabilization payments be very large, any assistance in excess of a base amount will also take the form of an interest-free loan. In fact, the stabilization program is likely to be triggered infrequently. It provides for a federal payment to a province in the event its revenues were to decline from one year to the next because of an economic downturn. In short, the main thrust of this legislation is to review and extend existing fiscal arrangements programs and provisions.

Before concluding, it is important that I say a word about federal-provincial consultation because everything in this Bill has been discussed with the provinces. As Members will be aware, the Federal-Provincial Fiscal Arrangements Act involves federal legislation and federal expenditures. Amendments do not require provincial consent. The Government is, however, strongly committed to open discussion and consultation with the provinces, whether or not they need provincial consent.

[*Translation*]

We held lengthy consultations with the provinces before introducing this Bill. These consultations began in 1985, almost two years before changes were to be made to the existing program. Therefore the provinces have had every opportunity to contribute directly to improving the program.

[*English*]

In conclusion, Madam Speaker, this Bill comes before the House at this time because Parliament has traditionally authorized equalization payments for five years at a time. The present equalization authority is scheduled to expire on March 31 of this year. It needs to be renewed if payments to provinces are to continue without interruption. This Bill makes clear the Government's continuing commitment to equalization. Our willingness to do as much as we can to assist the lower income provinces is made very clear in this Bill. The Bill provides large and growing support under equalization. It comes on top of other strong support we are giving to less wealthy regions of the country. It will extend and improve other federal-provincial fiscal arrangements programs and provisions. It follows a long process of consultation with the provinces.

For all those reasons, Madam Speaker, I call upon all Members of the House to give assent to this Bill.

[*Translation*]

Mr. Raymond Garneau (Laval-des-Rapides): Madam Speaker, I listened carefully to the Minister of State (Finance) (Mr. Hockin) as he extolled the virtues of Bill C-44. In my speech, I intend to show that his enthusiasm is out of touch with reality. In fact, if we consider both the additional transfers the provinces have received under equalization, as the Minister said, together with the cuts the same provinces have suffered under established programs financing, which includes post-secondary education, health insurance and hospital insurance which are all part of the fiscal arrangements, the provinces stand to lose nearly $400 million over 1987-88 alone. Madam Speaker, in my speech I intend to prove that the provinces will lose money.

[*English*]

In fact, if the additional equalization transfers which the provinces are to receive are taken together with the cuts, they will suffer in health care and post-secondary education financing and they will lose close to $400 million in the fiscal year 1987-88.

• (1140)

[*Translation*]

Madam Speaker, before getting into the specifics of the Bill and the reasons why it would be very difficult for us to support the Government, I would first like to give a short overview of the history of equalization payments to the provinces.

In the middle of the fifties, subsequent to a recommendation made by the Rowell-Sirois Royal Commission of Inquiry just after the war years, the Liberal Government introduced a series of measures in an attempt to improve the balance between Canada's various regions. Following an in-depth study conducted by Maurice Lamontagne, later a Member of this House and a Member of the Government—at this point I would like to pay tribute to the work done by Mr. Lamontagne, and there was also a task force consisting of Members of this House, including one who later played an important role in Quebec politics, the Hon. Jean Lesage, who was a Member of this House and a Member of the Liberal Government headed by Mr. Louis St-Laurent—therefore, as a result of this work, the Government introduced the principle of equalization.

Equalization means enabling each province to offer the people of that province the same number and level of services. The general objective was to give Canadian citizens the same opportunities, whether they were living in Newfoundland, British Columbia, Manitoba, Alberta or Quebec. The proposal is a very liberal idea and reflects a concept of Canada the Liberal Party has always had: Canadians across this country should have access to comparable services.

Subsequently, after this measure had been in effect for several years, the Economic Council of Canada pointed out in

a rather detailed study that equalization payments were not welfare in disguise. In fact, the economic value of equalization payments was important for all regions in the country and for the Canadian economy in general.

According to this principle, the federal Government took the per capita income received by the provinces from various fiscal sources and set a national average. That was the principle of the legislation that became effective on April 1, 1957 and has been maintained all these years, namely, the national average based on the income of the richest province or of a group of provinces. Some changes were made over the years because of developments in the economy and major variations in the prices of certain raw materials, so that from year to year, there were some changes involving either substantial additional payments or the reduction of some of those payments.

Therefore the basis of this legislation, the equalization payments, reflects a perception of this country that was held by the Liberal Government at the time and has been maintained over the years.

That concept of equal chances, equal opportunities for Canadians in my view is reflected in the theory that the central Government, if we are to maintain some political unity and some regional balance, must get involved with its national policies. And in the management of public affairs, because we wanted this country that is called Canada to be managed differently than that country which is called the United States, our neighbours to the south—because we wanted to be a nation of regions, a Canadian mosaic—we have devised and the successive governments inspired by the liberal view have maintained the idea that in Canada, central Government involvement was needed to maintain regional balance. And that quest for balance has led to equalization payments and national policies with respect to health, hospital care and post-secondary education.

That vision we have for this country has also led successive Liberal Governements to develop housing policies, transportation policies, financial institution policies. And I think it is worthwhile, upon entering the discussion on Bill C-44, to remind the Conservative Government that this nation was built because of national policies—as I have said before in this House—and the wilful deregulation policy constantly pursued by this Government is destroying that concept which Canadians have always had of the role of their national Government and of the role which this Parliament, the House of Commons have played in the development of Canada's social fabric and policies.

This is why I maintain, Madam Speaker, that equalization is one of the tools, one of the key elements of the vision we have developed for this country over the years. The so-called equalization payments do not only transfer moneys from the federal Treasury to the provincial Treasuries, they are much more—they express a vision of this country, a concept that was developed and accepted by Canadians over the years and that is important to them. Equalization payments are provided for under a piece of legislation that is much wider in scope—it is called the fiscal arrangements legislation and covers other areas the Minister referred to, that is post-secondary education, in fact the established programs funding program.

Madam Speaker, the way this Government has been moving for two or three years on EPF and the way it is now tampering with the equalization formula, I have no choice but to sound the alarm and tell the Minister of State (Finance), so that he may convey the message to his colleagues, that in so doing the Conservative Government no only transfers its deficits to the provinces by way of the cuts made in established programs funding, but that provinces will be losing $8 billion by 1990 because of the change that was made to equalization payments for established programs. Yes, $8 billion—$2 in Quebec, nearly $2 billion in Ontario.

Certainly this shortfall in transfer payments will force provinces either to increase their deficits, to increase their taxes or to lower the level of their services.

And knowing the importance to Canadians of post-secondary education, knowing the importance of post-secondary education—research in our universities is one of the key elements of this nation's economic development—I say to this Government that they are making a big mistake while failing to solve any problem, because the deficit that is lowered at the federal level has to be shifted to the provincial legislators and Ministers of Finance, which means to taxpayers in each and every province. And the ability of the provinces to raise taxes in order to maintain the high level of post-secondary education, their ability to raise taxes to fund their health and hospital care programs, because they vary widely from one province to the other, my view is that little by little they are destroying or still reducing to a significant degree that chance for equal opportunities that Canadians hope they will be able to maintain from sea to sea.

Madam Speaker, the amended equalization formula features major changes, and one of the things dropped from the existing legislation is the interim payments which guaranteed the growth of equalization funding in several provinces. This provision will be eliminated. It had been offset by $260 million in 1985-86, but in the long run all provinces will be losers because the Government has decided to do away with these interim payments which had been made over the first three years of the fiscal arrangement program ending March 31, 1987.

Madam Speaker, even if we were looking only at the post-secondary education financing programs, the health care and hospitalization programs, and now the equalization formula, we would be quite justified to make lengthy interventions to show the incoherence of this Government and its negligence with respect to the development of our various regions. But on top of that we must add cutbacks in the growth rate of federal Government payments to fund established programs such as health care, hospitalization and post-secondary education. Then of course we cannot ignore this Government's approach to regional development generally.

• (1150)

[*English*]

In fact, the Government seems to be completely out of touch with the regions of Canada. Let us take a look at the situation. The unemployment rate in Newfoundland at the height of the 1982 recession was 16.8 per cent. In January, 1987, that unemployment rate was 19.2 per cent. You can see, Madam Speaker, that it was higher in January, 1987 than it was at the height of the recession of 1982, a recession that affected the whole western world.

If we take the statistics for February, 1987, the rate of unemployment in Newfoundland at 18.4 per cent is again higher than it was in the 1982 recession. The situation is the same for Prince Edward Island, which is now suffering an unemployment rate of 14.5 per cent compared to 12.9 per cent in 1982. And what about Nova Scotia? It is the same situation. The unemployment rate was 14.6 per cent in February, 1987, while it was 13.2 per cent in 1982. What about the unemployment rate in Saskatchewan, Alberta and British Columbia? In February, 1987, the unemployment rates in those provinces were higher than they were in the 1982 recession. Canadians living in St. John's, Charlottetown, Halifax, Quebec City, Calgary and Vancouver know that Canada's regions are experiencing a recession today that is as bad as the one that we and the world faced in 1982.

The Minister told us in his Budget Speech that everything was perfect. It seemed to me that what the Minister of State for Finance (Mr. Hockin) told us today was along the same lines. It is imperative that the Government address in a much more serious manner the problem facing our regions, things such as the plight of our hard-pressed farmers, fishermen, sawmill workers and those in the energy sector. We Liberals believe in equality of opportunity no matter where one might live in this great land. We believe that Canada is only as strong as its most disadvantaged region, and we believe that Canadians expect the Government to do much more.

Let me examine the disastrous record of the Government in the crucial area of regional development. Since the Conservatives took over as government, they have cut the regional development envelope by almost $3 billion, or by 20 per cent. We see the effect of that on the rate of unemployment. The Government should reverse its policies and fight for the principle of equality of opportunity in each region. This morning, Madam Speaker, we learned that in New Glasgow, Nova Scotia, over 1,000 workers are going to lose their jobs, and the Government is doing nothing except cutting the regional development envelope.

I ask the Government to change its policies, not only to revise the decision made in terms of fiscal arrangements but also to revise its attitude and thinking concerning Canada's regions. It is not the Canadian way to let our regions suffer such high rates of unemployment. I think our history shows that the opposite is true and that Canadians are prepared to support the different regions.

[*Translation*]

Madam Speaker, if we were to speak more directly to the measure under consideration, Bill C-44, we could analyze some of the more technical aspects. We have seen that the Government has decided to make some technical changes in the equalization formula. I have nothing against that, believing as I do that the law must reflect the new requirements. Still, they chose not to maintain the guaranteed interim payments in the equalization formula. You may remember that in 1982 the previous administration had altered the equalization formula to base payments on the average revenues of five provinces. The main reason for this was that natural gas and petroleum prices had soared to levels such that under the existing equalization formula the federal Government would have had to make equalization payments to Ontario, Canada's richest province. This would have been ludicrous and the Central Government was forced to amend the equalization formula to establish the base on the average for five provinces, Quebec, Manitoba, Saskatchewan, Ontario and British Columbia. And because of these changes, the Provincial Ministers of Finance and the Minister of Finance of Canada had a long discussion to know what would be the advantages of the new formula compared to the old one. The provinces were saying that they were going to loose some equalization payments. The Federal Government maintained the opposite. And to solve the problem, the Federal Government granted the provinces transitional guarantee payments to assure them that the equalization payments under the new formula would be as significant and would grow at the same pace as under the old one. These payments had been guaranteed for three years. Meanwhile, the Conservative Government which was now in office realized that the transitional payments had been not only significant but essential to maintain the balance in the formula but instead of making long term adjustments, gave something to most provinces one year, granted a couple of provinces a little more the following year, and then completely stopped the transitional payments. Not only they did that, but they also blamed it on the previous Government, while the very purpose of the transitional payments was to guarantee payments to the provinces under the equalization formula. The Conservative Government blamed the Liberals, but did nothing to rectify the situation and maintained the transitional payments in the same spirit in which they had been introduced early in 1981-82 when these agreements had been renegociated.

Madam Speaker, this is the Gospel truth, and I could provide figures for several provinces. The Minister of State (Finance) nods his disagreement. I am prepared to debate the matter with him to prove him wrong. The legislation obviously provided for transitional payments since there is an amendment in Bill C-44 to abolish them.

Generally speaking, Madam Speaker, transitional payments have helped most provinces. As far as Quebec is concerned, the situation as shown by the Conservative Government—and I am not refering here to Established Programs Financing but only to equalization payments—in 1984-1985, according to the

Minister's own figures, as published in *Le Devoir* on March 13, and it is reported to be the full reply of the Canadian Minister of Finance to his Quebec counterpart, Mr. Gérard D. Lévesque, in 1984-1985, the last year a Liberal Government tabled a budget the province of Quebec received $3.074 billion in equalization payments. For 1986-1987, the province of Quebec will have received, including a transitional payment of $110,000, altogether $2.68 billion. Which means that in 1986-1987, compared to two years before, the province of Quebec will have lost as much as $394 million in equalization payments. When we compare fiscal year 1984-1985 to fiscal year 1987-1988, according to the figures released by the Minister of Finance, the province of Quebec will receive, three years later, $2.783 billion in equalization payments, when it received $3.074 billion in 1984-1985, a further loss of $291 million.

Madam Speaker, when I hear the Minister of State (Finance) and the Minister of Finance himself state that these payments are increasing, I wonder in relation to what.

How can it be said that payments are increasing when they dropped substantially between 1984-1985 and 1985-1986. It is as if we changed floors and started up the stairs again. We are certainly above the floor below, but we are still below the one we were on before. That is what the Conservative Government is doing for Quebec, and the same is true for most provinces receiving equalization payments.

In an attempt to correct the situation, here is what the Minister of Finance (Mr. Wilson) had to say:

• (1200)

[*English*]

When the Minister of Finance (Mr. Wilson) made a ministerial statement in the House on March 11, he said that because of the effect of the mid-census, the federal Government would have to recuperate from the provinces certain amounts of money that had been over-paid. He said that those over-payments would be forgiven, and that was nice. That was a positive answer. The Minister of Finance said the same thing the Liberal Government said in 1982, but with a small exception.

When I received the ministerial statement on March 11, I read it very rapidly because I had to react to it within the next hour. I noticed a sentence that said that the amount due to the federal Government as a result of the census would be forgiven to the extent that it exceeds future increases in equalization entitlements. That means that the technical changes in Bill C-44 which favour some provinces will be counterbalanced by the recuperation of the over-payment that was made because of the census. If a province was bound to receive $30 million as a result of technical improvements, it may lose that $30 million through the readjustment due to the mid-census. Finally, the federal Government will be left with probably $300 million more in its pocket. That is unbelievable.

The Government is giving with one hand and taking back immediately with the other while telling the Canadian provinces that it has been very generous, as the Minister of State for Finance said a few moments ago. I think that is unacceptable and I want to say to the Government that we have seen through its actions. It is giving with the right hand and taking back with the left. The net result is that many of the provinces will lose some of the advantages they were bound to receive under Bill C-44.

The Premier of Newfoundland issued a press release stating his opposition to this. The press release indicates that the Premier was disappointed with one aspect of the announcement whereby the federal Government will not pay to the Province of Newfoundland any future increases to equalization that might arise from revised estimates of equalization for 1985-86 and 1986-87. Any such increases that might have occurred up to the $35 million now being forgiven will now be withheld by the federal Government. That is exactly what I said. This federal Government will give with the right hand and take back with the left.

The Province of Quebec, the Province of Newfoundland and probably all the maritime provinces will lose. They were bound to receive a little more through the technical changes, but they will lose that because of the way the federal Government will readjust the figures as a result of the mid-census that changed the valuation of populations in each of the Canadian provinces.

[*Translation*]

Madam Speaker, some parts of Bill C-44 are rather surprising. The Minister of Finance had stated on various radio and television programs over the past months that under the equalization formula payments to provinces would increase by $175 million.

[*English*]

In November, 1986, the Minister of Finance said that he would offer $175 million a year in enhancement, or almost $1 billion over the next five years. On television on December 17, 1986, he said that he believed that an augmentation of $175 million a year or close to $1 billion over a five-year period would be a very major increase in the program. He said that very clearly. It seems to me that Dalton Camp's strategy is obvious. Make all sorts of promises, repeat the promises but do not deliver the goods. After a while, people are inclined to believe them. If one lies long enough, people will believe the lie.

The Minister of Finance said to Canadians on two occasions that the $175 million under the technical changes will be paid to the provinces every year. After reading Bill C-44, we realize that the $175 million is to be spread out over a two-year period. The provinces will have to cover the difference with their own taxes or will have to cut services. The small Provinces of New Brunswick, Prince Edward Island and Nova Scotia as well as Quebec will have difficulty balancing their budgets because of the decision made by the Government not only on equalization payments but also on the Established Programs Financing.

[*Translation*]

Madam Speaker, I shall now return to Quebec and to the letter which was made public by the minister of Finance, Mr. Gérard D. Lévesque, and to which the minister of Finance of Canada had responded through the newspapers. I would like to read an excerpt dealing with the technical changes which were made with regard to property tax. Why is it that the Federal Government has decided to establish the tax base using the reports of a real estate brokerage firm, namely Royal Lepage, rather than the standardized assessment rolls of certain provinces such as Quebec? I wonder why they did that. Here is what the Quebec minister of Finance, Mr. Gérard D. Lévesque, has to say on the matter: "The most important technical changes, those dealing with property taxes, are for the most part arbitrary and have nothing to do with the reality of Quebec. In view of the many criticisms by Quebec about the methodology applied by your services and the data sources used, I have serious doubts about the usefulness of the consultation process which has led to such results."

Madam Speaker, in his presentation, the Minister of State for Finance spoke about consultation. It is all very well to consult and to hold meetings, but if it is only to be able to tell the House that there have been consultations when a Bill is introduced, how useful can it really be? However, if the Government used consultations to try to understand the needs of the various provinces and propose solutions based on real facts, that would be another matter. Usually, the Quebec Minister of Finance is a man who thinks before he speaks. Mr. Gérard D. Lévesque is not a man to cry wolf. He has a long parliamentary experience and that is not his style. His predecessor used to make flamboyant statements. However, Mr. Lévesque seldom speaks only to create a sensation, and since he says that he has serious doubts about the usefulness of the consultation process, I must also wonder why the Minister of State for Finance felt it proper to suggest that Bill C-44 was the result of a provincial consensus when such is not the case.

Madam Speaker, I have a few more points to make before concluding. When the Budget was brought down on February 18, the Minister of Finance refused to table revenue projections for the next few years. He said that he could not do so because of the impact of the tax reform. He seemed to be saying that, since there might be a tax reform, he could not make any projections. As for me, I believe that his reasons were quite different. He did not want to show the impact of the tax increases brought about by his 1985, 1986 and 1987 Budgets, and the impact of these tax increases on Canadians would have been plain as a pilsestaff. However, if we accept the explanations of the Minister about why he cannot give revenue projections to the Members of this House who have to make decisions on the financial administration of this country, how can the Government then propose that Bill C-44 apply for a five-year period, since equalization payments are based on the tax performance in the provinces, which is equalized to the average of five provinces, and since we all know or presume that the tax reform will mean major changes to the tax base? For this reason, when we reach the clause by clause stage, we shall be proposing amendments to limit the period of application of this Bill, at least as concerns the equalization payments, and set a limit of perhaps of one or two years so that the House can review the impact of the tax reform on the Bill.

What will be the objectives of the tax reform according to what the Minister of Finance said in 1986? In a statement to the press, the Minister of Finance stated that the Canadian tax reform would follow the American model, the purpose being to extend the base, lower the rates and transfer some of the burden from personal income tax to corporate taxes, or, in other words, to bring us back to the situation before 1984, when the Government transferred a very heavy burden to individual taxpayers. However, this change will have a definite impact throughout Canada, but not to the same extent everywhere. As a consequence, there could be changes, even deep changes it seems to me, in the equalization payments especially to provinces with the weakest industrial and corporate base. Since the Government is seeking to get a larger part of its tax revenue from corporations, it is clear that the less industrialized provinces, the ones with less corporate profits to tax, will be affected. The Minister of State for Finance and the Minister of Finance should limit the impact of the Bill on equalization payments, maybe until 1990, in order to give the House enough time to study the situation further.

I also mentioned earlier the technical changes which are to be implemented over a two year period. Madam Speaker, I can inform right away the Minister of State for Finance that we intend to propose, during the clause by clause study of the Bill, an amendment which would ensure that the commitment the Minister of Finance made on national television on December 17, 1986, and also to the *Globe and Mail* on November 1st, 1986, is indeed fulfilled. The Minister committed himself in front of Canadians and this should be reflected in the Bill. We will move an amendment to clause 3 to have the $175 million paid immediately, instead of being spread over two years, especially given the fact that, due to the way it used the 1986 census, the federal Government will have a net gain. It would be appropriate that it be passed on to the provinces.

Madam Speaker, this Bill will—it is obviously our role to point out its shortcomings, and I must say that my party, when in government, encouraged this approach in Canada. Studies made by the Canada Economic Council showed that those payments served a useful purpose in the Canadian economy. Therefore, we are not only very favourable but we will fight hard against any attempt by the Conservatives to eliminate equalization payments. However, even though we are committed to and agree on this formula, we do not agree with the Bill as introduced because it does not meet the commitments made by the Minister in November and December 1986 as regards additional payments of $175 millions; because in this legislation, all readjustments that are the result of the new census will only benefit the Government of Canada; because under the proposed payment formula, they give with one hand and take back with the other. Therefore, the Official Opposition, as it disagrees with those aspects of the legislation, will vote

against it for all these reasons, and if the Government agrees to our amendments in committee, we will be pleased to support it at third reading.

• (1210)

[*English*]

Mr. Attewell: Point of order, Madam Speaker. I believe the Hon. Member twice used the word "lie". He said that the Minister of Finance (Mr. Wilson) had lied. My understanding is that that is unparliamentary language. If he did indeed say that, I would ask that you rule on it.

[*Translation*]

Mr. Garneau: Madam Speaker, if I had expressed myself in my mother tongue, perhaps I would have used more parliamentary words, and I think he will admit that I must have been carried away when I said that. I wish to withdraw those words respecfully, even though that it what it looked like when reading newspaper clippings and the transcript of what the Minister said on television.

[*English*]

Mr. Attewell: Madam Speaker, to clarify the situation, if the word was used, and I believe it was, it was said in English.

The Acting Speaker (Mrs. Champagne): I believe the Hon. Member for Laval-des-Rapides (Mr. Garneau) has said to the House that if he had inadvertently used the word, he did apologize for it and that it went over and above what his real thoughts were. I think we should leave it at that.

Mr. Rod Murphy (Churchill): Madam Speaker, it is with both pleasure and regret that I speak at this time. It is a pleasure because I feel very strongly about the matter of equalization payments. It is not only important to my own Province of Manitoba but very important to the majority of provinces across the country.

This matter is dealt with in our Constitution. Section 36(2) calls upon the Government of Canada to ensure that provincial Governments have sufficient revenues to provide reasonably comparable levels of service at reasonably comparable levels of taxation. We recognize in our Constitution the importance of equalization payments. Unfortunately, we are in a situation where, whether it be that Government or the Government which preceded it, those equalization payments have been treated as a financial shell game. Every time there is a change in the formula, the provinces say they are getting less money than they would have under the previous formula. The federal Government says no, that is not true. A cut-back is not a cut-back. We are giving you more money than you are getting this year and that is all you should be concerned about. You should not be concerned about the fact there were formulas and agreements between the federal and provincial Governments which would have given you more money had they been allowed to continue. Instead, whether it was the Liberal Minister of Finance, Allan MacEachen, or the current Minister of Finance, formulas have been changed. The net result each time has been that provincial Governments are not getting as much money as they would have, had those changes not taken place.

• (1220)

I am not saying that the old federal-provincial agreements were perfect, because they obviously had problems. However, neither the previous Liberal Government nor the present Conservative Government have been able to agree with the provinces about how Established Programs Financing and equalization will be treated. It is regrettable that they have not been able to come to grips with this very important matter. One of the reasons that Newfoundland and other provinces came together so long ago was the understanding that all Canadians would be provided the very basic services they required. Yet that is not happening.

Let me give an example of the problems in education, a matter about which I am very concerned as a teacher. I will use figures from 1983 to show the impact of the present arrangements. Newfoundland school boards spent $2,867 per year per student. That represented 7.2 per cent of the provincial Gross Domestic Product. That is a very high percentage, but not much money. The situation in Manitoba was somewhat better. It spent $3,742 per student, almost 30 per cent more than the Province of Newfoundland. Furthermore, it was only costing the Province of Manitoba 4.8 per cent of its Gross Domestic Product. Ontario could spend even more, and yet the percentage of its Gross Domestic Product was less.

The point is that the poorer provinces of this country were spending less per student for primary and early secondary education, yet the amount represented a much higher percentage of the total money available in those provinces. The situation has not improved since 1983, and if the formula before us now passes the same disparity will not only continue but, according to the Premier of Newfoundland, will actually increase. It is unfortunate because we have not come to grips with the situation in the last ten years.

In the early 1980s a parliamentary task force with representatives from all three Parties travelled across the country to consult the provinces and groups concerned about education, health care services and the level of those services in every province of the country. The committee returned and presented an excellent report to the House of Commons, but the Government of the day basically ignored those recommendations. In 1982, the Government came down with the five-province formula and created the problems we are facing now. Since then the situation has become worse instead of better.

The November 1985 Budget proposed a change in the formula for Established Programs Financing, the money that is used for medicare and post-secondary education. The Minister of Finance (Mr. Wilson) stated in that Budget that he expected to change the formula in such a way that he would save $2 billion a year until 1990, which meant that large amounts of money would not be going to medicare and post-secondary education. Although he said this measure would be

phased in, the budget papers that were tabled at that time made no mention of any change for the fiscal year 1986-87. Therefore, while the provinces, the universities, doctors and nurses were upset that this money would be lost in the future, they had no reason to believe that it would happen in 1986 and 1987. They thought they had time to convince the Minister of Finance, the Minister of National Health and Welfare (Mr. Epp), and the Secretary of State (Mr. Crombie) to persuade the Government that a $2 billion per year cut by the year 1990—$6.9 billion over a five-year period—was insane. That was not to be.

Late one evening, toward the end of the Finance Ministers' summer meeting in which they talked about a number of concerns, the Minister of Finance commented that in 1986 and 1987 the provinces would not receive the $400 million they had anticipated.

He said that the money for post-secondary education and health care services provided for by the law would be taken away. This represented another kick from the Minister of Finance when the provinces' ability to provide services as a result of the November Budget was already diminished. The Minister took that money sooner than he should have been allowed had the current provisions been allowed to expire on March 31, 1987.

When that legislation was brought before the House of Commons we were told not to be concerned. The Government indicated that it would remove $2 billion from Established Programs Financing by the fiscal year 1990-91, starting with $400 million and escalating it on an ongoing basis. We were told told not to be concerned that the old formula was changing because the provinces would still receive a little more money each year, which would cover the cost of inflation. However, the federal Government ignored the fact that the cost of hospitalization, medicare services, and the cost of education was increasing at a greater rate than inflation. That increase is understandable because more services can be provided now than was the case ten years ago. Furthermore, we have an aging population that needs, wants, and deserves proper medical services. Therefore, as a result of an aging population and new technology and new drugs, medical costs were increasing at approximately 9 per cent or 10 per cent. Obviously, the change in the Established Programs Financing made it harder for the provinces to provide adequate medicare services.

It is somewhat ironic that a New Democrat would quote the Canadian Medical Association, but it predicted to the committee of the House studying this legislation that if the cut-back in the funding formula on Established Programs Financing was allowed, a two-tier medical service in this country would result. The richer provinces would provide one service while the less wealthy provinces would provide a lesser service. The Canadian Medical Association recognized what would happen.

The Government has given us many assurances, including an assurance by the Minister of National Health and Welfare who spoke in St. John's and explained that there are no problems. He said the difficulties would be resolved once the Government has had discussions with the provinces about equalization. I refer the House to comments made by the Minister of National Health and Welfare that appear in *The Evening Telegram* on Tuesday, June 17, 1986. I will not quote the Minister but he said, in effect: "Do not worry, we will look after it". June 17, 1986, was less than a year ago. So the provinces do not like the legislation being passed by the House of Commons. They feel betrayed by the federal Government and they have a right to feel betrayed.

• (1230)

When the Conservatives were in opposition and when the Hon. Allan MacEachen brought down his Budgets and his legislation on this very matter, the present Ministers of Finance, National Health and Welfare, Communications and other Ministers, each rose in this House and said how terrible it was what the Government was doing to the provinces. They said what it was doing was creating a cut-back in very essential services. They said: "We would not do that". But lo and behold, 1984 comes and goes, Members switch sides of the House, we have new Ministers, and the Ministers I just mentioned are now the ones responsible for instituting a further set of cuts. They do not call them "cuts" any longer, it is a gradual increase, but it is not the increase which should have taken place.

After June of 1986, the provinces took the word of the Minister of National Health and Welfare and had every reason to believe there was going to be an equalization formula put in place which would help the poorer provinces to be compensated for the fact they were not receiving as much money for EPF as they would have, had the Established Programs Financing legislation been allowed to continue under the old formula. But what happened is yet another round of meetings with Ministers of Finance and other Ministers from the provincial Governments and the federal Government getting getting together and not being able to agree on what was happening. It is ironic that we in this House got into a great debate, and we almost came to it again today, about what the federal Minister of Finance promised to the provincial Governments.

I quote again what the Hon. Member for Laval-des-Rapides (Mr. Garneau) said in this House, that the Minister of Finance on the CBC *National* on December 17, 1986, said he believes that an augmentation of $175 million in a year, close to $5 million in a five-year period, is a very major increase in that program. He said they were not able to get a consensus so they will go back to the drawing-boards and look at some proposals, but the parameters are still there. He said the provinces would be getting $175 million additionally in a one-year period. The provinces did not think that was enough. After losing $400 million in one year as a result of changes to the EPF legislation, $175 million more in equalization did not look that good, so we had the provincial Ministers of Finance, after consulting with provincial Ministers of Health and other

provincial Ministers concerned, coming back to our federal Minister of Finance and saying it is not enough, and the federal Minister of Finance, in his statement on CBC obviously was referring to that. What happens then? Our federal Conservative Minister of Finance comes back, talks to his cabinet buddies, and then goes back to the provinces and tells them it is not $175 million in one year, it is $175 million over two years.

As you know, Madam Speaker, we came into the House of Commons brandishing the words of the Minister of Finance. He said he did not lie and we have to take his word for that. We can quote his words from the CBC. We can show that the amount was reduced. He says he did not promise it and we will take his word, but how would you feel, Madam Speaker, if you were negotiating for someone and were told there was $175 million on the table and at the next meeting, after doing your homework and looking for ways to improve the situation, you were told it is not over one year, it is over two years? It is called bargaining in bad faith. Provincial Ministers right across this land should be almost afraid to meet with our federal Minister of Finance because each and every time they meet, there is some kind of shell game perpetrated on the provinces. First, they are not losing the EPF money in 1986-87. Then they are. Then we are told equalization is going to make up for any cut-backs in EPF. Then the offer of $175 million a year is obviously not enough to make up for the money which is going to be lost through EPF in one year alone. The $5 billion the Minister of Finance promised over five years will not make up for the $6.8 billion which was going to be taken away from the provinces as a result of changes in the EPF legislation. Then we find out that the $175 million does not even exist as an offer from the federal Government. It is no wonder we are no better off now in terms of federal-provincial relations than we were in the early 1980s.

It is ironic that Conservative Ministers from Nova Scotia, and Conservative Ministers and a Conservative Premier from Newfoundland, are tackling the federal Government and screaming on an almost daily basis. It is not surprising that from time to time even the Premier of Alberta expresses some sort of exasperation, and "exasperation" is probably too polite a word but I do not want to use anything unparliamentary.

The truth is that provincial Ministers really do not believe they are being listened to. Provincial Premiers feel it is frustrating to come to Ottawa. I am almost tempted to use a quote from Manitoba, but I suspect some people would say that is just the New Democratic Government in Manitoba and it is partisan. Being in Ontario right now, perhaps I should use a quote from the Liberal Government of this province, but someone would say that that is just being partisan also. I cannot use a Prince Edward Island quote because there is a Liberal Government there. A few more years of Tory rule in Ottawa and we are going to have a whole lot of New Democratic Governments across this country.

Some Hon. Members: Don't hold your breath.

Mr. Murphy: I will quote one of the friends of the people heckling on the other side of the Chamber. Premier Peckford said:

> When you talk about a new era of federal-provincial relations, that meant not only consultation, it was meant that some of the legitimate, rational things that were being put forward could be accepted by this government and they have not been to date.

The Premier said:

> —if Ottawa was going to make a meaningful contribution to the long-term stability of Newfoundland, equalization payments and established program funding would have to be based on need and ability to pay rather than rough population figures.

He went on to express his concern in much more vibrant language. He said: "We are being squeezed all the way to Sunday". He expressed concern that the situation in his province is such that it reflects the years of the 1930s. He said his province could not possibly maintain its level of services with the proposals coming back from the federal Minister of Finance.

It is a frustration which started on the East Coast but it is a frustration now being expressed in each and every part of this country. It is ironic, as the previous speaker said, that we have had the drastic changes to the Established Programs Financing. We are now in the process of changing the equalization formula for the next five years and we are doing so a month and two days after the federal Budget. We were told in that Budget we were going to have major tax reform and that the whole system of tax reform is going to be so fair and so important that it will drastically alter the way things are done in this country. If that is true, if the Government really believes that, if that is its real political agenda for fairness, then why did it rush through Parliament last year changes to the Established Program Financing? Why did members of the Government rush changes through in such a manner that when I suggested that representations of the national nurses' association should appear before the committee, the Chairman of the Finance Committee, the Hon. Member for Mississauga South (Mr. Blenkarn), said: "What do nurses know about this? Why do we have to bring them here?" The Hon. Member did not want a great many witnesses to appear. We brought them anyway, and they certainly knew something about health care services. They certainly knew something about the need to have proper financing. Again, it is interesting that the nurses and doctors agreed to hear them speak, but that Conservative Members did not.

• (1240)

We are now considering Bill C-44. Yesterday morning I received a telephone call from the Minister of Finance and I do not think I am telling any state secrets. He said: "We have this legislation which is in front of us. Can we get through it in one day? I really have to have this legislation. I cannot write cheques to the provinces unless we pass this legislation quickly. How about dealing with all stages and all witnesses, hopefully before the end of March?" This is an important piece of legislation. If the federal Government thinks it is an important

piece of legislation it should not be playing the same games as were played by the previous Government. It has brought in legislation for the first day of debate on March 19 and has said that we have to get through it quickly. A legislative committee must study this matter. The provinces must come forward to explain how they feel about it.

We need to have other legitimate representatives of the population and groups from each province who are concerned about what equalization does for their province come forward. Obviously, the school boards and hospitals will be concerned. Obviously, those people who work for the federal and provincial Governments will be concerned.

There are those who have a strong feeling that we should have an adequate level of services, services that guarantee people in St. John's, Saint John, Moncton, Halifax, Charlottetown, Quebec City, Sherbrooke, and other centres right across the country the right to some guaranteed equal level of services. They should have the right to appear before the committee. It should not be done as it has been done in the past when five or six witnesses appear back-to-back. In the case of the patent drug legislation, witnesses were allowed to come in, speak for 40 minutes, and were then shoved out the revolving door as new witnesses came in.

Equalization legislation, legislation which the Government feels cannot be in place for just one year, legislation which the Government believes must be in place for the next five years, despite the fact it said it will bring in drastic tax reform in that period, is not something that should be rushed through. It is not something that affects a small community somewhere as a local by-law would. It is a major piece of legislation. I heard the Minister of State for Finance (Mr. Hockin) a few minutes ago agree that it is major legislation. If it is, then why are we in such a rush? We certainly do not want to hold those cheques back from the provinces. But members of the Government should not try to blame the Opposition. They should not try to suggest to us that we are responsible for delaying necessary cheques from going to the provinces if we say that we want to have a thorough discussion of this matter and if we say that there must be adequate time for witnesses to come forward. As my Liberal colleague mentioned earlier, there must be a chance for us to try to prevent this legislation from being put in place for five years when, obviously, tax reform is on its way within the next year. Obviously, then, this legislation should be in place for but one year.

What the federal Government should be saying at this time also is that the EPF legislation, legislation which provides money for medicare, hospitalization and post-secondary education, should be amended so that it is only in place for one year instead being in place for the unforeseeable future.

I do not want to prevent other people from speaking. I know there is a concern that we allow Members representing Quebec and the prairie provinces time to speak. I know that my colleague, the Hon. Member for Yorkton—Melville (Mr. Nystrom), now that he is representing a have-not province, for the first time in history—

Mr. Nystrom: No, the second time.

Mr. Murphy: Pardon me. I understand that it is not completely new, but it is startling to see Saskatchewan on this particular list. There are people who wish to explain the concerns of their provinces and their regions. It is important that they have the opportunity to do that in this debate.

We have no intention of keeping this matter in the House at second reading stage for a long time. However, we do insist on the right to have speakers from the various regions speak. After that has taken place, it will be important for the Government to ensure that Members on the legislative committee do not try to gag it. It is important that those Members do not try to limit the number of witnesses. It is important that those Members allow recognized groups to come here and talk about how this legislation can affect them. It is important legislation. There is nothing more important to our Canadian unity than to have a sense that each one of us will be treated fairly regardless of whether we come from Newfoundland, P.E.I., Quebec, Manitoba, B.C., or any other province. Right now that is not the case. I have quoted Premier Peckford. I could have quoted any number of provincial Premiers or Ministers. They do not feel that they are being treated fairly by the Government. They certainly have reasons for feeling that way. That is important.

What is more important is that we recognize the duty of Parliament to do all that we can to ensure that children growing up in all parts of this land have an adequate educational system, a system which is comparable right across the land. We also have to ensure that the provinces can produce and maintain adequate medical services. We also have to ensure that seniors feel that their provinces can maintain them in a decent way of life. We have to do so in such a way as not to bankrupt the poorer provinces. And we have to do it in such a way as not to bankrupt the taxpayers of the poorer provinces. That is what equalization is all about.

To get back to where I started in this speech, this is why, when we changed the Constitution with all-Party consent, and which was supported by nine, unfortunately not ten, of the provinces, we insisted there be a clause recognizing the role of equalization. It is important that we pass a law, not just recognizing equalization in principle and throwing a few more dollars into the pot, but that we actually put a system in place which will lead up to the meaning, the thoughts and beliefs behind that clause in our Constitution. It is easy to pass constitutional amendments. It is easy to put any words in place in the House of Commons. But it is much more important to provide the adequate means, the adequate financing, to make it happen.

Mr. George Minaker (Winnipeg—St. James): Madam Speaker, I am pleased to be able to speak on the Bill that is before us and to support it. I had the opportunity to address this matter last year in the House of Commons. So my thoughts are already on the record regarding the supplementary equalization payments that came forward last year. I am

certain you will recall what I said at that time. However, I will refresh your memory. As a Member of Parliament I am truly a member of a national Government. I must first and foremost concern myself with the well-being of my constituents and ensure that they are being treated fairly in the national sense. For example, if there is an increase in federal spending in one area of the country, there should be a proportionate increase in spending in the other areas.

• (1250)

However, Canada is a very diverse country and some areas are doing much better than others. This is not a problem which happened to occur in 1984 when we took over the Government of Canada. It has been with us historically since we became a country. The Government is indeed trying to address the disproportionate share of wealth which exists in the country today.

The equalization formula is designed to take into account a number of factors which reflect a province's ability to provide an adequate level of services for the people who live there. It is commonly agreed that the equalization program is a cornerstone of our Canadian federalism and is not a program like any other. The Government recognizes that, and that is why we have increased payments this year. The Government gave my own province, Manitoba, $115 million extra in the last two years to ensure that it was financially able to provide the services needed. I might point out that the Government was not legally obligated to provide these increases but felt that it should in fairness. You will recall, Madam Speaker, that your own Province of Quebec received a sizeable supplementary payment as well. I would like to reiterate that Manitoba was treated fairly.

I would now like to comment on the net forgiveness of an over-payment which occurred in the past years because of the census estimation being incorrect. The Hon. Member for Laval-des-Rapides (Mr. Garneau) said in his remarks that because of the net forgiveness clause in this Bill the provinces would not qualify for the technical changes. I hope the Hon. Member was not trying to mislead the House. However, he may have misunderstood the Bill, because that is not the case. The over-payment forgiveness relates to the last two years and does not affect future years in which the technical changes will take place. It is in fact included in the $5.6 billion which the provinces will receive in the coming year and the $5.9 billion estimated for the next year. I want to make that very clear to the House. I hope that the Hon. Member realizes that he may have misunderstood the Bill and was not trying to mislead the House on that point.

I believe that net forgiveness is a fair approach. The question of why they were not receiving complete forgiveness has been raised. The former Government created an accumulated deficit which restricts the ability of the Government to expand further equalization payments to the provinces. I would like to remind the Hon. Member for Laval-des-Rapides and the House that in the 1985 Budget it was stated that over the past three years the national debt grew 75 per cent and that in the same period the economy grew only 25 per cent. The present Government has taken a different approach to try to put a cap on the deficit and reduce it.

With regard to the statement of the Hon. Member for Laval-des-Rapides that the Minister of Finance is the king of deficits, I want to remind him that it was the previous Liberal Government which accumulated the $200 billion deficit which now faces the provinces. Eighty cents of every dollar which we collect in personal income taxes goes to pay the interest on the debt. That is why the Government does not have the funds it would like to have in order to give the provinces more equalization payments.

I would like to remind the Hon. Members for Churchill (Mr. Murphy) and Laval-des-Rapides that the payments are increasing. The increase of $300 million is in addition to the net forgiveness accorded to the provinces. My own province is getting $15 million in additional moneys based on the rule that provinces benefit by estimations. All Governments have to estimate their budgets. When a census is taken, the estimations are corrected. The Opposition bases its claim of lack of increases on estimates which were found to be incorrect because the population did not grow as quickly as we thought it would. The Opposition is trying to use old estimates to support the claim that there are cuts when, in fact, there are increases. This year equalization payments will increase from $5.3 billion to $5.6 billion and to $5.9 billion in the following year.

The Hon. Member for Laval-des-Rapides commented that the provinces will be losing $400 million in the major federal transfers. That is completely incorrect. I refer you to a table which was in the equalization document which indicates that of the total major federal transfers in 1986-87, EPF and Canada Assistance Plan will total $25,887 million. That will increase to $27,328 million, a total increase of $1.44 billion between 1986-87 and 1987-88. That is a definite increase of around 5 percentage points. There are additional federal transfers which are not included in those figures which will represent another $2.5 billion.

I want to put that on the record to ensure that the House is not left with the understanding that these payments are decreasing, because they are increasing considerably. We would naturally like to have these payments increased further if possible, but we must recognize the responsibilities of a federal Government. I hope the provincial Governments will recognize their responsibilities as well, because there is only one taxpayer. As the former Member of the House from Calgary, John Kushner, once said, there is only one taxpayer, you and me.

However, Governments do not have money. They raise their revenues from taxpayers. I believe the provinces should recognize their responsibilities. I hope I will have the opportunity to continue this debate after the luncheon adjournment.

S. O. 21

The Acting Speaker (Mrs. Champagne): I would like to advise the Member for Winnipeg—St. James (Mr. Minaker) that he will have an additional 10 minutes for debate when the House resumes Government Orders, which will be followed by a 10-minute period for questions and comments.

It being 1 p.m., I do now leave the Chair until 2 p.m. this day.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S. O. 21

[*Translation*]

IMMIGRATION

GOVERNMENT POSITION

Mr. Sergio Marchi (York West): Mr. Speaker, one of the main reasons why Canadians have lost confidence in the Government is the inability of the Conservatives to keep the promises they made to the Canadian people.

Recently, the Canadian government staged a refugee immigration crisis and it tried to manipulate public opinion to make their situation even worse.

Immigrant refugees were used by the Conservatives for political reasons, like the debate on capital punishment. This kind of tactic is as irresponsible as their campaign promises.

The conservatives promised to give us a fair and equitable immigration policy, to introduce training programs to make immigration offices outside the country better informed, to help immigrants acquire a thorough knowledge of one of the official languages and to make Canadians more aware of our cultural mosaic.

Mr. Speaker, these actions and promises are an insult to the intelligence of Canadians, and I regret the Government having taken this position.

* * *

[*English*]

HUMAN RIGHTS

U.S.S.R.—FATE OF JEWISH CITIZENS

Mr. Bill Attewell (Don Valley East): Mr. Speaker, yesterday, Mrs. Ida Milgrom, the 78 year old mother of Anatoly Shcharansky, visited Ottawa to urge politicians to increase the pressure on the U.S.S.R. to let people leave that country. Mrs. Milgrom scoffed at Gorbachev's new policy of openness, or *glasnost* in Russian, because thousands of Jews have been waiting years to obtain their exit visas.

She asked for our specific help to free Ida Nudel, a long-time refusnik whose health is failing due to years of frustration and persecution.

Mrs. Milgrom also highlighted the struggle of refusniks Lev and Inna Elbert who have been waiting 11 years for exit visas and who finally, out of despair and frustration, began a hunger strike on March 5.

Today we welcome over 100 Jewish students from across Canada from Network Canada and their President, Michael Zeldman. They are in the nation's capital to visit over 40 Members of Parliament to stress the desperate plight of thousands of refusniks and prisoners of conscience in the U.S.S.R.

Regrettably, at this point in time *glasnost* remains a misleading, deceitful word, totally empty of substance and commitment.

* * *

YOUTH

NEW DEMOCRATIC PARTY'S POLICY

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, Canadian youth still await the Government's youth program, but they have not had to wait for New Democrats whose youth task force recommendations, formulated largely by youth, became our policy last weekend.

The Minister of State for Youth (Mr. Charest) consumes himself in defensiveness over the not so *Hot 100*. He is now joined by the Hon. Member for Nanaimo—Alberni (Mr. Schellenberg). This is the handbook which claims to list 100 programs, services, and resources financed by the feds for youth.

All the hot and angry letters to me from the Minister or statements in the House will not change the fact that too many of the programs listed in the booklet, in an effort to make the Government look good, are neither financed by the feds nor designed specifically for youth.

The Hon. Member for Nanaimo—Alberni was right about one thing—New Democrats support Canadian culture to which honesty, especially for youth, is fundamental.

The Government promised a youth policy, and promised and promised and promised, and a broken promise is a form of dishonesty. If the Government wants something really hot, we have something to warm even a hard Tory heart—the New Democratic Party youth policy.

NATIONAL PAROLE BOARD

PUBLIC'S PERCEPTION OF BOARD'S DECISIONS

Mr. Alan Redway (York East): Mr. Speaker, less than a month ago Canadians were shocked to learn that a man convicted of two rape-murders and an attempted rape-murder had been released on an unescorted day pass by the National Parole Board.

Last week we were shocked even more to learn that the police were placing bodyguards around a judge, a crown attorney, and the witnesses to an attempted murder, because the National Parole Board had released the man convicted of that crime after he served only a third of his sentence.

Worse yet, the Chairman of the National Parole Board admitted last week that his board does not have any clear criteria to use when granting a parole. No wonder, Mr. Speaker, that Canadians see the National Parole Board's decisions as arbitrary, inconsistent, and often downright reckless. No wonder the Minister of Justice and the Attorney General of Ontario admit that Canadians have lost confidence in the justice system. The parole system must be changed, and it must be changed now.

* * *

• (1405)

[*Translation*]

UNEMPLOYMENT INSURANCE

EARLY RETIREES' RIGHT TO BENEFITS

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, 35,000 early retirees in Canada, including 13,000 in Quebec, won another victory yesterday. After waiting for a year and two months, the government has finally decided to admit these people were right. However, there is some thing I think the government should know. I spoke to the people in charge of ARSAC in Quebec, Mr. Cloutier and Mrs. Jeanne Lalanne. Monday there will be a meeting in Montreal and Thursday one in Quebec City, and the people of ARSAC, our early retirees, will persevere until they have their unemployment insurance benefits cheque in their pocket.

Furthermore, we are going to decide whether we will continue this action to prevent future Government discrimination again retirees so there will not be two classes of workers in Canada.

S. O. 21

UNEMPLOYMENT INSURANCE

EARLY RETIREES' RIGHT TO BENEFITS

Mr. Guy St. Julien (Abitibi): Mr. Speaker, the Minister of Employment and Immigration (Mr. Bouchard) has just acknowledged that the early retirees of 1985 had a legitimate grievance. I am proud of this decision, all the more so because from day one I have been speaking on behalf of the Abitibi early retirees. In a press release dated May 20, 1986, I stated:

> Given the commitments made by their employers and the recommendations of the federal Government, justice will prevail for the Abitibi early retirees of 1985. Those who opted for retirement have since had their benefits reduced or cut off.
>
> Since the state has chosen not to honour its contract with them, they can appeal this decision.

Mr. Speaker, I was elected to defend the interests of the people, and this is not the first time I fight for the well-being of elderly people in Abitibi. I appreciate the commendable job done by the Minister of Employment and Immigration. Like an excellent CEGEP teacher, he has corrected the Government's essay.

* * *

[*English*]

FORESTRY

JOBS NEEDED BY FORESTRY GRADUATES

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, on March 10 the Minister of State for Forestry and Mines (Mr. Merrithew) said:

> I'm particularly aware of our country's need for well educated foresters who will contribute invaluably to the continued prosperity of our number one industry.

If the Minister truly wants to see more professional foresters in Canada, he should act now to provide jobs for those foresters who are already trained.

A study of recent forestry graduates from UBC shows how Canada wastes the training and talents of these young people. Of 290 graduates between 1983 and 1986, only 141, or 48.6 per cent, have been able to find jobs as forestry professionals. Twenty-one per cent are still unemployed.

Three years ago the Prime Minister (Mr. Mulroney) promised to create a separate Department of Forestry. He has not kept that promise. Both our forests and our foresters suffer from this failure to keep his word.

S. O. 21

IMMIGRATION

VOLUNTEER GROUP'S EFFORTS TO SECURE DEPORTATION OF LANDED IMMIGRANTS CONVICTED OF CRIMINAL ACTIVITIES

Mr. Gerry St. Germain (Mission—Port Moody): Mr. Speaker, I rise in this House today to draw attention to an issue of great importance to all Canadians. There is a group of concerned citizens in British Columbia who, under the leadership and motivation of Mrs. Christine Mellin, are giving tirelessly of their time and energy to ensure that the safety of all Canadians is maintained. Their cause is the immediate deportation of individuals who have landed immigrant status in Canada and who have been convicted of criminal activities.

I am proud of these people's selfless efforts on behalf of all Canadians and I would like to reassure them that we, as a Government, recognize the serious nature of this issue. Given the excellent work of the Minister of State for Immigration (Mr. Weiner) in protecting the rights of Canadians through recent changes to immigration policies, I am sure that he will give serious attention to the concerns of those I am representing here today. Evidence of their commitment is demonstrated by the more than 4,000 signatures on this petition that I hold in my hand.

* * *

[*Translation*]

AGRICULTURE

REQUEST FOR ASSISTANCE

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, Canada's agricultural crisis grows worse every day. The total farm debt in Canada in 1985 amounted to $21.6 billion. One year later, at the end of 1986, it had climbed to $22.5 billion and is still rising. In Ontario, Canada's most prosperous province, my province, the farm debt stands at $5.2 billion, Mr. Speaker. It is interesting to note that farmers owe ever more to the Farm Credit Corporation and that 22.2 per cent of payments are late. Mr. Speaker, I might point out that in 1982, the worst recession year, 410 farm bankruptcies were recorded in Canada. In 1986, with a Conservative Government which claims to have done so much for the agricultural community, the number of farm bankruptcies went up to 440. The situation is intolerable and I insist that the Conservative Government come to the assistance of Canadian agricultural producers.

• (1410)

[*English*]

THE ECONOMY

REDUCTION IN BANK RATE—CREDIT CARD COMPANIES' HIGH INTEREST CHARGES

Mr. Reginald Stackhouse (Scarborough West): Mr. Speaker, the bank rate has plunged again. It has just been announced that it has dropped to a rate of 7.14 per cent. That is one reason the press can say that foreign investors just love Canada. It is a good place to do business again.

We must also be aware that the spread between the bank rate and the prime rate is now wider than it was last week. The challenge to the banks and lending institutions is to bring that prime rate down so it can benefit business people and consumers still more, and particularly credit card users.

The credit card rate is the same as it was when the prime rate was over 20 points. One must ask if the bank rate has to come down to nothing before credit card consumers will benefit.

* * *

IMMIGRATION

SITUATION OF CHILEANS IN BUENOS AIRES

Mr. Dan Heap (Spadina): Mr. Speaker, the 85 Chileans barred from Canada by the Minister of Employment and Immigration (Mr. Bouchard) are trapped in Buenos Aires. They cannot come to Canada and dare not return to Chile. They report recognizing Chilean secret police menacing them on the streets of Buenos Aires. After exhausting their money and the church aid available, they have slept in a park for two nights and live on the streets. They are drinking the non-potable water available there but are lacking money for food. Some of these people are children under the age of two.

The Canadian chârgé d'affaires is quoted by *The Globe and Mail* as saying: "If they've been sleeping in the streets, it's because they've chosen to do so". What a disgrace to Canada's foreign service. She sounds like a direct descendant of Marie "Let-Them-Eat-Cake" Antoinette. Ms. Herrera of the UNHCR sounds more realistic. She has said: "You only have to talk to them to know they are destroyed, that they are afraid to return". What is the Minister's problem with Chileans? Is none too many?

[*Translation*]

ACID RAIN

UNITED STATES COMMITMENT

Mr. Gabriel Desjardins (Témiscamingue): Mr. Speaker, the Government of Canada and especially the Prime Minister have finally been successful in their efforts to convince the United States to join in the fight against acid rain. Yesterday, in Washington, the American President announced that his country would spend $5 billion to fight acid rain.

Mr. Speaker, over the past year our Government has often severely blamed the United States for their inaction in this matter and the announcement made yesterday in Washington is definitely a major step in the right direction. I feel it is important to remind the House that the commitment made yesterday by the American President is fully consistent with the main recommendation in the Lewis-Davis report made public in January 1986.

Mr. Speaker, Canadians can rest assured that the Prime Minister of Canada will strongly protect their interests in this matter to provide them with the quality of life they rightfully deserve.

* * *

[*English*]

TARIFFS

EFFECT OF LUMBER EXPORT TAX ON NORTHERN ONTARIO SAWMILL

Mr. Keith Penner (Cochrane—Superior): Mr. Speaker, I bring to the attention of the House and most particularly the Minister for International Trade (Miss Carney) a further effect of her so-called softwood lumber deal with the United States. Mr. Jack Lavallet, President of Kimberly-Clark Canada Limited, announced on Tuesday that the 15 per cent export tax on softwood lumber has had a negative impact on sawmill profitability. Consequently, his company has announced a shut-down of the Longlac sawmill in northern Ontario effective May 15 this year. This will result in a total loss of over 100 jobs. It is further proof of how the Government bungled the entire softwood lumber issue with the United States administration.

The Government was tested and it has been found wanting, and tragically so. I call upon the Minister of Employment and Immigration (Mr. Bouchard) and the Minister of Regional Industrial Expansion (Mr. Côté) immediately to take what steps they can to repair the damage done by their colleague, the Minister for International Trade.

• (1415)

TRADE

IMPORTANCE OF TRADE TO ECONOMY OF NORTHERN ONTARIO

Mr. John A. MacDougall (Timiskaming): Mr. Speaker, it was interesting to hear yesterday the comments of the Right Hon. Leader of the Opposition (Mr. Turner) about the forestry sector of northern Ontario, especially after his Party spoke out against the Government's trade initiatives. That really showed how misinformed his Party is about the North. The facts are that seven out of 10 jobs in northern Ontario depend directly on trade. Some 200,000 people are employed in the mining sector and over 70,000 in the forestry sector. Canadian exports last year included over $19 billion worth of metals and $16 billion worth of wood and paper.

On average each $1 billion in exports leads to the creation of 15,000 jobs. A trade agreement with the U.S. will provide even more employment opportunities which are so important to our economy. The Conservative Government will meet the challenge of trade negotiations with the U.S. and further the vision of Canada. The Conservative Party has always been the Party of vision. It is our heritage and our obligation. Sir John A. Macdonald moulded it and the Prime Minister (Mr. Mulroney) of today will enhance it.

* * *

INDIAN AFFAIRS

HOUSING CONDITIONS ON RESERVES

Mr. Rod Murphy (Churchill): Mr. Speaker, I would like to speak about something which affects not only my riding but those right across the country, that is, the condition of native housing. For many years native people, especially treaty Indians, have suffered from a deplorable housing situation. We have not had for a number of years any special effort by any Government at the federal level to come to grips with the problem. This year's Budget and Estimates do not provide money to help solve the problem.

I find it deplorable to walk into native housing in this country and find holes in floors, broken-down ceilings, and doors that do not close. It is deplorable that the Government is not coming to grips with the problem. I call upon the Government to develop a national strategy for native housing and announce it soon. There should be a five or six-year program to make sure we get rid of the backlog. There is no way native students will receive adequate education or live in a healthy environment unless the Government commits itself to such a program.

Oral Questions

HUMAN RIGHTS

YUGOSLAVIA—PLIGHT OF DOBROSLAV PARAGA

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, Dobroslav Paraga is a young Yugoslavian who protested the human rights problem in that country. For that protest he was arrested and jailed for five years. When released he protested the torture inflicted on him by the state. As a result of that protest he was again arrested and prosecuted. It was only because of the excellent lawyer he had and because of ill health that the prosecution was temporarily stayed. I call on the Government of Yugoslavia to respect human rights as all Governments should respect human rights.

* * *

ROAD SAFETY

AUTOMOBILES—USE OF REAR SEAT THREE POINT SAFETY BELTS

Mrs. Thérèse Killens (Saint-Michel—Ahuntsic): Mr. Speaker, again today I want to put on the record a letter I received from Dr. Acker, President of the Medical Society of Nova Scotia. The letter deals with the need for three point safety belts for rear seat passengers. The letter reads:

> Congratulations and thank you for your comments to the House February 11, 1987 concerning the need for increased safety measures for rear seat passengers. Your observations about the added safety provided by three point safety belts are quite correct.
>
> The Medical Society raised this question a year ago. We pointed to the concern, noted that a mere handful of imported cars use the three point harness and reminded government of its commitment to car safety. Regrettably, no action has been taken by any government in Canada.
>
> We have come a long way in vehicle safety, and we urge government to take the next logical step. We already require seat belts in our cars, let's require that those seat belts be the most effective.
>
> Again, thanks for bringing this important matter before the House. Hoping your remarks will lead to action—

ORAL QUESTION PERIOD

[*English*]

ENVIRONMENTAL AFFAIRS

ACID RAIN—UNITED STATES PRESIDENT'S ANNOUNCEMENT

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, my question is directed to the Prime Minister. It is becoming evident that the Government's acid rain strategy has failed so miserably—

Some Hon. Members: Oh, oh!

Mr. Caccia: —that even getting President Reagan to live up to a year-old commitment is considered by the Prime Minister to be a very significant movement. We are now locked in a five-year research and demonstration program which will not benefit our dying lakes, forests, and eco-systems because there is no commitment to cut acid rain entering Canada. As Michael Perley of the Canadian Coalition on Acid Rain put it, "clean coal technology isn't the solution to the problem . . . Emission reduction is the key".

My question is simply this. What will the Prime Minister be bargaining for at the next summit on Canada's behalf?

• (1420)

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, what we will do at the summit is continue the results of yesterday which constitute a very significant step forward in the fight against acid rain. We will continue that. Surely anyone who cares about the environment and understands anything about the devastating impact of acid rain on the environment, and appreciates the total absence of activity in regard thereto over the last 20 years, will celebrate yesterday's events but recognize that we have a long way to go. It is a tough road, but we will stick with it and we will clean up the environment.

Mr. Caccia: It seems quite clear that anything is good news to a Party that is ten points behind the third Party.

Some Hon. Members: Oh, oh!

PRIME MINISTER'S POSITION

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, the essence of what happened yesterday is that the Prime Minister has given up his bargaining position with the President by accepting with open arms the President's position three weeks before the summit. He has given up his bargaining position. When will the Prime Minister muster enough courage to demand what Canadians are asking for, namely, acid rain cuts that are significant to Canada, with percentages, with target dates, and with emission reductions?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, my friend refers to polling data. I just remind him that when Prime Minister Turner called an election he was leading by 14 points in the Gallup Poll and, 53 days later, something strange happened.

Mr. Gauthier: Are you going to call one? Call it.

Mr. Mulroney: Are you interested?

Some Hon. Members: Hear, hear!

Mr. Axworthy: Right now. Let's go!

Mr. Mulroney: I would do it, Mr. Speaker, but I am worried about their pensions.

Some Hon. Members: Oh, oh!

An Hon. Member: You don't qualify yet, Brian.

Mr. Speaker: I remind the Right Hon. Prime Minister that the question was on acid rain.

Mr. Mulroney: I am sorry, Mr. Speaker I am sure it got lost in the translation. Obviously, our record in this area and others will be examined. I look forward to an examination of our record on the environment by Canadians who will contrast this field of acid rain with what took place in the years that preceded our swearing in. In particular, I suppose they will want to contrast that record with what I think you will admit is the really quite deplorable record of the Hon. Member who is posing the questions. He should be ashamed of himself.

Mr. Caccia: I am afraid the Prime Minister got lost in research and demonstration rather than in substance.

MINISTER'S POSITION

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, my final supplementary question is directed to the Minister of the Environment. According to U.S. Representative Henry Wexman: "The Prime Minister is selling out the Canadian people and the Canadian environment". That is what he said yesterday. How can the Minister of the Environment stay in his job, calling for cuts in U.S. acid rain, when the Prime Minister agrees gleefully with President Reagan on more research and demonstration?

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, the Hon. Member for Davenport keeps referring to the $5 billion program confirmed yesterday by the President as a research program. He knows better.

Mr. Caccia: Read the Envoys' Report.

Mr. McMillan: In fact, his statements to that effect are made no more true just through repetition.

I noticed in the *The Ottawa Citizen* today an article in which U.S. Energy Secretary John Herrington is quoted as saying that the program will be: "—tailored as much as possible to projects that demonstrate equipment which will reduce chemicals from existing coal-burning plants—". The program is not for research. It is not for basic and fundamental research. It is designed to reduce acid rain-causing emissions in the United States that do irreparable harm to the Canadian environment. I think the Hon. Member should keep that in mind.

• (1425)

GREAT LAKES WATER QUALITY

Ms. Sheila Copps (Hamilton East): My question is also directed to the Prime Minister. He talks about celebrating yesterday. Well, nine million people living around the Great Lakes were not celebrating when a report was released which showed that the situation is actually getting worse rather than better with respect to water quality in the Great Lakes. Does the Prime Minister not agree with the suggestion of the Liberal Party that a super fund to clean up the Great Lakes is critical at this point in time so we can stop further deterioration in the quality of water in the Great Lakes?

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, perhaps the Hon. Member is not aware of the fact that I have made public statements on behalf of the Government of Canada very favourably predisposed to the idea of a super fund. In fact I have met with the Canadian Chemical Producers' Association a number of times following up on its indication to me and to the Government that for its part it would be eager to explore with us, with Ontario and with other jurisdictions, the possibility of a multi-party fund.

For our part, we are providing leadership in this area. We think—

Mr. Guilbault (Saint-Jacques): But no money.

Mr. McMillan: We think the polluters should pay the costs of damage to the environment. We are seeking from the chemical industry itself, which bears responsibility for much of the pollution, funds for that purpose.

Ms. Copps: Believe me, I have a file full of words from this particular Minister with respect to the Hamilton Harbour. I do not need any more of his words.

POLLUTION OF WINDERMERE BASIN IN HAMILTON HARBOUR

Ms. Sheila Copps (Hamilton East): The Minister is so serious about the problem. When the IJC cited the Hamilton Harbour and, in particular, the Windermere Basin, as one of the most severe hot spots in the Great Lakes with PCB levels up to 68 times the acceptable level, why did the Minister, in his letter to me, refuse the request from the city, the region and the provincial Government, for a $1.25 million federal contribution to help clean up this mess? We want action. We want funds. We do not want more rhetoric.

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, if the Hon. Member has such an aversion to rhetoric, I do not know why she makes a career out of it in this House.

That aside, I have met with the mayor of Hamilton, with the head of the regional municipality of Hamilton—Wentworth, with the head of the Hamilton Harbour Commission and with the Minister of the Environment for Ontario, to explore ways in which the federal Government could join with those jurisdictions in a clean-up of the Windermere Basin. I recognize it as a very serious problem. I am taking it seriously. I am exploring every possible contribution the federal Government can make to that end.

I think it is incumbent upon the Hon. Member to recognize the very good work which the federal Government is doing in this area and which it has committed itself to doing in future.

UNITED STATES PRESIDENT'S ANNOUNCEMENT

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question concerns the same subject. I will agree with the Minister that this Government has done something about acid rain and we give the Government credit for it, and I mean

that. But what we are discussing today is not what this Government has done but what the United States has done.

Considering that fully half the acid rain which is destroying our lakes, waters, and forests comes from the United States, and considering that a year ago the President of the United States made a commitment not to reduce acid rain by one drop but to spend on demonstrator projects and research, not a penny for anything else, can the Prime Minister tell the country why he said yesterday that a simple reassertion of this promise to spend money by the President, not on reducing acid rain but on research, should be seen by our Prime Minister as a very significant step forward?.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, obviously our objective remains a treaty with the United States and targets for emission reductions. That is clearly what we are seeking to achieve.

I think my hon. friend will agree that when we were asked to take over this matter, nothing had been done. The previous Government walked away from it completely in 1982 saying that nothing could be done. By and large I think that an objective observer would indicate that is what we inherited. We began with a series of initiatives. Part of the culmination of these initiatives was realized yesterday by the statement of the President of the United States. First, he indicated that the full amount of the government share of the funding recommended by the Joint Envoys, $2.5 billion, will be secured for a demonstration of innovative control technology over a five-year period. He also set out the second step, the third step, and so on.

• (1430)

This represents a significant advance over the position adopted by the administration last year. It does not get us yet—

Mr. Broadbent: It is the same.

Mr. Mulroney: No. I invite my hon. friend to read the statement carefully. There is a significant improvement in the position advanced by the United States.

I give my hon. friend this commitment. We shall not relent until such time as we have agreed with the United States on a program that will eliminate the locus of the problem emanating from the United States which is killing our environment.

PRIME MINISTER'S FORTHCOMING MEETING WITH UNITED STATES PRESIDENT

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I say to the Prime Minister that what the United States announced yesterday will not reduce one drop of acid rain falling on our forests, our lakes or our streams. What Canadians want from the United States is a commitment to reduce levels of acid rain.

In terms of negotiating with the United States, does the Prime Minister think it is the best diplomatic position for the Government of Canada to announce today in the House, before he sits down with the President, that we should be celebrating what has already been announced, what he has now described as a very significant forward step by the President of the United States? Doesn't taking this position give our whole case away? Will President Reagan not come here and say: "Well, we will just shake hands with the Prime Minister and there will be an agreement on everything we will do", which is nothing?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I think I indicated that yesterday, in response to a vitriolic attack by the Opposition on this accomplishment, if the Hon. Member is asking me whether I believe that throwing hand-grenades at the United States, or at any of our friends and allies, works, the answer is no. It did not work for the previous Government, and I do not think it will work for anybody. I believe that what clearly works is the setting out of an agreed upon position by the Government of Canada, fighting for it forcefully, and obtaining results—not perfect results but substantial movement forward—on cleaning up our mutual environment. That is exactly to what we are committed, and we are in the process of achieving it.

[*Translation*]

REQUEST THAT AMERICANS REDUCE ACID RAIN EMISSIONS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my last question for the Prime Minister is as follows: When he discusses this problem with President Reagan, will the Prime Minister insist that the Americans reduce the levels of acid rain they are producing and that are affecting this country?

Right Hon. Brian Mulroney (Prime Minister): Yes, absolutely, Mr. Speaker. But as the Leader of the New Democratic Party said himself, and I want to thank him for his comments, progress has been made on acid rain. He did not say the problem was solved, but he did acknowledge that the Government of Canada had made definite progress through its bilateral relations. I wanted to make this point, considering the entirely negative and destructive attitude taken by the Liberal Opposition, which sees bilateral relations with the United States as an excuse to shoot down our allies. I maintain that progress is not served by declarations of war. Progress is served by mature individuals who act according to a well organized and well thought out plan of action, and a government that is determined to pursue it.

DECAY OF MAPLES—GOVERNMENT POSITION

Mr. Alain Tardif (Richmond—Wolfe): Mr. Speaker, this is another question on the same subject, and it is directed to the Prime Minister. As the maple syrup season is about to begin, producers are extremely concerned about the extent of the damage to their maple trees. They have lost thousands of taps and feel that at this rate, the industry will be wiped out completely in four years' time. They do not share the Prime Minister's optimism. Could the Prime Minister inform the

House what he intends to do today, right now, to correct this serious problem that is affecting our maple trees?

[*English*]

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, I am puzzled by the question because my understanding is that yesterday the major spokespersons for the maple sugar industry, especially in Quebec, welcomed the initiative taken by President Reagan in Washington and made public statements to that effect. We recognize, as I think it is being increasingly recognized in other jurisdictions, that forestry is suffering among the worst effects from acid rain. In Quebec we are seeing maple sugar production plummet by as much as 50 per cent because of acid rain related emissions.

One of the reasons we are seeking an accord with the United States to slash acid rain causing emissions on both sides of the border is to help the very people whose cause the Hon. Member intended to champion in his question.

[*Translation*]

REPAYMENT OF $100 MILLION—GOVERNMENT POSITION

Mr. Tardif (Richmond—Wolfe): Mr. Speaker, my supplementary is also directed to the Prime Minister. They find most timid indeed the progress made with respect to this issue, if any. They currently estimate at $100 million the losses suffered by that industry. Does the Government intend at the next summit to present the American administration with the bill: $100 million, and does the Government intend to support that $100 million claim for losses to date?

[*English*]

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, if the Hon. Member were truly fair on this question, and if the Liberal Party of which he is a Member were truly fair, he would recognize that over many years Canada has faced an enormous amount of opposition south of the border to progress on acid rain. We are making progress. That contrasts with the situation that prevailed in June of 1982 when the previous Government terminated all discussions with the Americans on acid rain out of sheer frustration at the lack of progress.

To the credit of the Prime Minister, he put the issue back on the agenda. He got acid rain back on the rails. We are making steady progress. There are no home runs, no grand slams, no royal flushes in Washington on acid rain. But we are making singles and doubles that will eventually put home runs on the board.

Some Hon. Members: Hear, hear!

Oral Questions

REGIONAL INDUSTRIAL EXPANSION

RAIL FREIGHT CAR INDUSTRY

Mr. Rod Murphy (Churchill): Mr. Speaker, my question is for the Prime Minister. The rail freight car industry in Canada has faced massive problems in recent years. Last year, National Steel Car in Hamilton saw its workforce fluctuate between 100 and 1,000 people. The latest incident is with today's announcement that Hawker Siddeley has put the Trenton car plant on the market because of lack of orders. What will the Government do to ensure that our rail car industry remains healthy?

[*Translation*]

Hon. Michel Côté (Minister of Regional Industrial Expansion): Mr. Speaker, I think we have already recognized the regional challenges and it is also our intention to meet them. Since September, 1984, the Government has been doing things in that province, in the Atlantic area—first, we signed energy agreements; second, we had new economic development agreements with the provinces, and also we intend to keep working at that.

But with respect to Hawker Siddeley, we are especially concerned with that company's plans to sell their interests. We intend to work in close co-operation with the company and the Province, Mr. Speaker, in order to find solutions which would allow the company to remain in operation.

[*English*]

HAWKER SIDDELEY PLANT AT TRENTON, N.S.

Mr. Rod Murphy (Churchill): Mr. Speaker, my question was asked of the former Member for Central Nova who said in the 1983 by-election campaign that Ottawa "should use its colossal procurement influence in the Department of Supply and Services and Canadian National Railway to guarantee that the Hawker Siddeley (Canada) Ltd. rail car plant at Trenton, Nova Scotia, gets its fair share of orders, and that other industries in that area benefit". What will the Prime Minister do to help the people of that area?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, that is exactly what the Government of Canada will do. It will work very closely with the province, with prospective purchasers, with Hawker Siddeley, with the Crown agencies, for example the CNR, and with all possible *intervenants* in this case to make absolutely certain that the Hawker Siddeley operation in Trenton continues to provide gainful and beneficial employment in an ongoing way for the people of Central Nova.

• (1440)

ENVIRONMENTAL AFFAIRS

GREAT LAKES POLLUTION—RECOMMENDED PUBLIC CONSUMER EDUCATION PROGRAM

Mr. Reginald Stackhouse (Scarborough West): Mr. Speaker, my question is for the Minister of the Environment and is with regard to the report of the International Joint Commission on the Great Lakes. For 30 years or more the pollution of Lake Ontario has threatened people living on both sides of that body, the use of beaches and, at times, the safe use of drinking water. The IJC report indicates that consumers may be part of the solution rather than part of the problem by becoming more conscious of what toxic chemicals are doing to our water.

What action is the Minister prepared to take to respond to the IJC's recommendation that a public consumer education program be undertaken to induce more and more of the public to use less and less toxic chemicals?

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, the question relates to one of 36 recommendations brought down by the International Joint Commission a few days ago. I am exploring with all of my relevant cabinet colleagues how we might respond to all of the recommendations as a package rather than to any individual ones separately.

In connection with education I can certainly tell the Hon. Member that I am very sympathetic to the position he expressed in his question. We have ourselves greatly highlighted that part of our total program over the past year through, for example, increased funding for Environment Week. With my cabinet colleagues, including the Secretary of State for External Affairs, I will be exploring how we can follow up even further.

* * *

REGIONAL INDUSTRIAL EXPANSION

HAWKER SIDDELEY PLANT AT TRENTON, N.S.

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, my question is directed to the Minister of Regional Industrial Expansion and it, too, is with regard to the Trenton car works in Nova Scotia. The 2,000 laid-off employees of that particular company as well as the entire community of Trenton are very uncertain as to their future and anxious to have the federal Government exert some leadership at this most difficult time.

Will the Minister confirm that his Department knew of this pending sale or closure some weeks ago? Would he indicate to the House what discussions took place with the Premier of the Province of Nova Scotia? Would he also tell the House what actions he and his government colleagues intend to take in the coming weeks to assist the workers and the community of Trenton?

[*Translation*]

Hon. Michel Côté (Minister of Regional Industrial Expansion): First, Mr. Speaker, I must correct the Hon. Member's statement. Until now there has been no reference to any shutdown, but to a selling out. The company intends to sell its interests in Trenton, not to stop its operations. Second, on this Government's commitment, again we must meet regional challenges as I said. We have provided constant help and shown our interest in the Atlantic region's workers especially. We will still be doing this, while recognizing the area's problems and working with the company and the Province involved.

[*English*]

REQUEST FOR PROGRAM TO ASSIST COMMUNITY

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, I will direct my supplementary question to the same Minister. I hope that this commitment is not similar to the commitment the Government made to the workers in Moncton, New Brunswick. I would like to remind the Minister that it was the Prime Minister who led the people of Pictou County to believe that as a result of his by-election victory in 1983 incidents of this nature would not happen.

Will the Minister undertake to visit Trenton, Nova Scotia, meet with the affected workers, and implement a program of action to assist those 2,000 employees and the community of Trenton, thereby living up to the commitment, the promises and the undertakings that the Prime Minister made to those people?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I am happy to respond to that question. First, the allusion to the Moncton situation is quite inaccurate. The Moncton situation went off the rails largely because unions refused to accept the compromise put forward by the federal Government, the Government of New Brunswick, and the people of Moncton. I think it is important to note that that, in large measure, is why the situation developed as it did in Moncton.

With regard to Trenton, there was no reference in any campaign at any time to incidents of this nature not happening. There was certainly an undertaking at that time by the Member of Parliament and the Government to do everything that we possibly could to be of assistance and keep alive a very vital and historic part of industrial Nova Scotia in the constituency of Cape Breton.

We have acted already. For example, right in my hon. friend's home area, in Sydney, we have been of tremendous assistance, along with the Government of Nova Scotia, to Sysco and the development of Cape Breton. We will do no less to help the people of Central Nova who depend very much on this traditional industry as a source of growth for their region.

UNEMPLOYMENT INSURANCE

INQUIRY WHY MINISTER DID NOT AWAIT TABLING OF COMMITTEE REPORT BEFORE MAKING STATEMENT

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, my question is for the Minister of Employment and Immigration. Yesterday afternoon the Minister came into the House puffing, panting, and out of breath, circulating, at the last minute, a statement that he wanted to make later on.

[*Translation*]

Can the Minister tell us why he was in such a hurry to make a statement in the House yesterday on pension income and severance pay when he knew the report of the Standing Committee would be tabled today? Why did he not wait for the suggestions of the Committee?

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, the answer is simply because I was ready to make my statement yesterday.

[*English*]

PROVISION OF BENEFITS FOR EARLY RETIREES

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, I will direct my supplementary question to the same Minister. I would like to give the Minister a chance to save his neck and his skin, and the skin and necks of all the Tories on that side of the House. The committee tabled its report today. The Minister now knows that the committee, comprised of Members representing all sides of this House, with the exception of one Tory, recommends that those who have taken an early retirement pension, provided they are available and looking for work, ought to be able to receive their unemployment insurance benefits. I want the Minister to stand in his place and say that he will listen to the advice of Members from all sides of the House and do justice to those who deserve to get their UI benefits.

[*Translation*]

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, I made a statement in the House about this matter yesterday. The Standing Committee is tabling its report today. There is a procedure to respond to the reports of Standing Committees. I shall now receive the report, but I can tell my hon. friend immediately that I made a very clear statement yesterday, that everything is already quite clear, and that it will remain so.

Mr. Rodriguez: It is not clear.

[*English*]

EXTERNAL AFFAIRS

LOBBYIST EMPLOYED BY CANADA IN WASHINGTON—REQUEST FOR PARLIAMENTARY INVESTIGATION

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, I would like to pose a question to the Prime Minister. He is probably aware that Mr. Michael Deaver, who received a $150,000 contract from the Government of Canada, was yesterday indicted by a U.S. grand jury. In May of last year in response to inquiries I made in the Standing Committee on External Affairs and International Trade the Secretary of State for External Affairs wrote the following:

> If there is any determination by the appropriate U.S. authorities that Mr. Deaver broke U.S. laws in carrying out his contract with Canada, and if these findings reflect unfavourably on Canada, it would then be appropriate for the Canadian Parliament to undertake an investigation of this issue.

Since charges have been laid and that it does reflect unfavourably on Canada, when will the Prime Minister initiate the parliamentary investigation promised by the Secretary of State for External Affairs?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I know nothing beyond that which my hon. friend has just indicated. Presumably the notion of the presumption of innocence applies in the United States as well. If it is indeed the case that a charge has been laid, then I assume that my hon. friend will want to allow whoever is accused to enjoy the presumption of innocence and go through the process without bother or inhibitions by us, unless my hon. friend has a charge or new evidence which he would like to bring forward, in which case I am sure we would like to take a look at it.

GOVERNMENT POSITION

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, I will address my supplementary question to the Prime Minister. The point of my question does not relate to the guilt or innocence of Mr. Deaver, but rather to the involvement of the Government of Canada in this matter and the fact that the Secretary of State for External Affairs made a commitment to the Standing Committee on External Affairs and International Trade that any determination would result in an investigation.

Taking into consideration that officials from the Prime Minister's Office, high officials of the Government, are involving themselves in this affair, and how sensitive our relationships with the United States are on environment, trade and other issues, would it not be appropriate to get to the bottom of this matter and determine once and for all what are the involvement and role of officials of the Government of Canada in this very unhappy event in Washington?

• (1450)

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, even for my hon. friend that is really quite a scurrilous question. The U.S. General Accounting Office, the

Congressional Subcommittee on Oversight and Investigations, and special investigators have made no allegations of impropriety by the Canadian Government or any of its agencies at any time, in any circumstances. That is the situation. If my hon. friend has a charge to make or any new evidence, please let him bring it forward, as opposed to the scurrilous smears in which he indulges on a regular basis.

* * *

STATUS OF WOMEN

RECOGNITION OF HOME-MAKING SKILLS AS RELEVANT QUALIFICATION FOR JOBS

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, my question is for the Minister responsible for the status of women. Recently the Public Service Commission refused to recognize home-making skills as relevant experience for a procurement clerk's job. The Minister will know that Canada endorsed resolutions at the Nairobi Decade of Women Conference to value unpaid women's work as part of the GNP. Therefore, will the Minister undertake studies to determine the value of child rearing, home management, and volunteer community work, so that these job skills will be accepted as relevant experience for jobs in the paid labour force?

Hon. Barbara McDougall (Minister of State (Privatization)): Mr. Speaker, it is already the policy of the Government to value that sort of work and to take that into account in a case like this one. What surprises me is that it was a union head who went ahead with the issue and was not prepared to value this work. Given the Hon. Member's political affiliation, I am surprised that she is raising the issue.

Ms. Mitchell: I think the Minister should check into the facts of the matter when she makes a statement like that.

TREASURY BOARD'S POSITION

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, my supplementary question is for the President of the Treasury Board. Will the Minister establish procedures to recognize the job skills of home-makers in applications for Public Service jobs, and will he make it a negotiable item in collective bargaining?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, the answer is very clear. We recognize unpaid and voluntary work as legitimate work experience. Treasury Board is always aware of that position. It was the position which was applied in this case. The case was brought to an appeal board under the leadership of one of our unions, and an appeal board overturned the Government's position. We are reviewing the situation right now, but it was not at all government policy. The government policy is that we recognize that, and the union does not.

[*Translation*]

LAPRADE FUND

TREASURY BOARD CUTS—GOVERNMENT POSITION

Mr. Gilles Grondin (Saint-Maurice): Mr. Speaker, my question is for the President of the Treasury Board. We learned yesterday evening that the Government is planning to cut back $40 million from the Laprade and Lower St. Lawrence Fund, which was supposed to be used to promote the economic development of our regions. How can the Minister justify this decision in view of his statement to the House on November 25, 1986, that the money in this fund would be used exclusively in the Saint-Maurice—Bois-Franc region?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, I shall now repeat exactly the same statement. The region designated to benefit from the Laprade Fund to compensate for the closing of the Laprade plants remains unchanged. It is exactly the same.

Mr. Grondin: I think that the President of the Treasury Board should read the Committee reports, because they mention some changes.

INQUIRY WHY GOVERNMENT REFUSES TO SUBSIDIZE MAURICIE CENTRE INDUSTRIAL INCUBATOR

Mr. Gilles Grondin (Saint-Maurice): Mr. Speaker, my supplementary question is this: Why is the Minister refusing to subsidize the regional industrial incubator of the Mauricie Centre which would have a major impact on economic and industrial development in our region when the Government is ready to take away 40 per cent of the Laprade and Lower St. Lawrence Fund and use this money for other purposes outside our region?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, the premise of this question is completely false. There is no plan to reduce the funds used to promote economic development in that region—

[*English*]

Mr. Speaker: Perhaps the Chair could observe that we are a long way through Question Period and we are not doing very well in the number of Members being recognized, and that is because of the length of the exchanges. The Hon. Member has asked a question and the Hon. President of the Treasury Board is trying to answer it. I would ask for co-operation.

[*Translation*]

Hon. Robert de Cotret (President of the Treasury Board): Thank you, Mr. Speaker, I shall try to be very brief. The amount in the Laprade Fund has remained the same since we came to power in September 1984. The amount is still the same, and it will be spent in the region which had been designated at the very beginning when the Laprade Fund was created. Third, the money will be spent to create permanent jobs and to promote permanent economic development in the region, contrary to what had happened under the previous

Government, which, for years, kept spending as though there was no tomorrow.

* * *

[*English*]

HOUSING

KIRKLAND LAKE AREA—LOW-INCOME AND SENIOR CITIZEN HOUSING

Mr. John A. MacDougall (Timiskaming): Mr. Speaker, my question is directed to the Minister in charge of CMHC. With the increased amount of mining activity in the Kirkland Lake area of my riding, much concern has been expressed about low-income housing and senior citizen housing. Could the Minister tell us exactly what is the federal Government's role with regard to providing funding for senior citizen and low-income housing?

Hon. Stewart McInnes (Minister of Public Works): Mr. Speaker, I think the problems the Hon. Member is encountering are not peculiar to his riding. They are global, at least in Canada. There are federal-provincial agreements outstanding with all provinces whereby the provinces are charged with the delivery of the programs. The federal Government provides the majority of funds. If the Hon. Member has a particular problem which has not been acknowledged by the province, I would be happy to make representations on his behalf.

* * *

ENVIRONMENTAL AFFAIRS

REQUEST FOR WATER QUALITY POLICY

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, my question is directed to the Minister of the Environment. What will be the Government's response to the statement by the International Joint Commission that the only real difficulty with its job and the International Water Quality Agreement is the failure on the part of Governments to show the political commitment to act? For example, will the Government at last bring forward a water quality policy which commits the Government to hard action and appropriate expenditures, or will the Government wait for the impossibility of singles and doubles adding up to home runs?

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, I think yet again the Hon. Member has struck out. The fact is that the budget of my Department, Environment Canada, is $768 million. It is higher now than it has ever been in any previous year, except for one. We have brought down an Environmental Protection Act which will be reintroduced into Parliament for first reading, it is to be hoped, this spring. The Act addresses many of the concerns raised by the International Joint Commission in its report. In addition, very recently I signed with the Government of the United States the Niagara River pollution abatement program, which will slash toxic loadings into that important international waterway by 50 per cent by 1996. We are taking solid action in response to the International Joint Commission and to other representations.

POSITION OF FEDERAL AND PROVINCIAL GOVERNMENTS

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, my supplementary question is for the same Minister. Is it not clear that an integrated ecosystem approach involving both provincial and federal participation is necessary? Is the Government not welshing on its agreement when it tells municipalities that they will get no help in making their contribution to cleaning up the Great Lakes?

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, the Hon. Member says that the federal Government is welshing on a commitment to the municipalities to support—

Mr. McCurdy: On the agreement.

Mr. McMillan: There is no such agreement. Waterworks of a local sort are within municipal and provincial jurisdiction. We are backing the provinces and the municipalities to the hilt within our federal jurisdiction. We expect the municipalities and the provinces to live up to their side of the bargain.

* * *

[*Translation*]

IMMIGRATION

REQUEST FOR EXPLANATION OF DEMANDS MADE BY PUBLIC SERVANTS OF MR. GEORGE ZOUBRIS

Mrs. Lucie Pépin (Outremont): Mr. Speaker, I rise today to deal with the case of Mr. George Zoubris, who has been a Canadian citizen since 1968 and a resident of Montreal for 20 years. My question is directed to the Minister of State (Immigration) who is aware of the situation since he had a telephone conversation with this citizen. I would like the Minister to tell us why, three times since July last year, officials of his Department have asked Mr. Zoubris to go to the Department to obtain permanent refugee status?

• (1500)

[*English*]

Hon. Gerry Weiner (Minister of State (Immigration)): Mr. Speaker, I will not respond to the specific question, but I will certainly take note of it and make sure that my officials will be back to the Hon. Member with a complete response.

[*Translation*]

REQUEST FOR GOVERNMENT ASSURANCE MR. ZOUBRIS WILL NOT HAVE TO VISIT DEPARTMENT AGAIN

Mrs. Lucie Pépin (Outremont): Mr. Speaker, I simply want to say that the Minister is very much aware of the situation because he himself spoke to this man.

I would also like the Minister—after he has made yet another inquiry this afternoon—to assure us that Mr. Zoubris will not have to go to the Department of Employment and Immigration at 9 o'clock tomorrow morning and pay $125 to have his passport and Canadian citizenship papers examined.

Hon. Gerry Weiner (Minister of State (Immigration)): Mr. Speaker, I am aware of this situation, and I assured the Hon. Member that the officials of my Department will give her a more detailed report, but it is not proper to raise a specific case here in the House of Commons.

* * *

[*English*]

CANADIAN JOBS STRATEGY

REQUEST FOR INCREASED FUNDING

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, my question is for the Minister of Employment and Immigration. I have here a copy of a study that has been done of the Canadian Jobs Strategy by the Ontario Government on behalf of all 10 provincial Governments. Does the Minister agree with the key recommendation in the study, which criticizes the Canadian Jobs Strategy, that funding should be increased from $1.7 billion to $2.5 billion? This would bring funding up to the 1984 index level when the Minister took over. Does the Minister agree with that? Will he end the cut-backs and increase the money to train the unemployed of Canada, particularly for those regions that need it?

[*Translation*]

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, I can only suggest that my colleague ought to be proud of the Canadian Jobs Strategy results, knowing as we do that 80,000 Canadians are involved every day. The Government of Ontario may very well urge us to increase our budgets to unrealistic levels, but I think the Jobs Strategy program has proven to be a success and the results attest to that. Many Canadians are in a position to find that out for themselves every day. Again I repeat that the Government can be proud of the results—705,000 jobs in two years—something which you will spend the rest of your life hoping to achieve.

[*English*]

ROYAL CANADIAN MOUNTED POLICE

POLICY CONCERNING MARRIED PERSONNEL

Mr. John Nunziata (York South—Weston): Mr. Speaker, my question is for the Solicitor General. It concerns the new R.C.M.P. policy with regard to married couples in the Force. As the Minister knows, the new policy is regressive, inequitable, and discriminatory to families.

Is the Solicitor General prepared to instruct the Commissioner of the Royal Canadian Mounted Police to scrap the new policy and adopt a policy that would be far more humane and fair in the circumstances?

Hon. James Kelleher (Solicitor General of Canada): Mr. Speaker, I understand that the Hon. Member raised this question during my absence with the President of the Treasury Board. The President of the Treasury Board was good enough to bring this matter to my attention. I have already had a preliminary discussion with the Royal Canadian Mounted Police and have asked the R.C.M.P. for a full briefing on the matter. At that time I will be looking at the policy in depth.

Mr. Speaker: The last question for the Question Period will go the Hon. Member for York East.

* * *

NATIONAL DEFENCE

POSSIBLE EFFECT OF CLOSURE OF PORTS TO NUCLEAR POWERED SHIPS

Mr. Alan Redway (York East): Mr. Speaker, my question is for the Minister of National Defence. Some time ago New Zealand closed its ports to ships that were powered by nuclear fuel. This past weekend the New Democratic Party committed itself to a similar policy. Would the Minister advise the House what effect such a policy would have on Canada and, in particular, upon its membership in NATO and NORAD?

Hon. Perrin Beatty (Minister of National Defence): Mr. Speaker, such a policy would require us to turn back ships from allied nations. The effect on New Zealand of its policy has been to damage its defence relationships severely with other friendly powers around the world. It is a policy that would be very damaging to Canada's national defence interests.

Mr. Broadbent: Do you believe that?

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Hon. Herb Gray (Windsor West): Mr. Speaker, I would like to ask the customary question of the Government House Leader as to what business for the Government he intends to call for the coming week.

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Yes, Mr. Speaker, I would be glad to. I must say that I was rather surprised in the Question Period today—and it clearly demonstrates how badly the opposition Parties are out of touch when they fail to recognize the economic realities in the country—not to hear that we have the lowest interest rate in thirteen and a half years of 7.14 per cent.

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Speaker: There are some things, I suppose, that create certain temptations in the Chamber. The Hon. Member for Windsor West (Mr. Gray) has asked a question of the Hon. Deputy Prime Minister (Mr. Mazankowski) with respect to the business—

Mr. Gray (Windsor West): I have asked the question. If he wants to talk about records, he should talk about—

Some Hon. Members: Order.

Mr. Speaker: Perhaps the Hon. Deputy Prime Minister would like to respond.

Mr. Tobin: Mr. Speaker, I rise on a point of order.

Mr. Speaker: The Hon. Member for Humber—Port au Port—St. Barbe (Mr. Tobin).

Mr. Tobin: Mr. Speaker, I think it behooves the House to remember that yesterday was St. Paddy's Day and that if the Deputy Prime Minister wants to practise blarney, yesterday was the day to do it.

Some Hon. Members: Oh, oh!

Mr. Speaker: The Hon. Member has, of course, as have all Hon. Members, the right to think anything he wants about what was yesterday. It is not for the Chair to point out that today is March 19.

Some Hon. Members: Oh, oh!

Mr. Speaker: In any event, the Deputy Prime Minister has the floor.

Mr. Murphy: Perhaps he can say something intelligent.

Mr. Mazankowski: Mr. Speaker, we know that the Hon. Member who just spoke is noted for his blarney, but he is also noted for the fact that he is quite a politician. He just came back from Newfoundland after deposing his provincial leader.

Some Hon. Members: Oh, oh!

Mr. Speaker: Perhaps I should share with Hon. Members that the Hon. Member for Humber—Port au Port—St. Barbe (Mr. Tobin) pointed out that in Newfoundland they celebrate St. Patrick's Day for two days.

Some Hon. Members: Oh, oh!

Mr. Speaker: But if we do not get to the business of the day, we will be here for a couple of days. The Hon. Deputy Prime Minister has the floor.

Mr. Mazankowski: Mr. Speaker, today we will continue with Bill C-44. My understanding is that there is an agreement among all Parties to conclude this piece of legislation in all stages.

Mr. Garneau: If you don't make any more statements.

Mr. Mazankowski: I will not make any more statements, provided the Hon. Member does not extend me the invitation.

We will complete Bill C-44 today. Friday will be an allotted day; Monday next will be an allotted day; Tuesday will be an allotted day; Wednesday we will proceed with Bills C-43 and C-45. I understand that there has been some discussion with regard to the expeditious passage of those two pieces of legislation. Bill C-38 on Teleglobe will follow, being at report stage.

• (1510)

Mr. Murphy: Madam Speaker, just to clarify, I think the Government House Leader meant to say, although he seemed to use a lot of verbiage today, that there was agreement for second reading today. The reason our NDP caucus gave agreement to that was to ensure that the many witnesses who wish to appear on the equalization legislation will have the opportunity to do so all of next week and into the week following.

Mr. Mazankowski: Madam Speaker, I am sorry, the Hon. Member is correct. It was a misunderstanding on my part.

GOVERNMENT ORDERS

[*English*]

FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS AND FEDERAL POST-SECONDARY EDUCATION AND HEALTH CONTRIBUTIONS ACT, 1977

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Wilson (Etobicoke Centre) that Bill C-44, an Act to amend the Federal-Provincial Fiscal Arrangements and Federal Post-Secondary Education and Health Contributions Act, 1977, be read the second time and referred to a legislative committee.

Mr. George Minaker (Winnipeg—St. James): Madam Speaker, before we broke for dinner today, I was indicating why I supported Bill C-44, the equalization payment Bill. I would like to recap my remarks and, in the 10 minutes I have left, highlight some of the reasons for my support of Bill C-44.

First, equalization payments for this year and next are increasing. Members of the Opposition have tried to imply that the equalization payments will not increase and I would like to put on record that in 1987-88, equalization payments for the provinces that receive them will be increasing from $5.3 billion to $5.6 billion and in 1988-89 they will increase to $5.9 billion. That is an increase of well over 5 per cent per year and it is in addition to the forgiveness of the over-payment which will amount to somewhere in the neighbourhood of $270 million.

The Hon. Member for Laval-des-Rapides (Mr. Garneau) indicated earlier in his debate that the net forgiveness clause in the Bill would interfere with and cancel out the technical increases, but that is not correct. I do not know if the Hon. Member misunderstood the Bill or if he was trying to mislead the House, but there is no way to connect the net forgiveness in the over-payment with the technical changes. The technical changes are for future years while the forgiveness in the over-payment is for the past two years.

The Hon. Member for Churchill (Mr. Murphy) as well as the Hon. Member for Laval-des-Rapides implied that the Minister of Finance (Mr. Wilson) had indicated that the technical changes would be handled in one year. I would like to remind Hon. Members that the Minister of Finance indicated very clearly on December 17 in the House of Commons, in response to a question put by the Hon. Member for Oshawa (Mr. Broadbent), the following:

> Mr. Speaker, this proposal was made by officials of the provincial and federal Governments. The offer did not come from the federal Government. I told the provinces yesterday and last Friday that the federal Government could not possibly accept the one-year proposal. We were agreeable to an increase over two years, and that is what our Government has decided. This is in addition to the increase from 4 to 6 per cent in the annual increment for the equalization program.

The Hon. Member for Laval-des-Rapides indicated, I believe, that there would be a $400 million loss in the major transfer payments. Again, that is incorrect. I would like to make it very clear to the House and to Canadians that the major federal transfers which are made up of the equalization payments, the EPF and the Canada Assistance payments totalled $25.887 billion in 1986-87. The major federal transfers will be increased in the coming year to $27.328 billion, for a total increase to all the provinces of $1.44 billion. That is a lot of money. I like to say it is 27,328 millions of dollars in transfers to the provinces. In addition to that, another $2.5 billion will go to the provinces. I believe it is very clear that the payments are increasing.

I would like to comment on what this means to the province in which I live, Manitoba. The 1987 Manitoba Budget in Brief, under the heading "A Good Place to Live and Work", says that Manitoba's economic performance has been above average for Canada and is expected to lead other provinces again in 1987. The total transfer payments to Manitoba will represent $1.312 billion this year. Manitoba's Budget indicates that the budgetary expenditure for the Province of Manitoba this year will be $4.188 billion. The budgetary revenue, the amount of money collected through taxes and from the transfers from the federal Government, will represent $3.773, resulting in a net deficit budget requirement of $415 million. The $1.312 billion that the federal Government will be transferring to the province in the coming year compared to the $3.773 billion that will be collected means that over 35 cents of every dollar raised in Manitoba will be coming from federal transfer payments. At that point, the provincial Government must take some responsibility. If it wishes to spend on programs, many of which I support, then I believe it is also its responsibility to raise the revenues and not just get the money from the federal Government. As I mentioned earlier, there is only one federal taxpayer, there is only one provincial taxpayer and there is only one municipal taxpayer.

I believe Governments should be responsible. The federal Government has been responsible in trying to control the deficit. As the Hon. Deputy Prime Minister (Mr. Mazankowski) just mentioned a few moments ago, the Bank of Canada interest rate has fallen to 7.14 per cent today. What does that mean to the provinces? Most of the provinces have accumulated debts on which they will be paying lower interest charges this year. Even the Hon. Member for Winnipeg North Centre (Mr. Keeper) recognized the other day that the lower interest rate will be beneficial to the provinces.

Why is the interest rate lower? It is because the people of the world know that Canada is trying to control its debt. As a result, they have confidence in our dollar. The interest rate has gone down because of the confidence in the dollar. Inflation is down. This will benefit all the different levels of Government. I say that the different levels of Government must take some responsibility and I call upon them to be fair about this.

The equalization payments to Manitoba this year will be $441 million for 1986-87 and they will grow to $469 million in 1987-88. That represents roughly $435 per person and accounts for more than 10 per cent of the actual revenue collected in the province. That is unconditional money. There are no strings attached to it whatsoever. The province can do whatever it wants with that money.

• (1520)

As well, my province benefited from the estimate of the number of people in the province to the tune of another $15 million this year. Instead of being forgiven an overpayment, the province will receive an extra $15 million. When we add up the $1.312 billion the province will receive from the federal Government, it means in excess of $1,200 per person. I commend our Government for that. As I indicated earlier, this will account for approximately 35 per cent of the Manitoba Budget, not counting the money it has to borrow. This is a 6 per cent increase in a province which is one of the leaders in economic growth in Canada.

I know we all benefit from equalization payments. I know Manitoba benefits quite well. It is in our Constitution and I support it. We have to recognize the different regions of our country and the fact we should all have a certain quality of life regardless of where we live.

The Acting Speaker (Mrs. Champagne): Questions or comments.

Mr. Garneau: Madam Speaker, my friend just said I was incorrect when I suggested in my speech earlier today that if the Minister of Finance (Mr. Wilson) forgave the recovery of equalization payments from previous years, that would be balanced by the technical changes brought about by this legislation. I would like to remind my colleague that the Minister, in his statement on March 11 in this House, said:

> That is to say, the amounts due the federal Government as a result of the census will be forgiven to the extent that they exceed future increases in equalization entitlements—

I also referred to the reaction of the Premier of Newfoundland. He said he was disappointed because of the way the Minister of Finance decided to apply the results of the mid-term census. I would like the Hon. Member to read the ministerial statement and perhaps retract what he said. It is not my interpretation of what he said, it is exactly what the Minister said in the House, that it would be applied "to the extent that they exceed future increases in equalization entitlements". I hope the Hon. Member will read that. If he does he will probably agree that this is the way the Minister decided to apply the regulations.

Mr. Minaker: Madam Speaker, I am very happy to have the opportunity to answer the question. If the Hon. Member would continue to read the statement I think it would become more apparent. He has left out the tail end of it. It says:

> That is to say, the amounts due the federal Government as a result of the census will be forgiven to the extent that they exceed future increases in equalization entitlements, for those same two fiscal years,—

That is, the years 1985-86 and 1986-87. The Minister went on to say:

> —which may arise as a result of changes in other financial and economic data relevant to the equalization formula.

That is for the past two years. Perhaps it is a misunderstanding on the part of the Hon. Member but it relates to the years 1985-86 and 1986-87 and would not affect future years. That is the way it was explained to me by the Minister's Department.

Mr. Peterson: Madam Speaker, I listened with great interest to the Hon. Member's comments about the unconditional nature of equalization payments. I am especially interested in the way they have been applied. Would the Member comment on how some of those funds have been applied by his Province of Manitoba, especially in light of the large deficits incurred by the present Government?

Mr. Minaker: Madam Speaker, I do not really want to get into details on how the provincial Government spends its money. I left that arena and I am in this arena now. I do not necessarily agree with all the ways the money is spent, but I cannot agree with the large deficit. It is very clear that we as a federal Government are starting to control the deficit and bringing it down. That has resulted in an interest rate of 7.14 per cent being set today. There will be benefits for my province and the province of the Hon. Member because of that. The provinces have a very large public debt and this interest rate will obviously be of benefit. One of the main reasons we have this low interest rate is our Government's stand on the deficit. The rest of the world knows we are committed to reducing it, and that is why the value of our dollar is up and interest rates are down.

Mr. McKenzie: Madam Speaker, I would like to congratulate my colleague, the Hon. Member for Winnipeg—St. James (Mr. Minaker) for straightening out the Hon. Member for Laval-des-Rapides (Mr. Garneau). That Hon. Member seems to be thoroughly confused about the national debt. I saw him on national television a couple of weeks ago misinforming and handing out false information to the Canadian people. He called this Government's Minister of Finance (Mr. Wilson) the king of deficits. I am sure he is a little confused. What he should have said was that it was the Right Hon. Member for Vancouver Quadra (Mr. Turner) who was the architect of our national debt.

I will explain to him what happened and how we got into this ridiculous situation under successive Liberal Governments. In 1972, when the Right Hon. Member for Vancouver Quadra was the Minister of Finance, he inherited a surplus of $700 million. In 1975 he left and there was a deficit of almost $5 billion. That is referred to as the Turner formula. The Right Hon. Member introduced blank cheque government to this country, uncontrolled spending and the encouraging of empire-building. The Liberals did not even know how many Crown corporations they had. That formula was carried on by Macdonald, MacEachen, Chrétien and all the rest. That Turner blank cheque formula was stopped in 1984. If we had not taken control of expenditures the deficit would be $42 billion this year. We have reduced it by $10 billion.

It is very easy to be a Liberal or a New Democrat. They have one theory and one philosophy. You solve all problems by spending more money. About 90 per cent of the questions they

ask in this House, including those from the Rat Pack, are concerned with giving everyone more money. Everyone is to get more money from the Government. They never explain where all of that money is to come from.

Mr. Gauthier: Point of order, Madam Speaker. The 10-minute period is restricted to questions and comments on the speech of an Hon. Member. That Member across the way is not doing that. He is just giving us a lot of blah-blah, superfluous verbiage, and everything else. I ask him to ask a question or sit down.

An Hon. Member: The truth hurts.

The Acting Speaker (Mrs. Champagne): I am sure the Hon. Member believes what he just said, but I think the Hon. Member was commenting. The Hon. Member for Winnipeg—St. James (Mr. Minaker) may have a comment on the comment of his colleague.

• (1530)

Mr. Minaker: Madam Speaker, first I must concur with my colleague that the large deficit that was accumulated under the former Liberal Government has affected our Government's ability to fund the equalization payments to the provinces. I am sure that our Government would like to give the provinces more money but they have to recognize, as I stated before lunch, that presently 80 cents out of every dollar paid in federal income tax goes to pay the interest on the outstanding debt. We are strained financially to give the provinces more money when only 20 cents out of every dollar remains to deal with that problem. While there is other tax revenue, 80 cents out of every dollar in federal income tax goes to pay the interest on the outstanding debt and that is why we must get control of the deficit, as my hon. colleague indicated.

Mr. Murphy: Madam Speaker, the Hon. Member for Winnipeg—St. James (Mr. Minaker) said that he was concerned about the growing deficit in Manitoba. I am sure that he is also concerned about the more rapidly increasing deficit in Saskatchewan and the increasing deficits in British Columbia and a number of other Conservative and neo-Conservative provinces. How do the provinces decrease these deficits when the federal Government has removed more and more money in Established Programs Financing?

The Hon. Member, who was on the committee, knows that there is $5.6 billion less going to the provinces through EPF financing because of the formula passed by the federal Government last year. Yet the money that is coming from the equalization will not even cover that. Therefore, automatically the deficits in the provinces must increase. Will the Hon. Member explain his comment about a need for reduced deficits in the provinces when the federal Government is not doing its share in meeting the needs of those provinces?

Mr. Minaker: Madam Speaker, the major federal transfers have increased, not decreased as the Hon Member has indicated. They will increase in excess of 5 per cent per year. The money being spent in this particular envelope represents the fastest growing expenditure of the federal Government.

In Manitoba, the EPF payment in 1985-86 was $610 billion, in 1986-87 it will be $648 billion, and in 1987-88 it will be $681 billion. It increases quite substantially every year, in excess of some 6 per cent per year.

[*Translation*]

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Madam Speaker, I welcome this opportunity to take part in the debate on a Bill that concerns equalization payments and cash transfers to the provinces. Madam Speaker, being a Quebecer yourself, you will understand my reaction. Today's poll shows that 50 per cent would have voted for the Liberals and 17 per cent for the Conservatives. It is just as well the polling firm did not include the Rhinoceros Party in its questionnaire, because the Conservatives would have come fourth with 7 per cent, while the Rhinoceros Party would have had 10 per cent. And when you watch the Government and the Prime Minister, I think they are just as entertaining as the Rhinos.

On the subject of equalization payments, Mr. Gérard D. Lévesque, the Quebec Minister of Finance, and the Hon. Robert Bourassa, the Premier of Quebec and a man I hold in high esteem, who has made his mark and has shown a great deal of courage, both these gentlemen are demanding the province's fair share. We are not asking for sympathy. We are not asking for charity. We are asking for our fair share.

At this very moment, the Government of Quebec is claiming $91 million it is owed by the federal Government.

I have here a document dated April 2, 1985. Of course the House is well aware Premier Bourassa is a Member of the Liberal Party. For Quebec, however, it is not a matter of politics, it is a matter of justice. The document in question was signed by Mr. Yves Duhaime, then Minister of Finance in the Parti Québécois Government, and like Premier Bourassa and Quebec Minister of Finance, Mr. Gérard D. Lévesque, he was claiming reimbursement of money owed and felt that the way Quebecers were being treated by this Conservative Government was entirely unfair and unacceptable. At the time, they were claiming $81 million, as a result of the inaction and incompetence of this Government, the Minister of Finance and the Prime Minister. And today, Quebec is still lagging behind.

What are the consequences of this lack of cash transfers from the federal Government to Quebecers? It has meant a loss of billions of dollars for secondary education, health insurance and hospital insurance programs. Who is affected by this situation? If it were just a quarrel or a conflict between the Quebec Minister of Finance and the Minister of Finance in Ottawa, a personality conflict, for instance, his limousine is bigger than mine or one Minister travels more than the other, I wouldn't even bother. However, the consequences are borne by ordinary citizens. Less money for post-secondary education will penalize our sons and daughters. There will be less money to educate our children. More poor families will have to let

their children join the labour market instead of finishing school.

As for the cutbacks in health care, they affect our families, our children, and the entire population of Quebec, especially as far as health care and hospital services are concerned in regions such as Bellechasse and the Saguenay—Lac-Saint-Jean, where it is more difficult to find doctors and adequate services such as exist in the major centres like Montreal and Quebec City, where the people are well taken care of and where there are full services in community centres, as well as accommodations and emergency home services.

The media often tell us about the overcrowding in the emergency rooms of our hospitals. The Quebec Minister of Health and Welfare, Mrs. Lavoie-Roux, is finding it very difficult to solve this problem, even though everyone in Quebec would like to do so, whether they are Péquistes, Liberals or something else, but whenever they sit down at a table to try to find an answer, someone very, very smart in Ottawa says that he will cut off their funds. This reminds me of what happened yesterday. Since I am speaking about senior citizens and early retirement . . . I can see Conservative Members from Quebec, who are always ready to applaud anything that the Minister says. They act like clowns, they always smile and say that everything is perfect. As for me, I have worked on three rather important issues, and in the case of senior citizens who demanded justice once for six weeks and then for 14 months, the Government finally had to admit that a mistake had been made. Then how come with old age security pension indexing, senior citizens had to demonstrate on Parliament Hill. Mrs. Denis even had to address the Prime Minister (Mr. Mulroney) sharply and Members of the Opposition had to complain for weeks before the Government admitted it was wrong?

• (1540)

In the field of health, the same thing happened with the 10 percent tax on medecine. Together with Members of the Opposition, people suffering from diabetes, cardio-vascular and respiratory diseases had to constantly pressure the Government for four or five months to bring the Prime Minister and the Cabinet to the realization that they had made a mistake. Tory Members never rise in the House to protect the interests of these people.

Again, yesterday, the 35,000 early retirees in Canada, including 13,000 in Quebec, have succeeded and forced the Minister of Employment and Immigration for the first time and the Prime Minister for the third time to admit that they had been wrong. But why is it that no Tory Member in the House, whether representing Quebec, Alberta, Ontario, Atlantic or Western Canada, has ever managed to convince the Prime Minister by telling him: My dear Prime Minister, you are dead wrong.

For instance, let us look at matters strictly of interest to Quebec. The aerospace centre for instance. There again, Quebec is about to be hoodwinked. The same thing in the case of equalization payments, tax point transfers, post-secondary education, as well as health programs and hospitalization services.

Let us take for instance the famous promise concerning the Banking Centre in Montreal. Everybody here knows that I am a Montrealer, beside being a Quebecer and a Canadian. I am a citizen of the Montreal—Sainte-Marie riding. The formal promise made by the Prime Miniser to Montrealers: the International Banking Centre will solve all your problems. In fact, what we got was a night counter, a night teller. The guy who lives far away would be able to make a deposit in Montreal at night. That is of no use; it is a joke. These are nothing but half-measures.

There are other Quebec programs, including equalization, which have been poorly put together including the cleaning up of the St. Lawrence River polluted water which is again in the news. Mr. Clift Lincoln, the Quebec Minister of Environment, is not asking for a hand out but something similar to what other provinces have already received, in order to help Quebec clean up the St. Lawrence River.

In view of the fact that this request came from Quebec, the federal response, as in the area of equalization, is no. Another similar issue—you know that over the past few months, a large number of refugees have come to the province of Quebec, to Montreal. Faced with this situation, Mrs. Robic, the Quebec Minister responsible for ethnic groups, turned to Ottawa and ever so gently asked for assistance, in view of this particular situation, to help Quebec foot the bill. Again, because it was a Quebec request, the answer was no.

There were also requests for funds to help Montreal-East and the shipyards. Quebec shipyards still have a major role to play and used to be a job creation industry. Let us look at the Lauzon shipyards near Quebec City. In four instances, six months ago, the Minister of Regional Industrial Expansion promised those people that 1,000 workers would be hired to work there. There are now approximately ten workers in the yards, and the 1,000 others who expected to get jobs on the construction of the Caribou II have just been told that this may have to wait until next October. So there is another delay.

At the Sorel shipyards, which have quite a reputation, the Marine Industries yards, there again 200 layoffs are expected within the next two months. The only remaining work involves contracts that were awarded by the previous Liberal Government.

And at the *Versatile Vickers* yards, well, two weeks from now the naval section in Montreal will be shut down.

There you have 5,000 Quebec workers who have been demonstrating for the past year and a half. All the employees of all the companies have been here on Parliament Hill. They have met with the Hon. Member for Lévis (Mr. Fontaine), the Minister of Regional Industrial Expansion, with Members from the entire Quebec region. On each occasion there were promises, but again not one darn job has yet been created.

The same thing goes for Sorel. The former Minister of Regional Industrial Expansion (Mr. Côté) told on Parliament Hill: "That is settled. Don't worry, fellows, I am looking after that." He has looked after himself, and is no longer a minister.

Same thing in Montreal. There was the President of the Treasury Board (Mr. de Cotret)—when the Montreal East end issue came up, there were five Ministers dealing with it, five Ministers on that committee: The President of the Treasury Board, the former Minister of Environment, the now Minister of Employment and Immigration (Mr. Bouchard) and the former Minister of State for Small Businesses. Two Ministers had to resign from that committee. They were never replaced. And not a single job has yet been created in Montreal East end.

If the Gulf refinery is in operation, it is thanks to a Minister in Quebec, the Minister of Energy, Mr. Ciaccia, who decided to roll up his sleeves. Now, 250 employees are working there. It is not because of the Hon. Member for Montreal—Mercier (Mrs. Jacques), the Hon. Member for Gamelin (Mr. Gravel), nor the Hon. Member for Hochelaga—Maisonneuve (Mr. Desrosiers). It is simply because people in Montreal East end, whether PQ, Liberals, members of the Civic Party, of the RCM, representatives of all labour federations, union and non-union people, they all joined in. The only ones who bickered among themselves in public were Conservative Members.

What about the Matane paper mill, the Desbiens paper mill, potato producers? We see another injustice there. Even the Minister of Employment and Immigration and the Prime Minister were sent in to open the Matane paper mill. There was a big party. After the party, pictures were taken. Two weeks later they were announcing: No, no go! Nothing has been started yet. Words again! That is all our national camera kid can do, give a small handshake. I will settle all that. You may be sure that at the present rate, you will get nothing.

Let us look at what is going on in the footwear industry or better still with the former Melchers employees. The matter was thought to be solved. They were in to meet me as recently as two months ago asking me to intervene because they were unable to meet their Member who is a minister of the Crown, the Hon. Member for Berthier—Maskinongé—Lanaudière (Mr. de Cotret).

Now, the footwear industry. In the past, the Quebec caucus had always stood against the officials and even the Prime Minister who was opposed to quotas, to protect the footwear industry. What did the Quebec Tory Members do? *Niet*. Nothing. Footwear quotas were removed. They all applauded because the then Minister said in his speech: "No problem!" What is going on today? One year later, 4,000 jobs have been lost. Industries have been affected not only in the Montreal area but also in Trois Rivières, and Shawinigan where large manufactures were providing jobs which fostered regional economy.

• (1550)

I see that the Minister of Labour (Mr. Cadieux) is here and this reminds me of another project. There was the preretirement plan in designated sectors or for the so-called designated industries and I will explain, Madam Speaker. The footwear industry as well as the textile and clothing industries had a program in designated districts such as the Thetford and Sorel areas as well as in other areas which could also make use of it. Under that program, if the footwear industry as a result of modernization or changes had to dismiss some of its employees, workers aged 55 years or over were eligible to what was called preretirement under the unemployment insurance scheme which allowed those workers who had not found jobs in their areas to draw unemployment insurance benefits up to their age of retirement. It is an vital program in remote areas. The Government, the Minister of Finance announced a new adjustment program for workers. And all of a sudden, the Minister of Employment and Immigration and the Minister of Labour terminated the existing program which gave early retirees the right to collect unemployment insurance benefits. In their announcements, they said: We are going to negotiate a new adjustment program for workers with the provinces, and the program will be retroactive. This was six months ago, and nothing has been done yet. The Minister of Labour is there, but nothing has been done. If a plant or a factory closes tomorrow, no one will be entitled to the safeguards of this program. This is another instance where the federal Government wanted to save on unemployment insurance benefits. It wanted to give less than welfare, and it was asking the provinces to make up the difference. And that is why the Minister of Labour cannot rise in the House and say: Mr. Malépart or the Hon. Member for Montreal—Sainte-Marie is wrong, we have an excellent program. There is no program. So far there has been no progress whatsoever. And not a single Conservative Member has raised this point. I have the impression they didn't know and that it is definitely news to them. I only hope that at least the Minister of Labour, a good Quebecer, realizes things are not going according to plan and that although so far he has been left in peace, this may be the next issue to get a going over. I advise him not to follow the example of his other colleagues and to settle before he is forced to. I think we have here a series of issues that clearly show . . . It is not surprising why only 17 per cent of the people of Quebec trust the Conservatives and that between 71 and 76 per cent do not trust the Prime Minister and the Conservative Government. It is all quite simple. The evidence is there and these are the people speaking. These are the people who elected this Government and who are now prepared to throw them out tomorrow. I have the impression that the longer they postpone the election, the fewer Conservative Members they will have left. They will be an endangered species!

Madam Speaker, since I have only one minute left, I want to urge Members from Quebec to sit up and take notice! I think it is high time somebody rose in the House and told the Minister . . . In fact, to be honest, two of them did. The Hon.

Member for La Prairie (Mr. Jourdenais) rose today to speak to the matter of unemployment insurance, and he said: The Minister of Employment and Immigration and the Prime Minister are wrong. The Hon. Member for Hochelaga—Maisonneuve (Mr. Desrosiers) had the courage to rise. He doesn't follow the herd. He said: As far as unemployment insurance benefits and pension plans are concerned, my Prime Minister and the Minister of Employment and Immigration are wrong. That makes two of them. But is anyone going to rise in the House and say: Is the Prime Minister going to do something about equalization, justice for Quebec, the programs Quebec is claiming and the twenty-one dossiers that are pending?

Mr. Cadieux: Madam Speaker, I am somewhat hesitant to rise today because I would not want to give too much significance to what my colleague has just said. Still, if only for the record, I should like to indicate that the program to which my colleague referred, what he called the pre-retirement program, was the then Liberal Government Labour Adjustment Program which was slated to end in 1985. We did extend it for one year to find a better substitute, not something which would apply only to designated sectors but a program designed for all sectors with a view to protecting and helping all older workers, not just some of them. I will certainly have more to say about this once the program is ready for implementation, but I have no intention of promoting it before it is unveiled.

Mr. Malépart: Madam Speaker, at least I woke up one of them long enough for him to rise. Sad to say, as usual he is off on a tangent. True, the program was to end, but then all programs come to an end with a change in Government, there is nothing new in that. But if a program is working out well it should be extended. But can the Minister explain to me on the basis of what principle would his Government end a program and say: We have something better, but we do not know when it will be ready . Would any sensible person behave like that? I understand, the Minister says: I cannot go into the details of the program today. There are no details, the whole thing does not work. But the problem . . . If he had said: There is a good solution, here is the future program, this gives you an idea but in the meantime the programs designed for soft sectors or designated areas will continue to apply. On the other hand, he tells others: You are the most underprivileged and you are having problems in your regions, but I shall solve everything and help everyone throughout the country; however, I do not know when I can find the solution; here is how we are going to do it. I can understand that the Minister is ashamed about this and does not want to say anything. I would do the same in his place and I would remain silent. He is asking the provinces to share.

Madam Speaker, I am happy that one member opposite at least did speak up. We heard that he is Minister of Labour. No one knew it. I took it upon myself to make this fact known. However, I trust that he will now rise and tell us that such or such a program exists for the good of the community, but not like he has been doing to this point.

Mr. Cadieux: Madam Speaker, I am certainly not ashamed to ask the provinces to help older workers because I believe that all Governments should do something for these people. They should not discriminate and take care only of certain regions, because there are older workers in the Montreal region who were perhaps not specifically covered by the old program in the constituency of my hon. friend and who will be protected by the new program when it comes into effect.

In the meantime, Madam Speaker, the workers are protected since these programs come into affect only after all other benefits, including unemployment insurance, are exhausted. If my hon. friend knows how to consult a calendar, he will realize that no one has ever lost any benefits because of this.

Mr. Malépart: Madam Speaker, I do not know whether the Hon. Member comes from a wealthy family, but he does not understand the effects of such a delay. When someone does not know what to expect after six months, he becomes worried and nervous. If the Hon. Member comes from a wealthy family and relied on his father to pay all the bills, I can understand that he would have no idea about what such a situation means. The Government is asking the provinces to share, it is reducing equalization entitlements and the amounts allocated to help older workers. If the Federal Government had shown some generosity, it would have said: We are allocating the same amount to help all the workers throughout the regions, but since we want to cover the entire country, we shall ask the provinces to put up an equal amount.

Instead, the Minister is cutting back the amounts allocated to older workers to reduce the deficit, to help people with bank deposits of over $60,000 and to spend $56 million on new uniforms which had to be thrown out later because they smelled bad. Then, the Minister asks the provinces to make up the difference. The older workers do not benefit; the Federal Government is simply helping its own friends.

Mr. Cadieux: Madam Speaker, I would not insist on depriving Hon. Members from their right to speak in other circumstances, but I think there is a limit to distorting facts. And I think the Hon. Member is quite aware that senior citizens should be helped, not scared. The program in question will be a better program if only, Madam Speaker, because it will apply to all senior workers rather than to only some of them. And again, if the Hon. Member could look at the amount of funding that has been provided for that program, and the extension of benefits under the previous program, he would realize that not only have we made no cuts, but we had the benefits increased.

• (1600)

Mr. Malépart: This is a darn good debate. We succeeded in waking him up for once, but he is still beside the track. The amounts of money he wants to provide to senior workers fall short of what they used to be. This is what he calls helping senior workers, taking money away from the poor in order to give it to the rich. I realize this is his leader's philosophy, but

these are the facts. Indeed, the Hon. Member for Bellechasse (Mr. Blais) is here. The Marine Industries workers in Sorel met with the Minister. They met with the Minister, and they would like to have . . . because their industry was designated—they would like to avail themselves of the program that we used to call in popular language—I understand that Minister is somewhat high-browed—but people who are working at Marine Industries, the fellow who used to be a welder would like at age 57 or 58 to benefit from the previous program. But they cannot. Those people, they are the youngest ones, are forced into unemployment because you have ended that program. They would like to claim entitlement to the previous program. But then you say about your new program—and Lamoureux, Chairman of the Marine Industries workers' union, went to see you, but the program you are offering only provides for ridiculous amounts. Less than the Quebec welfare. It is therefore unaceptable for this Government to brag about helping senior workers. Your performance is bad. You were one of the Ministers, one of the Members who supported the Government move to de-index old age security pensions. You said nothing when you cut, when you took unemployment insurance away from those workers who had gone to an early retirement in order to help the younger ones, but there again you are penalizing people in the future.

So you are in no position to give any lesson to anybody with respect to senior citizens.

Mr. Cadieux: Madam Speaker, on a point of order.

The Acting Speaker (Mrs. Champagne): The Hon. Minister of Labour (Mr. Cadieux) on a point of order.

Mr. Cadieux: First, Madam Speaker, I prefer keeping my mouth shut to speaking and having nothing to say. As for being high-browed, Madam Speaker, I view this as an additional asset.

The Acting Speaker (Mrs. Champagne): The Hon. Member for Bellechasse and Parliamentary Secretary to the Deputy Prime Minister and President of the Privy Council (Mr. Blais).

Mr. Blais: Madam Speaker—

Mr. Malépart: On a point of order, Madam Speaker.

The Acting Speaker (Mrs. Champagne): No. The Minister of Labour has already risen on a point of order.

Mr. Malépart: On a point of order, Madam Speaker.

The Acting Speaker (Mrs. Champagne): On a point of order, the Hon. Member for Montreal—Sainte-Marie (Mr. Malépart).

Mr. Malépart: Madam Speaker . . . Either you sit down, or I will. One of us must sit down.

With regard to the point of order, Madam Speaker, the Minister says that there is nothing wrong with being an intellectual, but it is sometimes important for intellectuals to think about the people.

Mr. Cadieux: Madam Speaker, I rise on a point of Order.

The Acting Speaker (Mrs. Champagne): The Hon. Minister of Labour rises on a point of Order.

Mr. Cadieux: Madam Speaker, I said that it was an additional asset meaning you can still have others.

Mr. Malépart: Madam Speaker, I rise on a point of Order.

The Acting Speaker (Mrs. Champagne): Order! Order, please! I am sure that both sides of the House realize that these are not points of order. In fact, only two and a half or three minutes remain to the question and comment period. I will recognize the Hon. Member for Bellechasse, the Parliamentary Secretary to the Deputy Prime Minister (Mr. Blais).

Mr. Blais: Madam Speaker, I have a comment to make on this because they are just trying to—

Mr. Malépart: I woke you up.

Mr. Blais: Yes, you did. You wake us up or you think you do with this nonsense, but when you talk about job creation, and about Bellechasse—well, I am not near Sorel, being a 175 miles away from it. At least, to begin with, you could check your geography. Since you are referring to Bellechasse, some 1,100 jobs were created over the past few months to replace the 2,500 which had been lost during the terrible time of your administration. I want to tell the Hon. Member for Montreal—Sainte-Marie that was the reason why Bellechasse was a designated area. But today, it could no longer be recognized as a designated area, because the economic situation has greatly improved.

All you have managed to do is to spread fear in the Montreal area. The Minister of Labour has just said so.

The Acting Speaker (Mrs. Champagne): I urged the Hon. Member for Bellechasse to address the Chair when talking to his colleagues.

Mr. Blais: I am sorry, Madam Speaker. It is easy sometimes, because of a bad influence to forget.

In the footwear industry alone, which he mentioned a while ago, nearly 1,000 jobs, approximately 900 in Quebec, have been created by the Taurus Company. You should listen instead. Those are statistical data. There are 200 in Montreal, 200 also in the riding, Madam Speaker. These are employment figures, some 40,000 in Quebec, 700,000 in Canada. That is what you should talk about, and there are several also in the Montreal area. With regard to the shipyard issue which you raised, you are hellbent on frightening everybody; you were never concerned with rationalization. What did the Hon. Member for Winnipeg—Assiniboia (Mr. Mckenzie) tell you this afternoon? He stated very clearly that your philosophy and that of your bosom buddies from the New Democratic

Party are based on spending. The hell with spending! It does not matter how much you spend; what matters is to get reelected.

Mr. Malépart: Bissonnette and Stevens never spent money?

Mr. Blais: With the Laprade fund, you wasted $100 million building picnic tables and painting churches. The money we spend is used to create permanent jobs in all Quebec ridings, in the Beauce area, in Bellechasse, in Quebec East, in Vaudreuil, that is what we tried to do. It is easy for you to try to flatter the humble people as you call them. I see you are laughing. I do not know if you are laughing at them, but we do respect them.

Mr. Rossi: What do you have against churches?

Mr. Blais: We should begin by balancing the budget of those people and act in such way that our expenditures which have been increasing for years, the huge deficit burdening Canadian taxpayers—

Mr. Rossi: What do you have against churches?

Mr. Malépart: Do you want an answer? Are you afraid of it?

Mr. Blais: This is a comment. I am asking you the following simple question.

Mr. Rossi: What do you have against churches? Tell it to your bishop!

Mr. Blais: I have nothing against churches!

Mr. Rossi: This is not what you have just said!

Mr. Blais: I met my bishop last week and I am in a state of grace!

Mr. Rossi: In a state of grace!

The Acting Speaker (Mrs. Champagne): Order. In all fairness, I will give a minute to the Hon. Member for Montreal—Sainte-Marie (Mr. Malépart) to conclude before resuming debate.

Mr. Malépart: Madam Speaker, that will be enough, after having heard such inane talk. There are a million and a half unemployed, a million and a half jobless—

Mr. Blais: I rise on a point of order, Madam Speaker!

The Acting Speaker (Mrs. Champagne): I am sorry, the Chair shall not entertain that point of order. On the other hand, given the comments made by the Hon. Member for Montreal—Sainte-Marie, I shall end the debate as of now.

Mr. Garneau: Why?

The Acting Speaker (Mrs. Champagne): Debate. The Hon. Member for Ottawa Centre (Mr. Cassidy).

Mr. Malépart: I rise on a point of order, Madam Speaker.

The Acting Speaker (Mrs. Champagne): The Hon. Member for Montreal—Sainte-Marie (Mr. Malépart) rises on a point of order.

Mr. Malépart: Madam Speaker, I am no expert on procedural matters, but since when, and I would like someone from the Table to fill you in on this, since when can someone, a Speaker of the House, on the basis of comments such as those, decide to take away a minute of speech time from a Member of the House, once it has been granted? I find your attitude unacceptable and partisan, Madam Speaker—

An Hon. Member: Oh! Oh!

Mr. Malépart: You might consider handing in your resignation!

Mr. Blais: How low can you go?

Mr. Rossi: He is entitled to that minute!

The Acting Speaker (Mrs. Champagne): Order!

Mrs. Duplessis: But he has no right to insult her!

The Acting Speaker (Mrs. Champagne): Order, I would like to inform the Hon. Member for Montreal—Sainte-Marie (Mr. Malépart) that the extra minute granted him was over and above the normal speech time he was entitled to. I had even deemed appropriate to grant three additional minutes given the debate which had arisen and the numerous points of order. The original questions and comments period following the Hon. Member's speech has been over for six minutes now. I think that the easiest for everybody at this time would be to go back to the debate. The Hon. Member for Ottawa Centre (Mr. Cassidy) has the floor.

Mr. Malépart: Point of order.

The Acting Speaker (Mrs. Champagne): I think there are no points of order at this time, I just interrupted the debate. The Hon. Member for Ottawa Centre (Mr. Cassidy) has the floor.

Mr. Mike Cassidy (Ottawa Centre): Thank you, Madam Speaker.

Mr. Garneau: Point of order, Madam Speaker.

The Acting Speaker (Mrs. Champagne): The Hon. Member for Laval-des-Rapides on a point of order.

Mr. Garneau: Madam Speaker, I heard the comments you made regarding the time allocated for debate. I am rising on this point of order because I am wondering about the reasons which led the Chair to cut short the Hon. Member for Montreal—Sainte-Marie (Mr. Malépart) after giving him an extra minute. The reason given by the Chair is that the Hon. Member used a word that the Chair did not like, but I submit that word is not unparliamentary. If the proceedings in this

House are going to be governed by the appreciation of some words, which are not unparliamentary, by the Chair, we are entering into a debate which will be very difficult for you and many other people.

The Acting Speaker (Mrs. Champagne): I want to make the Hon. Member for Laval-des-Rapides (Mr. Garneau) and all the other Hon. Members aware of the fact that I did not object in any way to a specific word but rather to a general atmosphere which seemed to spread through the House of Commons at this time. As the time had already elapsed, I thought I should put an end to a debate which could grow bitter and which could have prompted some Hon. Members to exchange words they might have regretted later. This was a matter of judgment, and I stand by my ruling.

Mr. Garneau: I maintain my point of view, Mrs. Speaker.

Mr. Rossi: I rise on the same point of order, Mrs. Speaker.

The Acting Speaker (Mrs. Champagne): As I have decided at this time to recognize the Hon. Member for Ottawa Centre (Mr. Cassidy), I consider this point of order has been taken of.

Mr. Rossi: I rise on the same point of order, Mrs. Speaker.

The Acting Speaker (Mrs. Champagne): This point of order has been settled; the Hon. Member for Ottawa Centre (Mr. Cassidy) has the floor.

Mr. Cassidy: Madam Speaker, I remind my friends of the Liberal Party they should not keep on raising points of order all the time. We have come to an agreement with the government to try to complete the second reading consideration of this bill today. Everybody, including the Liberal Party, should therefore have a chance to take part in the debate. That is what I will try to do, and I appeal to my colleagues not to raise points of order which will effectively obstruct the continuation of the debate. If I may continue—

Mr. Rossi: Not according to the Chair's decision!

• (1610)

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mrs. Champagne): It is my duty, pursuant to Standing Order 66, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Ottawa—Vanier (Mr. Gauthier)—Official Languages—(a) Government position. (b) Demand for detailed information; the Hon. Member for Laurier (Mr. Berger)—Science and Technology—(a) Opportunity to increase funds for research. (b) Approval of projects; the Hon. Member Davenport (Mr. Caccia)—Environmental Affairs—Acid rain—(a) Forthcoming meeting between Prime Minister and United States President. (b) Need for United States commitment.

GOVERNMENT ORDERS

[*Translation*]

FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS AND FEDERAL POST-SECONDARY EDUCATION AND HEALTH CONTRIBUTIONS ACT, 1977

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Wilson (Etobicoke Centre) that Bill C-44, an Act to amend the Federal-Provincial Fiscal Arrangements and Federal Post-Secondary Education and Health Contributions Act, 1977, be read the second time and referred to a legislative committee.

The Acting Speaker (Mrs. Champagne): Resuming debate. The Hon. Member for Ottawa Centre (Mr. Cassidy).

Mr. Cassidy: Madam Speaker, Bill C-44 is a very serious piece of legislation, since it will cut equalization payments to the province of Quebec by about $71 million and payments to the province of Manitoba by a fairly substantial amount. In fact, it is in line with this Government's policy to cut the growth of equalization payments and tax transfers to the provinces by billions of dollars, which will increase disparities among the provinces.

Madam Speaker, I must say I am disappointed in the remarks just made by the Parliamentary Secretary, who looks at the fight against the deficit as his Government's sole priority, without any consideration for an employment situation that remains urgent in many of our provinces. In seven provinces, the unemployment rate is still higher than it was in 1981-82 during the recession. I am also disappointed in the attitude taken by the Official Opposition, which is trying to raise all kinds of points of order instead of getting on with the debate on this very important matter.

On that side they are not being serious enough about this, while the Government side is making the fight against the deficit its sole priority, without any consideration for the impact on Canadian men and women of the regional disparities existing today in this country. Madam Speaker, perhaps this explains why today in the Province of Quebec, for instance, the polls indicate that the Conservatives have fallen to the lowest level ever, 17 per cent, at the same time as the New Democratic Party rose to 34 per cent in polls throughout the country and 34 per cent as well in the Province of Quebec, the highest level we have ever reached since World War II.

Madam Speaker, I want to remind my friends in all Parties how this happened in history. During World War II the Co-operative Commonwealth Federation, which preceded the New Democratic Party, brought every kind of pressure to bear on

the then Liberal Government to promote a social policy, a welfare policy, a full employment policy after the war. All Canadians had been disillusioned by the great depression. They wanted to make sure that, once the war was over, our country would be looking forward to a much more promising future than what they had lived through in the 1930s. Sure enough, they turned to the New Democratic Party because throughout World War II the CCF had been the only Party to claim that governments must serve the people, not major financial interests, not major companies, not the Canadian elite only.

Well, Madam Speaker, the pressure exerted by the CCF was so effective that, although we had only a handful of Members in the House of Commoms at that time, Canadian public opinion expressed itself through polls and all sorts of indications, to the point where they prompted the Government of former Prime Minister Mackenzie King to come up with a full employment policy.

The Liberal Government responded to the general wish for a Government which would show some concern for the needs of the people. For instance, the family allowance program was introduced, and so were some of the major social programs which now provide some support for all Canadians. It was only three years after the Second World War that the hospital insurance program came into being, and it too was due to the leadership shown by the CCF in Saskatchewan.

I am recalling these historical events, Madam Speaker, to reply to the Parliamentary Secretary who says, just like the Government did in 1983, that the priorities of the Canadian population, as expressed in the polls and as stated by the New Democratic Party, are of no interest whatsoever to the Conservative Government. Instead of wanting to follow the example of the former Liberal Government in the forties, instead of wanting to change the policies of the Government to develop a full employment policy, a policy to eliminate regional disparities among the provinces, a policy to maintain social programs, the Parliamentary Secretary is saying that he supports the policy of fighting the deficit and doing nothing to meet the other needs of Canadians. Obviously, the deficit is important. Everyone knows it, but unemployment is also important, as is the fight against regional disparities. It is in this context, Madam Speaker, that I want to make some comments on Bill C-44.

I would like to remind all my friends in the House of Commons and all Canadians who are watching this debate that, with this Bill, the Government is imposing a solution after failing in all its efforts to achieve a consensus among the provinces. There were indeed many meetings. That there was no agreement with the provinces is mostly due to the fact that the Government wanted to save money at their expense. Finally, this solution had to be forced on them.

This Bill brings about a technical change to the provincial equalization program. It will provide $175 million a year to the provinces and the Minister of Finance has promised that this will apply for one year.

But after having made all those promises on television, in public, the Minister of Finance (Mr. Wilson) changed his views, and now he will be putting that change in place over a two year period.

Madam Speaker, in view of the announcement made the other day by the Minister and in Bill C-44, I accept that they will not require a refund of overpayments made to provinces and that were discovered following the 1985 census. This means Quebec will not have to repay certain monies received under the equalization program without being entitled to them because its population had been over-estimated but that now have to be adjusted. But in the same breath, the Government insists that Quebec waive its claim to certain adjustments in the order of $100 million for fiscal year 1985-86, and I think for 1986-87.

It is also true, Madam Speaker, that in Quebec the other technical changes that are very important have to do with the payment checking program for established program funding and equalization payments. There seems to be very little time allowed for checking the figures, to make sure they are accurate. If there are indeed errors, the Canadian Government refuses to change its calculations. Quebec would like to be allowed a three to six months period after the final evaluation, in order that the provinces may check the figures. The technical change has not yet been made, but hopefully, after the representations made before the committee, that technical change can be made.

Madam Speaker, I note particularly the fact that the equalization scheme pursued by the Government is at odds with the commitments entrenched in the Constitution that equalization must be used to remove disparities between provinces and ensure that each province can provide comparable levels of public services at comparable levels of taxation.

Madam Speaker, I see in the Estimates for 1987-1988 an increase of only 2 per cent in the equalization payments and other payments with regard to that area. However, Madam Speaker, here are the figures as they appear in the Estimates, Part I, relating to government expenditures: it is indicated in the table, on page 40, that the fiscal transfer payments will increase from $5.768 billions in the 1986-1987 Main Estimates to $5.9 billions in 1987-1988. The difference is $134 millions or 2.3 per cent. That is all. Now, Madam Speaker, we have just heard someone describing the situation prevailing in Saskatchewan. We are familiar with the difficult situation in Alberta due to the decrease in oil prices and the problems with that industry. One wonders whether a mere 2.3 per cent increase in equalization payments will be enough to make up for increasing disparities in our country, a country where the unemployment rate in southern Ontario is down to 5 per cent and even to 4 per cent in some areas like Toronto, Kitchener and Waterloo, while it stays higher in seven other provinces, an unemployment rate like the one that prevailed during the 1981-82 recession. Will such a small increase be enough? I do not think it will.

I would also like to quote, Madam Speaker, from the French version of the summary of the Government Expenditure Plan regarding fiscal transfer payments: Fiscal transfer payments include equalization payments, subsidies under the Constitution Acts, Public Utilities Income Tax Transfer and Reciprocal Taxation. Equalization payments, accounting for some 95 per cent of these transfers, are unconditional payments to provinces to raise, to some standard level, the per capita revenue-raising capacity of lower-income provinces, in order that they can provide their residents with reasonable levels of public services at reasonable levels of taxation. The standard is determined by the average fiscal capacity of the five provinces of British Columbia, Saskatchewan, Manitoba, Ontario and Quebec.

In fact, what the Government says is that he wants to raise, to some standard level, the revenue-raising capacity of the provinces, in order that they can provide their residents with reasonable levels of public services at reasonable levels of taxation. Now, I would like to quote Section 36(2) of the Constitution Act, 1981 according to which Parliament and the government of Canada are committed to the principle of making equalization payments to ensure that provincial government have sufficient revenues to provide reasonably comparable levels of public services at reasonably comparable levels of taxation. There is no double standard to the Constitution; it is a comparable standard for everybody.

When a province like Newfoundland levies a sales tax of 11 or 12 per cent while in Ontario this same tax is only 7 per cent, would you say they are comparable? I would say no. If differences of income tax rates are as high as 40 percent from one province to another, can we say that personal incomes tax rates are comparable in Canada? Again, I say they are not.

• (1620)

If the provincial Minister of Finance suggests that Newfoundland is on the verge of bankrupcy because of income tax problems, can we, in all fairness, compare the situation of his province to that of Ontario where the liberal government has just received actually a heavenly gift of one billion dollars which has been already spent on gifts, new expenditures, new programs and so on? The premier of Ontario has just been visiting in Ottawa where he announced a $10 million grant to the Cardiology Research Centre at the Civic Hospital in my riding. It is a welcome announcement indeed but could the premier of Newfoundland do the same? The answer is no because Newfoundland does not have the same fiscal capacity as Ontario. Why is the commitment made in our Constitution apparently ignored by this government in its description of the fiscal transfer payment program for the 1987-88 fiscal year? Indeed, instead of providing public services at a roughly comparable level of quality the government now changes that commitment so that that level of quality be set according to an established standard. If I may, this is what they say in English and I quote:

[*English*]

Equalization payments—are unconditional payments to provinces to raise, to some standard level, the per capita revenue-raising capacity of lower-income provinces, in order that they can provide their residents with reasonable levels of public services at reasonable levels of taxation.

• (1630)

[*Translation*]

Now, Madam Speaker, does that mean reasonable as compared with Bangladesh, as the Minister of Transport (Mr. Crosbie) said a while ago, or as compared with all other Canadian jurisdictions? That is the question we must ask ourselves. And the Government would indeed answer that "reasonable" means as compared with England, perhaps with France, perhaps with underdeveloped countries, but certainly not with all the other provinces.

In fact, the Conservative Government, in power now for only two and a half years, fails to honour an undertaking that all three political Parties had solemnly taken during the Constitutional debate of 1981 and 1982.

In conclusion, Madam Speaker, I wish to say that we recognize, in our Party, how difficult it is to achieve full employment. I have just read this morning's editorial in *The Globe and Mail*, which states very clearly the economic performance of the Manitoba Government, showing how the NDP Government has reduced the unemployment rate and brought the growing rate of the economy to be the highest projected of all provinces for the fiscal year 87-88. I could always refer to the economic record of the New Democratic Governement in the Yukon Territory. About a year or a year and a half ago, they inherited a situation with an unemployment rate close to 20 per cent. Within a year, they reduced this rate by half. These, Madam Speaker, are the results of a real policy of full employment.

Last weekend, Madam Speaker, the NPD held its convention. I know that many Quebec voters watched us since it was held in Montreal for the first time. Yes, a great many of them did. I say to the Parliamentary Secretary—many of his constituents voted NDP because of our efforts in the province of Quebec.

Mr. Blais: Sixty-five delegates!

Mr. Cassidy: Yes. There were over a hundred delegates from the province of Quebec.

Mr. Blais: Sixty-five!

Mr. Cassidy: Including the delegates representing affiliated unions and other delegates. Now, Madam Speaker—

Mr. Blais: How many delegates from Bellechasse?

Mr. Cassidy: I emphasize the fact that our party has now established a beachhead in the province of Quebec and that we will hold onto it. We are now one of the three major parties at the national level because our support in Quebec in terms of

polls, Madam Speaker, is twice as high as that of the Conservative Party. In fact, I think it is a good thing for this country that the Conservatives have taken a foothold in Quebec and that in spite of their bad results in polls both at present and in the future, in 1988-89, some of the Conservative members will be re-elected at the next election. Some of them. Maybe five, maybe ten, I don't know, but some of them. They will form a group with NDP members who will also be elected in the province of Quebec for the first time since the CCF member from Quebec was elected in the forties.

And, Madam Speaker, I said to my honourable friend the Parliamentary Secretary that it is a good thing that the Liberal Party will have some members elected in Western Canada at the next election, after so many years without any representation. The NDP will have seats in Quebec and the Atlantic provinces, as well as the Conservative Party. It is very important, however, given that three major parties are coming before the people, that we emphasize full employment and a commitment to eliminate regional disparities and that we elect in Canada a government that will ensure a job to all Canadian women and men who are willing and able to work, and that the federal Government be committed to achieve full employment in this country.

As a conclusion, Madam Speaker, I will say that if the other parties, the old parties, are not prepared to make that commitment as the Mackenzie King government did during the forties, they will fall into oblivion since it is our party, the New Democratic Party, that will take office in order to give the Canadian people what they expect from a government.

The Acting Speaker (Mrs. Champagne): Questions or comments. The Hon. Member for Quebec East (Mr. Tremblay).

Mr. Tremblay (Quebec East): Madam Speaker, the Hon. Member for Ottawa Centre (Mr. Cassidy) said in the beginning of his remarks that equalization payments to the Province of Quebec had been cut. Obviously, he does not fully understand the substance of Bill C-44. It is not true, Madam Speaker, and I cannot see why the Hon. Member for Ottawa Centre does not realize it. He should read the bill more carefully. He would then see by himself that the Province of Quebec got equalization payments amounting to $2.68 billion in 1986-87, that will go up to $2.783 billion in 1987-88. This represents a net increase of $103 million. Could the Hon. Member for Ottawa Centre explain to this House what made him base his remarks on such a false premise?

Mr. Cassidy: I appreciate the comments of the Hon. Member for Quebec East (Mr. Tremblay). The figures I have before me—I asked a question to the Hon. Minister of Finance about them on March 2—show that equalization payments made to the Province of Quebec would be cut by $71 million and that the province would see its total transfer and equalization entitlements increase by $7 million only. During Question Period on March 2, I asked the Minister of Finance how he could justify that with a 6.6 percent unemployment rate, the Province of Ontario would get a $550 million increase on transfers and other federal payments while the Province of Quebec, with an unemployment rate over 10 percent, would only get $7 million more, which represents a $71 million decrease in equalization. I do not have all the details, but these are the figures I have.

Madam Speaker, since the Hon. Member has asked about the impact on Quebec, I could also mention the fact that Quebec is suffering and will actually be suffering a loss of approximately $30 million because of the fact that the Government has specifically excluded the duty on softwood lumber in its equalization calculations. Indeed, as a result of this decision to exclude the duty on softwood lumber, the Province of Quebec will lose $30 million in that area alone.

Mr. Tremblay (Quebec East): Madam Speaker, just to add to the seemingly incomplete data which our colleague from Ottawa Centre (Mr. Cassidy) has in his possession, concerning equalization payments and other transfer programs, the federal Government's contribution will total over $8.6 billion for the Province of Quebec in 1987-1988.

Mr. Cassidy: Of course, Madam Speaker, it is a tougher proposition to have a battle of figures in the House. I quoted the figures that I thought were reasonable, according to the data provided by the Governement. I asked, and I am asking once again the following question: How is it, if the Government is committed to reducing disparities, that Quebec is getting such a minimal increase? I gave an aggregate figure of $7 million for fiscal transfers or equalization payments while Ontario will get a $550 million increase when we know that economic growth in Canada is mainly concentrated in the south. I already asked the question: How is it that according to Statistics Canada figures for the period going from January 1986 to January 1987, on the 137,000 new jobs created in Canada, only 5,000 were to be found in nine provinces while the 132,000 others went to Ontario? Is this the kind of fairness the Government is looking for? How can Quebec and the other provinces overcome the problem of disparities? How will they find enough tax revenues to pay for all the necessary programs and ensure their economic development if the jobs created are all concentrated in one province only, namely the Southern part of Ontario? This is the question. The Finance Minister often tells us that he is committed to achieve fairness among provinces and all the rest. But people won't judge only by his words but also by the facts. And when I look at the performance of this Government, I see that the bulk of the economic growth taking place at the present time in the country is concentrated in Southern Ontario. Surely this development is to be welcomed but that doesn't compensate for the fact that the recession continues in the rest of the country. This is unacceptable.

Message from the Senate

• (1640)

[*English*]

Mr. Gagnon: Madam Speaker, the Hon. Member for Ottawa Centre (Mr. Cassidy) kept talking about deficit reduction not being important. He seems to be forgetting something; that is, fiscal responsibility. He said what was important was the unemployment rate. I would like to draw some comparisons between Canada and Australia. Australia has a prime rate of 18.25 per cent. Canada has a prime rate of 8.75 per cent. Over the last year the unemployment rate in Australia increased by 0.4 per cent. The unemployment rate in Canada has decreased by .1 per cent. What I am trying to say is we must have fiscal responsibility. The NDP think that if we vote the Socialists in it will be paradise. Australia did it and they are suffering. Unemployment is going up and their interest rate is more than twice ours. That is my comment and I hope the people of Canada understand that.

Mr. Cassidy: Madam Speaker, I appreciate the comments of the Hon. Member. I would point out to him, of course, that when Canadians go to the polls in the next federal election they will make their judgment not on the basis of what is happening in Australia but on the basis of the performance of the Government of Canada. The opinion polls have the Conservatives at the lowest level of any Government in power in this country since they began taking polls. That suggests to me that Canadians are profoundly dissatisfied with the performance of the Government. They have reason to be. The Government has not been fair in ensuring that the people of Atlantic Canada, Quebec and western Canada get a fair deal in the distribution of economic opportunity. I do not think our country can work effectively if the message from the Government in the next election is, yes, we created jobs, jobs, jobs, but all in southern Ontario. If you do not have a job then get in your car or on a train and go to southern Ontario because that is where the work is. That is not good enough. I think people in Saskatchewan, Chicoutimi, Newfoundland, and the interior of British Columbia have a right to share in the economic wealth of this country and not have it all concentrated in one region.

The Acting Speaker (Mrs. Champagne): The Hon. Member for Yorkton—Melville (Mr. Nystrom), a very short question.

Mr. Nystrom: Madam Speaker, I am sad to have to say that last week Saskatchewan officially became a have-not province. That just shows that the Devine Government has not been doing a very divine job of managing the economy. After so many years of Alan Blakeney and the NDP we were a have province with balanced budgets year after year. For 11 years fiscal responsibility was the word. That was also the situation during the Ross Thatcher Liberal years and the CCF years of Tommy Douglas. All of a sudden we are a have-not province because of a massive deficit of $1.2 billion. That just shows how irresponsible Conservatives can be once they are in office. I am sure you wanted me to share that very sad news with the House. We will of course take the money but I am very sad we had to do it in that way.

Mr. Cassidy: Madam Speaker, I appreciate my hon. friend's comments and share his regret. I particularly share his regret over the incompetent way in which the Devine Government promised its way back to power and then proved to be ineffective in resolving the economic problems of that province.

The Acting Speaker (Mrs. Champagne): Is the House ready for the question?

Some Hon. Members: Question.

The Acting Speaker (Mrs. Champagne): Mr. Wilson, seconded by Mr. Crombie, moves that Bill C-44, an Act to amend the Federal-Provincial Fiscal Arrangements and Federal Post-Secondary Education and Health Contributions Act, 1977, be read the second time and referred to a legislative committee.

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

Some Hon. Members: On division.

Motion agreed to, Bill read the second time and referred to a legislative committee.

* * *

[*Translation*]

MESSAGE FROM THE SENATE

The Acting Speaker (Mrs. Champagne): I have the honour to inform the House that a message has been received from the Senate informing the House that the Senate has passed, without amendment, Bill C-6, an act to implement an agreement between the Government of Canada and the Government of Newfoundland and Labrador on offshore petroleum resource management and revenue sharing and to make related and consequential amendments.

* * *

[*English*]

BUSINESS OF THE HOUSE

SUPPLEMENTARY ESTIMATES

Mr. Lewis: Point of order, Madam Speaker. There have been discussions among the Parties and I think you will find there is agreement that the following motion be put to the House and agreed to by all Parties. Therefore, I move, seconded by the Minister of State for Privatization (Mrs. McDougall):

> That, notwithstanding any Standing or Special Order of this House, when the order for the consideration of the business of supply is called, on the final allotted day for the supply period ending March 26, 1987, the Supplementary Estimates "A", for the fiscal year ending March 31, 1988, shall be reported or be deemed to have been reported back to the House by the Standing Committee on Agriculture;

That, on that day, immediately following the disposal of the opposition motion, the Supplementary Estimates "C", 1986-87 and the interim supply for the fiscal year ending March 31, 1988, and any Bills based thereon, every question necessary to dispose of the Supplementary Estimates "A", 1987-88, and any Bill or Bills based thereon, be put to the House, forthwith and successively, without further debate or amendment.

The Acting Speaker (Mrs. Champagne): Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to.

SITTING SUSPENDED

Mr. Doug Lewis (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Madam Speaker, it is 12 minutes to five and Private Members' Business starts at 5 p.m. In view of the progress we have made today on Bill C-44, I think you will find there is agreement to suspend the sitting until five o'clock to allow the Hon. Member whose motion will be discussed to attend the House and commence at five o'clock.

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

Some Hon. Members: Agreed.

The Acting Speaker (Mrs. Champagne): The proceedings of the House are suspended until 5 p.m.

At 4.48 p.m. the sitting of the House was suspended.

SITTING RESUMED

The House resumed at 5 p.m.

The Acting Speaker (Mrs. Champagne): It being 5 p.m., the House will now proceed to consideration of Private Members' Business as listed on today's *Order Paper*.

PRIVATE MEMBERS' BUSINESS--MOTIONS

[*English*]

THE SENATE

AMENDMENT TO CONSTITUTION ACTS 1867-1982—REFORM

Mr. J. R. Ellis (Prince Edward—Hastings) moved:

That, in the opinion of this House, the government should consider the advisability of introducing a measure to amend the *Constitution Acts 1867-1982*, in order to reform the Senate by providing, in particular:

1. that, 50 per cent of the number of Senators in each province be appointed by the Governor in Council and that the respective appointees also be residents of the province for which they are appointed;

2. that, 50 per cent of the number of Senators in each province be appointed by the Lieutenant-Governors in Council;

3. that, the tenure of Senate appointments be for the duration of a Parliament;

4. that, all Senators may be re-appointed;

Senate Reform

5. that, when a provincial election is called, the seats of all Senators of that province appointed by the Lieutenant-Governor in Council be vacated and that the said Senators may be re-appointed by the Lieutenant-Governor in Council after the provincial election;

6. that, where a Bill is not adopted by the Senate within ten sitting days after its receipt from the House of Commons, the Senate may require that the Bill be submitted to a joint conference committee of the two Chambers;

7. that, where a Bill is not adopted by the House of Commons within fifteen days after its receipt from the Senate, the House of Commons may require that the Bill be submitted to a joint conference committee of the two Chambers;

8. that, each House appoint seven members to the joint conference committee, and that the representation of the House of Commons reflect the proportion of the number of seats of each political party in that Chamber;

9. that, where a conference committee proposal fails to be adopted by both Houses, the original bill be withdrawn;

and that this House urge the Senate and the Legislative Assemblies of all provinces to pass similar resolutions.

He said: I am delighted to have the opportunity to deal with this motion with you in the chair, Madam Speaker. Two other Members of this House, the Hon. Member for Edmonton South (Mr. Edwards) and the Hon. Member for Bow River (Mr. Taylor), have dealt with Private Members' Motions on the Senate. A number of my other colleagues in the House during those discussions have made comments and have spoken on the subject, as have many provincial legislatures and, indeed, the public. There has been a great deal written and a great number of comments regarding the cause of Senate reform. The thrust of most of the recommendations has focused on the so-called "triple E" concept that the Senate should be made effective, equal and elected. I want to endorse most strongly the call for effectiveness and for equality, particularly on a provincial basis. However, as you will see in a moment, Madam Speaker, I want to deal with a Senate which would be appointed.

The motion I put forward departs only from the comments made by colleagues in that they ask for an elected Senate. I propose an appointed Senate. If the only purpose of a geographically equal Senate were to balance this country's regional and population-based interest, I would probably go along with the idea of an elected Senate. However, my concept of the Senate goes beyond providing that particular balance to add the function of providing a Chamber of sober second thought, which was the initial intent. I feel that appointing the Senators will remove them from the passions and partisanship which is inevitable in the running for election.

I want to deal with the motion I put forward in some particular detail. First, I made the point that 50 per cent of the Senate should be appointed by the Governor-in-Council. I left out of my motion details such as how much land appointees should own in their particular area. I have said they should be residents of the province for which they are appointed. I purposely left this vague, because in a motion such as this, obviously, the Government would have some ideas. However, I think it is abundantly clear that if we were to appoint in the present manner only half of the Senate, the other half to be appointed by another group, we would find that those persons appointed to the Senate would tend to be legislators first. I say

this without rancor and certainly without envy. Having been a very successful bagman for a political Party, having been the former president of a political Party, having been an organizer or in fact being an organizer for a political Party, would not necessarily be sufficient background to be named a Senator. The fact is that in the Senate I perceive, and which I support, there would necessarily be legislators first, and the Governor in Council, I think we would find as we go through this, would need to appoint men and women whose function would be legislative in the first instance.

The second point I make is that the other half of the Senate would be appointed by the Lieutenant-Governors of each province. Once again, I have purposely left the numbers vague. I think having a minimum number, for example, in Prince Edward Island, New Brunswick and those province which now have minimums, is something which can be dealt with by negotiation and by the Government of the day in consultation with the other provinces. In countries I could name, the representatives in the upper House do not vary in number that greatly despite the variables in the provinces or regions of the country which send them to the Senate. The United States, for example, has the same number of Senators in Rhode Island as it does in California. In Germany there are two Members of the upper House from the smallest of its states and only five from the largest. So some balance could be arrived at which would be fair.

In the concept I put before you, Madam Speaker, the Senators might well include a Cabinet Minister without portfolio in a province, a former Premier and very likely someone who was very closely involved with the politics of that province because he or she would be in the Upper House of Canada to deal with their regional responsibilities and they would be performing a specific duty.

The third item has to deal with both Houses and that is that the tenure of Senate appointments would be for the duration of a Parliament. There is no question that the Senators could be reappointed by Parties of either stripe. In the case of some appointments, I am sure the Governments of the provinces, or the Government of Canada, in appointing persons, might want to take from areas of business expertise certain members to put in the Senate. If they did, provision would have to be made, in my concept of the Senate, to allow for an extended leave of absence. It would be hardly fair for a corporate counsel of a major firm to be put in the Senate for one term and then expected to go back on the street. The likelihood would be that some form of leave of absence would be necessary and, as I indicated, all Senators could be reappointed.

Fifth, when a provincial election is called, the seats of all the Senators from the province in which an election is called would be vacated. The new government would appoint the Senators from that province. Rightly or wrongly, whether one agrees with the politics of the Parties I speak of, we have had in the Parliament of Canada, in the upper House, since—

The Acting Speaker (Mrs. Champagne): Order.

Mr. Ellis: Do I not have 20 minutes? I just have 10? I am only half way through. Perhaps I could have a little extra time because I thought I had 20 minutes.

• (1710)

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

Some Hon. Members: Agreed.

Mr. Ellis: I thank my colleagues. My point is that whether or not one agrees with the politics of particular governments, since Confederation there have only been two Parties in the upper House, the Liberals and Conservatives. The numbers of Liberals or Conservatives depended upon the tenure of the Government in power.

Until recently there were three Governments—the Parti Quebecois in Quebec, the New Democratic Party in Manitoba, and the Social Credit Party in British Columbia—which at no time had a political say in the affairs of the Government of Canada. Whether or not one agrees with their politics, they were refused the right to have spokesmen in the upper House of Canada.

As part of my concept of the upper House, I want to deal with how the Senate would actually function. I state in my motion that where a Bill is not adopted by the Senate within ten sitting days after its receipt from the House of Commons, the Senate may require that the Bill be submitted to a joint conference committee of the two Chambers. Today, a Bill that is passed by the House of Commons will go to the Senate where it may sit interminably. Conversely, a Bill originating in the Senate may come to the House of Commons and sit here interminably. There has not been an effective refusal of a Commons Bill in the Senate for many years, and the reverse is true.

It seems to me that if both Houses are to do their job they should be in a position to seriously criticize and amend either's proposed legislation. However, there must be a provision that if a Bill goes to the Senate and sits there for a specific time and is not dealt with, it can come back to the House for final passage. As well, the reverse must be true.

If a Bill is sent back from one House to the other, there should be a joint conference committee of the two Chambers, made up of senior members who would, in their wisdom and experience, deal with the Bill and send it back to both Houses to either be passed after that joint consideration or left to die. In areas where such a procedure works, it is very rare that a Bill is allowed to die. There may be some changes but eventually the Bills are passed.

In conclusion, I have proposed a suggestion for a Senate. I do not favour abolishing the Senate because I believe it protects Canadians in many ways. I like the idea of a Senate that is more representative of the regions but I oppose the suggestion of an elected Senate. I believe the original thought of our forefathers in having the Senate above elections is worth

while and my suggestion to the House is that there are ways of appointing Senators, providing there are rules that makes it work to the benefit of all Canadians.

Hon. Bob Kaplan (York Centre): Madam Speaker, I am pleased to address this resolution this afternoon, essentially on my own. I am speaking from the Liberal side of the House and I do sit in the front benches. I am briefed and committed to the policy resolutions of our Party which I intend to share with the House, and I am committed to the views of our leader. However, I want to give some personal reactions because I believe I can make as good a contribution to the debate in that way.

The fundamental problem with the Senate, as I see it, is a problem of legitimacy. The Senate has a tremendous power that is legally and constitutionally the equivalent of the power we have in this Chamber.

Mr. Ellis: Ostensible.

Mr. Kaplan: My friend, the mover of the motion, is saying that the power is ostensible. The power is real. The power is constitutionally valid. No legislation in Canada can be enacted unless the other place deals with it and adopts it. Therefore, the power is real, but the legitimacy is missing because Canadians know and Senators know, and many of them have said that it would be unacceptable for the Senators to use power in the same way that we do so proudly and defensively in this place.

We make decisions, we speak for the Canadian people, and we have the credentials to prove it. Our membership in the House is established in such a way that we represent the people of Canada and I suggest that we would find it difficult to accept the negation of our will by the other place, even though it is proper to do that constitutionally.

That creates a dilemma for them in the other place. I imagine they want to perform their function but the only way they can do so under the present set-up might cancel the work that was done in this House. There is something significantly wrong with the Senate and I believe it is its legitimacy.

I do not believe this resolution addresses fully the problem of legitimacy. The mover of the motion mentioned at the outset that he did not want to deal with the proportionate representation by Senators. I appreciate that he is choosing not to address that, but I suggest that it is an essential component of a Senate reform package.

I want to talk about that for a moment because otherwise there is not much point in trying to market some of the ideas dealt with in this resolution directly. The Senate needs reform along the lines proposed by our Party at its national convention, which is that Senators should come from each province in equal numbers. That may shock the Hon. Member opposite if he did not know that our Party passed that resolution. But it does state that the Liberal Party of Canada has committed itself to an elected Senate with equal representation from each province.

This means that if Yukon, if it achieves provincial status, or little Prince Edward Island, will have the same strength in the other place as Ontario and Quebec. We are making this proposal to point out the need in this country for regions to feel that they have a voice here. This is particularly important in view of the behaviour of the present Government in relation to regional development or regional priorities. The Government committed itself to regional programs. It came to office and is awarding government contracts and business on a political basis. I only need remind Members about the decision on the CF-18.

Mr. Daubney: Relevance.

Mr. Kaplan: I think it is very relevant. I believe that people feel if they had an equal voice per province in the Senate that type of abuse could be stopped. They cannot look to the Senate to stop it now because it has a legitimacy problem. If the members of the Senate were chosen on an equal basis by the regions, as the Liberal Party recommends, I think people would look to the Senate. If there was a defense for what the Government was doing then the defense could be made in the Senate, chosen the way I have recommended.

• (1720)

When we look at the principle of representation in this House, which is "rep by pop", we have to ask ourselves why Prince Edward Island should have the same number of members as Ontario, and will it work. We think it should have, and we think it would work. Perhaps the best way in which I could demonstrate this is by using the example of the United States where Rhode Island has the same number of Senators as does California and New York. It does work. It would be an effective way of showing the Senate to Canadians as a place that has a legitimate right to intervene in our procedure. Canadians would accept its basis on that score.

I now wish to turn to the second point, which is whether Senators should be chosen on any basis other than on an election basis. Under the present system they are all chosen by the Prime Minister, by the Governor in Council. The recommendation in the resolution before us is that half of each province's delegation should be chosen as it is now and the other half should be chosen, in effect, by the provincial Government. Our resolution calls for direct election.

I want to try to convince the Hon. Member of the advantages of direct election. I heard his argument against it when he addressed the question. I am afraid that in the type of Senate he has proposed the temptation of a province with a desperate problem, with a perspective on national affairs, would be to send a delegated group to Ottawa knowing that they would be replaced from time to time as elections occur. This delegated group would be sent to Ottawa to speak for the perspective of the Government of the day governing that province. I can see a provincial Government using this forum to give some of its players a chance to strut their stuff on the national scene, to improve their credentials, perhaps for

leadership of a party, or to improve their credentials for running for office in a riding which would be open in a future provincial election, or something of that nature. In other words, with this type of formula, especially with the reappointment provision, I can see Senators coming here under this procedure with a special agenda in mind.

One thing that can be said for the Senators who are chosen under our present system is that when they come here they tend to come for life. Of course, there have been one or two exceptions, but they tend to come for life. If they lose interest along the way and take an early retirement, while retaining their seat in the other place—retiring in the sense of their continuing contribution to public affairs—at least they do not have the other agenda which is: "Boy, as soon as the election comes along I'm running for a seat in Prince Edward Island", or a seat in Ontario.

I would like to see Senators come here from their provinces in the national interest. I do not think this motion achieves that. I am worried that provincial appointees will not rise above a provincial perspective. I am worried that the knowledge that they will not be reappointed, or may not be reappointed, will cause them to think ahead about their next career. Nothing is more fair than having an election to choose a spokesperson for the people of the country. Therefore I prefer to see the direct election of Senators, which is what my Party recommends.

Finally, I wish to address one other aspect of the question concerning the legitimacy of the Senate. I do not think that there should be equal authority as between the two Chambers. I think that if we move to an elected Senate the dispersal of power, in the type of checks and balances system we have, would weaken the national government in a way that would be against the national interest. I think a reformed Senate should have less authority, even with elected Senators. They should have less authority than those who are elected to this place which chooses the Government and to which the Government is accountable. This idea is not part of my Party's resolution. It is my own thinking with respect to how we would fill in the blanks. So I would like to see them have some sort of suspensory authority by which they could hold up legislation for a while.

In that connection I would like to turn to the idea that 10 days or 15 days is enough, as this motion proposes, for the Senate to gather its points of view together, and, failing to do so, then have a conference. I do not think that is realistic. I think the suspensory period should be for 90 days or 120 days, or something of that nature. In any event, it should be longer than 10 days.

Mr. John Parry (Kenora—Rainy River): Madam Speaker, it gives me great pleasure today to participate in this debate on yet another scheme for Senate reform. We spend enough time in this Chamber gilding lilies, we are now apparently reduced to gilding weeds. I say that since the resolution before us essentially envisages an expansion of the existing powers which the Senate now has, that is one thing members of my Party could not contemplate under any circumstances.

The previous speaker spoke of a Liberal policy resolution for an elected Senate. He went into some detail as to the virtues of such a scheme. In listening to him I think that each and every one of us was surely asking ourselves, and would ask him had we the opportunity, what possible significance a Liberal Party policy resolution—almost a contradiction in terms, as I am sure my hon. colleagues will note—could possibly have for the deliberations of this Chamber or, indeed, for the agenda of the country.

I think it was last week that we had a resolution before the Chamber that corresponded quite closely to a Liberal Party policy resolution that had been debated and voted on at that Party's convention last fall. If I recall correctly there were some 20-odd, perhaps close to 30, members of that Party who voted against the position of the Party as set out in the policy resolution. There were about four brave souls who saw fit to uphold the position in this Chamber that their Party had adopted in their policy convention. So much for the relevance of Liberal Party policy resolutions. After all, we are not here to discuss an elected Senate, which we can conveniently and perhaps with some pleasure dispose of as a viable contribution to Canada's constitutional debate at another time.

Essentially, what we are looking at is a resolution which, if it were to pass, would pit tradition and the Constitution against each other, even in a worse way than the Constitution has already been pitted against our most valued democratic traditions. This was the most unfortunate consequence of the 1982 constitutional entrenchment process. I say that because until we had the 1982 Constitution Act Canada's democratic traditions, which were inherited from the mother of Parliaments, Westminster, transplanted and grown ever more vigorous in the free and democratic soil of our country, stipulated a role for the Senate that was appropriate to the way in which the Senate is formed and the way in which it, if I can use the term ever so loosely, is regenerated. Up until 1982 it was clear to anyone who studied political science and to anyone who understood the democratic traditions of our country that the Senate did not have the power or the ability to impede or prevent the House of Commons from passing legislation. Of course, there would be those who will say that it is not the House of Commons, it is merely the Government of the day. Let them say that. For as I now sit on the opposition benches let me say that I will forever uphold the right of the Government, any Government, to legislate and to bring into law any project of legislation which it can persuade the majority in the House of Commons to pass.

• (1730)

In 1982 the Constitution was essentially silent on that lack of power with the Senate and some bold spirits, perhaps going against the democratic traditions of Canada, have argued that the Senate now in fact has the power to impede legislation. My hon. friend, the Member for York Centre (Mr. Kaplan), stated

that the Senate was lacking legitimacy. It is now ever more lacking in legitimacy and was even before the last Liberal Government started its rampage of patronage appointments which contributed to its well-merited defeat in the last election.

I would even make the argument that the continued existence of the upper House is essentially un-Canadian because ever since Confederation in 1867 we in Canada, through the provincial legislatures, have followed a tradition of abolishing upper houses. Today we have reached the point where only one upper House remains, that being at the federal level. I, of course, would be glad to see that upper House abolished in the due course of time.

It seems that the resolution envisages something along the American model. I might point out that that which the Hon. Member for York Centre was proposing as a Liberal alternative was also modelled along the constitutional lines of the United States of America which has an equal number of Senators from each state. I ask all Members of this House and all Canadians to consider whether these imported models are relevant to the Canadian situation, or whether we as Canadians would not be much better advised, rather than striking out into uncharted waters and unknown territory, to continue the tradition which has been established at the provincial level and abolish this relic of history, the upper House, which has for so long haunted us and which now seems to have a very real danger of impeding the democratic will of the country.

In proposing this motion the Hon. Member for Prince Edward—Hastings (Mr. Ellis) said that the Senate has protected Canadians. I wish a speaker in this House would come up with a concrete example which contains any degree of agreement on other than the most slender of partisan pretences. The fact is that, be the power of appointment with the provincial governments or with the federal Government, it is still a patronage power of appointment. Nothing in this resolution would lay upon Senators any responsibility to attend and participate in committee meetings.

I would like to take a moment to praise those members of the Senate who do attend and participate in committee meetings. Many of them make a valuable contribution. However, that does not mean that the institution itself should persist unchanged.

The alternative of provincial patronage might seem satisfactory to some. It would, after all, involve a distribution, a devolution if you like, of the patronage powers. These are the usual arguments that we have heard for the Senate alternatives that come up. Unfortunately, although some of them have a certain mathematical elegance, they overwhelmingly lack the characteristic of democratic participation except, of course, when an elected Senate is called for. All those arguments and schemes essentially ignore the terrible opportunities for conflict and dissension which could occur if there were an elected upper chamber setting itself against the will of the people as expressed in the election of the House of Commons.

I am confident that this resolution will go down to defeat. It always interests me to see another scheme for Senate reform but, overwhelmingly, this is not what Canadians want. If any Government were to put the fate of the Senate to Canadians in a referendum, we would have a unicameral Parliament in this country.

[*Translation*]

Mrs. Anne Blouin (Montmorency—Orléans): Madam Speaker, the resolution proposed today by the Hon. Member for Prince Edward—Hastings (Mr. Ellis) is a most interesting one. It reflects the Hon. Member's abiding interest in parliamentary reform and the depth of his thinking on this subject.

This resolution could open the doors of the Senate to improved regional representation by allowing the provincial Governments to appoint half of the senators representing them. The concept of the Senate as a "Council of Confederation" is not a new one. Many Senate reform proposals, including the more ambitious ones, have recommended some form of provincial representation. The pros and cons of this idea would merit careful consideration by this House, and although that is not the purpose of my speech today, I am sure one of my colleagues will raise this issue.

Madam Speaker, today I would like to draw the attention of the House to the second aspect of the proposal now being considered. It concerns the legislative process proposed by the Hon. Member and the power the Senate would have as a result.

According to the resolution, when a Bill is adopted by one Chamber and voted down by the other, Parliament would set up a mediation committee consisting of representatives of both Chambers and based on the proportion of seats each party has in the House of Commons. The proposal by the Hon. Member for Prince Edward—Hastings implies that the committee would examine the Bill with a view to either smoothing out or reflecting the differences between Senators and Members and reaching a common position. The Hon. Member's proposal concludes, and I quote:

> That, where a conference committee proposal fails to be adopted by both Houses, the original bill be withdrawn.

It follows, Madam Speaker, that this would confirm the Senate's veto right over all actions of Parliament, as stated in the Constitution Act, 1867, a veto right that is no longer exercised today.

This constitutes the originality of the Hon. Member's proposal. None of the major Senate reform plans over the last twenty years recommends maintaining the absolute veto right of a Senate appointed either by the provinces, the federal Government or both. To those in favour of an elected Senate, only the proposal released by the Government of Prince Edward Island in 1983, confirms the legislative powers exercised by the Senate since 1867 while maintaining the Senate's absolute veto right.

None of the parliamentary proposals, including those by the senators themselves, and none of the federal Government's

proposals have suggested that all the Senate's powers should be preserved. In fact, they recommended restricting those powers.

In its 1972 report the Special Joint Committee on the Constitution of Canada maintained practically unchanged the current system of appointment and the right of the Senate to study proposed legislation. However it did limit the Senate veto to imposing a six-month delay on any bill which would not have the full support of the Upper House. Then the House of Commons would simply have had to pass a new bill to reverse the unfavourable Senate decision and thus get the legislative process rolling again. On this question, Madam Speaker, Hon. Members and senators of the committee concluded:

> In the case of the Senate a curbing of its veto power would, paradoxically, strengthen it, and do so without weakening the House of Commons. It would increase the possibilities of confrontation, but avoid the perpetuation of deadlock by ultimately giving the House of Commons its way.

Under the 1978 bill on constitutional reform, the famous Bill C-60, it was proposed to turn the Senate into a House of the Federation, half it members being appointed by the House of Commons, the other half by the various legislative assemblies. This measure is not far removed from the Hon. Member's resolution. However it takes a totally different approach with respect to the absolute veto which would apply exclusively to the approval of appointments to the Supreme Court and senior positions of certain federal organizations. On most other issues the Senate would have had only a 60-day suspensive veto, after which the controversial measure could have been submitted to the Governor General without the House of Commons having to reconsider its position. The only exception had to do with legislation of a linguistic character or of federal-provincial importance. In both cases a Senate refusal could have been reversed only through a favourable vote by two thirds of the House of Commons.

As you can see, Madam Speaker, we are still a long way from the absolute veto over all legislative measures, as advocated by the Hon. Member for Prince Edward—Hastings.

In 1980, the Senate Standing Committee on Legal and Constitutional Affairs also looked at Senate reform. In its report on some of the aspects of the Canadian Constitution, better known as the Goldenberg-Lamontagne Report, that committee recommended that the Senate be given a suspensive veto of a maximum of six months, after which the House of Commons would have to pass for a second time legislative measures that would have been rejected. According to that committee, such a delay and the requirement for a new debate in the House of Commons would allow the general public to be alerted and to make the necessary pressures to protect their interests.

Furthermore, those senators, who would themselves be the first affected by Senate reform, have rejected the idea of the absolute veto which they now have, for the reason that, in a democratic society, such powers could not be vested in a Chamber whose Members are appointed. The use of the absolute veto, according to those senators, would be tantamount to violating the will of the people.

More recently, the Joint Special Committee on Senate Reform, in its January 1984 report, came to the conclusion that an elected Senate was the best means of giving the Upper Chamber the required political authority.

That committee, Madam Speaker, also refused to maintain the Senate's absolute veto, even if it were an elected Senate, thereby empowered by the nation's will. In that respect, the committee wrote: "The principal factor in our decision not to accord the Senate an absolute veto was the possibility, if not the probability, of our parliamentary institutions continually becoming deadlocked. We therefore decided that it was wiser and more in keeping with the character of parliamentary government to give the Senate the power to delay but not altogether prevent the adoption of measures voted by the House of Commons."

The report therefore recommended a suspensive veto of a maximum of 120 sitting days. This means that bills rejected by the Senate within the 60 sitting days following their transmission to that House, according to that formula, would have to be passed by the House of Commons a second time. That second adoption could not take place unless at least 60 sitting days has elapsed since the Senate rejected the bill. Therefore, that formula could enable the Senate to delay for a number of months the implementation of a bill it felt was unaceptable, but could not enable it to cripple the Commons and the Government.

However, this did not appear to be enough to eliminate the absolute veto, and the 1984 Joint Committee wanted to further restrict the powers of the Senate by limiting the use of the suspensive veto by exempting all supply bills. On that matter, the Committee wrote: "To give the Senate even a suspensive veto in such a vital area would amount to giving it a disguised power to overturn the government. We therefore propose that the Senate have no power over appropriation bills (including the main, interim and supplementary estimates)."

The only case where the Committee judged it appropriate to maintain the absolute veto of the Senate was the adoption of bills or parts of bills with a linguistic significance. To give the French linguistic and cultural minority a fair over-representation on matters which directly concern them, the Committee had recommended that any legislation of linguistic significance be approved by a majority of all Senators including a majority of the francophone Senators. In the 1984 report, this was the only instance where it was recommended to maintain the absolute veto held by the Senate since 1867.

As you can see, Madam Speaker, each time that Parliament and the Federal Government have examined Senate reform in the last 15 years, it has been recommended that the absolute veto be eliminated. Whether the reform proposed was for an appointed Senate, an assembly of provincial delegations or an elected Chamber, whether it was on the basis of legitimacy or government efficiency, it has in each case been recommended

that the powers of the Senate be restricted to a suspensive veto on the great majority of legislative measures. Most proposals by provincial Governments and groups interested in this issue, most if not all of the proposals made in the last 20 years, have recommended the same thing.

Madam Speaker, the motion introduced by the Hon. Member for Prince Edward—Hastings is an exception to the rule. By maintaining for the Senate powers identical to those of the House of Commons, this motion puts the appointed Chamber in direct competition with the elected Chamber. In the motion, only trust in the good faith of parliamentarians guarantees that the will of the population as expressed by its elected representatives will prevail in case of a deadlock. I admire this trust of the Hon. Member in the good faith of parliamentarians, but I am afraid that it will not be enough to protect us from frequent stoppages of the legislative process. In my opinion, the proposal would be more credible if it provided for an unblocking mechanism such as a suspensive veto.

I ask my colleagues in this House to reflect on this aspect of the matter before deciding whether to support this motion today.

• (1740)

[*English*]

Mr. Arnold Malone (Crowfoot): Madam Speaker, I commend the Hon. Member for Prince Edward—Hastings (Mr. Ellis) for bringing an extremely important subject to the floor of the House of Commons.

In 1975 the Hon. Member came to speak in my riding, and I have been elected four times since. If he comes to my constituency again and talks about Senate reform, I could get elected another four times.

There is probably no place in Canada which has more of a grass roots, broadly spread desire for changes to the Senate than has the Province of Alberta. This came about because of a bleeding away from that province of some $30 billion as a result of the Liberal National Energy Program. It brought about a sense of anger which is so deep-rooted in Alberta that today it believes the only way in which it will be able to sustain a sense of fairness in Confederation is with a reformed Senate.

Another observation I want to make—and I make it particularly as a result of the comments of the Hon. Member for Kenora—Rainy River (Mr. Parry)—is that indeed this country is naive if we are of the presumption that there are no problems among our regions. In fact, I find it surprising that a Member from northern Ontario would not want some sense of regional balance in a federal system.

Although my good friend, the Hon. Member for Prince Edward—Hastings, would have some differences of view in respect of the specifics of a reformed Senate, I want to start out by saying how much I commend him for introducing the idea in the House of Commons. I believe that political bodies ought to be elected. I know that that view differs from the views of others in the House, and those views are legitimately held, but I believe they ought to be elected. As was the case with the Magna Carta some 700 years ago, the whole purpose of politics in a democracy is for the people to have a sense of power. That cannot come about unless the citizens believe that their representatives are elected and that they have a chance to put them in and a chance to throw the rascals out. That sense of power must be present.

Let us take a look at Canada. It is about 4.5 thousand miles wide. Its population is largely concentrated within 100 miles of the American border, a ribbon which stretches from Vancouver Island to Prince Edward Island. There are more Members of Parliament from the urban areas of Toronto and Montreal than there are from Manitoba, Saskatchewan, Alberta, Yukon, Northwest Territories, and two-thirds of British Columbia, northern British Columbia. In other words, two cities outnumber about 75 per cent of Canada's land mass. Surely that signals the need for regional balance in political decision making.

I do not want to recite an old adage which demonstrates triteness, partly because I cannot remember it just now. However, we have all heard that fine saying that if we destroy the cities, the hinterland will develop new cities, and that if we destroy the hinterland, the grasses will grow in our cities. I simply say to you, Madam Speaker, that all that a city is is a processor of the hinterland. It does nothing else except manufacture what it takes from the hinterland. It ensures that what is taken out of the hinterland can be manufactured for resale to those in that area of the country. I do not use the word hinterland in any derogatory way. I am very proud because that is the resource base—the fish, the lumber, the minerals, the like.

• (1750)

I believe that if there is a concern that we ought to be reflecting upon today, it is that concern that arises from the void that existed in this country in the mid-1970s because we had no Senate with any effective power. The Government of the day began the process of institutionalizing First Ministers' Conferences. Premiers began to fill that gap that the Senate had or ought to have filled.

The result of the proposed process, as I see it, is that the Senate would simply be appointed by provinces or a federal Government. I hold that that would do away with what I think this country is aching for, namely, a federal system for which the citizens of the country could have and respect. There is a thirst within Canada to want to be Canadian, irrespective of whether one is from New Brunswick, Prince Edward Island, Saskatchewan or the Territories. We want a federal system that works.

We have heard a lot in western Canada about a "triple E" Senate, one "E" to mean elected. That I accept because I accept that power should be with the people. The other "E" is equal. On that I want to expand for just a moment because I am a product of six years of university in the United States. I recognized that in America little Rhode Island had two

Senators to offset two Senators from California. Great big heavily populated New York had two Senators to offset 500,000 or 600,000 persons in Wyoming which had two Senators.

Frequently in the U.S. people talk about "us" and "we" while Canadians have this all too often tendency to talk about "I" and "them", pointing at each other across the map. Yet I submit there is less difference between a person from Dallas and one from Boston than there is between a person from Edmonton and one from Toronto. Perhaps that reflects the fact that we do not have within any federal institution a sense that we all have some equal partnership in our federation. I believe that equality is also important.

I might add, parenthetically, one other observation, Madam Speaker. Let me refer to United States Senators Dave Church, a former Senator from Idaho, Mike Mansfield, again a former Senator who used to be the Senate majority leader, and Senator Barry Goldwater of whom we have all heard. The Senators who had prominent positions were the ones who came from the smallest populated states because that was part of the unwritten law, and it brought a sense of equality.

My final point is that of effectiveness, Madam Speaker. That is where I believe the institution ought to be measured in its judgment and that is what the real debate is about. It is important that we have a Senate that is elected, that is equal, but probably with some measure of control so that it could not always force one vote by one person to reverse House of Commons legislation. This would mean it could have sober second thought and it could demand another reflection. If that were so, I think the citizens of the nation by and large would send to the House of Commons the necessary signals to bring the balance we need in debate in this place.

I see that my time is up, Madam Speaker. I want to conclude by thanking the Hon. Member for Prince Edward—Hastings for bringing such an important Bill to our attention.

Mr. David Daubney (Ottawa West): Madam Speaker, in the few minutes remaining in private Members' hour, I welcome this opportunity to participate in the debate on the motion sponsored by a very distinguished private Member of this House, the Hon. Member for Prince Edward—Hastings (Mr. Ellis). His motion has given us an opportunity today to look at the broad issue of Senate reform, a subject that has received considerable attention over the years, probably starting on July 2, 1867.

The Prime Minister of that day, our first Prime Minister, Sir John A. Macdonald, coined the phrase "sober second thought". I think it is clear, although it is certainly a moot point, that from Confederation to the present day the Senate has made an important contribution in the area of legislative review. But the Fathers of Confederation also intended that the Senate should have a regional representation function. They used the expression "sectional interests" as being protected. I think few of us would deny that the second principle function intended for the Senate is not being carried out effectively.

Why is it that the Senate is not able to play an effective role in regional representation? Again, there is broad agreement in this House, and I think across the country, that for Senators to be appointed by the federal Government until age 75 lessens the ability of Senators to represent their regions. As pointed out by the Hon. Member for York West (Mr. Marchi), the public does not accord a high level of legitimacy to Senators, largely because of the appointment method. As a result, the Senate lacks the authority to exercise the substantial powers it has under the Constitution. I think the Senators themselves, however willing and able they might be, are not seen as defending regional interests.

It seems quite clear that the principle purpose behind many recent proposals for Senate reform has been to restore to that chamber its intended role in regional representation. That is certainly one of the main aims of the Hon. Member from Prince Edward—Hastings. Some have pointed out that in the absence of a sufficiently strong second chamber, provincial Governments and Premiers have, on occasion, stepped in to try to fill that gap. Others have observed that our electoral system has created the impression that the support for national political Parties in particular regions is much lower than it really is. They also point out that in its present form the Senate cannot help to compensate for the imbalances in elected representation in this House.

There are other arguments for an enhanced regional representation role for the Senate, but in the end most of them share a common goal, to allow Canada's Senate to play the sort of role that second chambers play in other federal systems.

What is the evidence that improved regional representation has become the main focus of Senate reform proposals? I would suggest there is a substantial body of evidence to this effect, Madam Speaker. The former Special Joint Committee on Senate Reform was asked in its terms of reference, for example, to:

> Report on ways by which the Senate of Canada could be reformed in order to strengthen its role in representing people from all regions of Canada.

The committee, as you know, heard many witnesses from various regions and sectors of Canadian society. Although their views and proposals differed, it is fair to say that more witnesses called for the Senate's regional representation role to be strengthened than for any other function to be emphasized.

In the remaining minute or so I would like to refer to one witness, a strong representative from western Canada, Dr. David Elton, President of the Canada West Foundation who said:

> In this country what we really need are regional spokesmen in Ottawa, not provincial Governments per se, but regional spokesmen who can address the concerns of their constituents and ensure that they have a meaningful role to play in the deliberation and the legislation that the national Government brings into existence.

I appreciate that my time has expired and I thank the House for its attention, Madam Speaker.

• (1800)

[*Translation*]

The Acting Speaker (Mrs. Champagne): I see that the Hon. Member for Quebec East (Mr. Tremblay) would have liked to address the House. Is there unanimous consent?

Some Hon. Members: No.

The Acting Speaker (Mrs. Champagne): The hour set aside for the consideration of Private Members' Business has now expired. Pursuant to Standing Order 42(1), the order is dropped from the Order Paper.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

A motion to adjourn the House under Standing Order 66 deemed to have been moved.

OFFICIAL LANGUAGES—GOVERNMENT POSITION—DEMAND FOR DETAILED INFORMATION

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Madam Speaker, last Friday, or last week in any case, I rose in the House to raise a matter I felt was important. I wanted to shed some light on the sale of certain federal services, more specifically the Surveys and Mapping Services and the Canada Centre for Remote Sensing at the Department of Energy, Mines and Resources, and the Canadian Hydrographic Survey at Fisheries and Oceans. The House will recall that the issue raised quite a few comments for about ten days, and that finally, the Government put an end to the debate in the House by giving us the whole truth, saying it had no intention of privatizing these services which were judged to be essential.

The main point of my intervention at the time consisted in showing that the Government was sometimes hard-pressed to be clear to Canadians about its intentions and how it would proceed. Anyone who did not keep track of the Government's record in this debate might have thought this was an exception, an isolated incident, but it seems to be a pattern, a scenario that is being repeated time and time again.

This evening, I would like to raise a matter which I think will be of considerable interest to Hon. Members, and on which this Government is still hesitating and dragging its feet. I am referring to the Official Languages Act and the promise made by this Government in two Throne Speeches and during the 1984 election campaign. It has been said repeatedly in this House, by the Prime Minister (Mr. Mulroney) and by the responsible Ministers, including the Secretary of State, the President of the Treasury Board and the Minister of Justice, that the Government intends to table amendments to the Official Languages Act. The latest question on the subject, Madam Speaker, which is the subject of my speech this evening, goes back to December 11, 1986, at page 2022 of *Hansard*.

The Official Languages Act has been in existence for nearly seventeen years. As so many of us, it is showing its age, and needs some improvements. It needs to be modernized, to be updated, to reflect today's reality, and I do not think I know a single Member of this House who is against the suggestion, as I said, that the legislation be brought before this forum, this Parliament so that we might update it, strengthen it and amend it as required.

And this is becoming urgent because mentalities have changed in Canada since it was adopted in 1969. We must admit indeed that the situation has changed. The Constitution was repatriated and it has brought on many significant changes concerning the whole linguistic issue, and there have been a number of judgments by various Canadian courts about the interpretation to be given to both the Constitution and the Official Languages Act.

The result of all this is that we need leadership, we need amendments to the Official Languages Act. I think it is imperative that the matter be dealt with by the House, that the Government show leadership and, as I said earlier, that it find solutions to the important questions of national culture and identity, that it give a new spirit, if you like, a new vigour to the Official Languages Act and its application.

Madam Speaker, basic reforms are a must if we want to meet the challenges of the years 2000. A whole new generation has been raised in this atmosphere, this new climate, this new way of thinking and seeing things.

I believe that this generation is increasingly willing to accept both Canadian realities and to accept that they can flourish without either one being threatened. I do not believe that anyone could demonstrate today that, by asserting my rights as a francophone, I could in any way weaken or diminish the rights of the English-speaking majority, and vice versa, in Quebec, I do not believe that an English-speaking Canadian who asserts his right to use his own language at home can threaten in any way the identity or right to exist of the Quebec majority.

Madam Speaker, I am not alone in saying that it is essential to amend the Official Languages Act. As I have already pointed out, the Prime Minister has repeated on many occasions in the House and during the electoral campaign, and the Government has given Canadians hope in two Speeches from the Throne that this legislation will be amended. Until now, we have heard only promises and endless excuses, but as we all know, Madam Speaker, there are limits to anyone's patience, and I believe that the Government should now set some time table for the Canadian public and announce what will be done about the linguistic issue. The Government should introduce amendments as soon as possible during this session so that we may look at them and discuss them with our usual openmindedness. Such a process can only lead to a piece of

legislation which will be much more appropriate to this day and age.

• (1805)

We must not hesitate too long because to do so could lead to other instances of what we saw in the case of the RCMP. Certain agencies could use such an opportunity to make undesirable changes by saying that there is a vacuum which must be filled. I want to invite the Parliamentary Secretary, in the spirit of reform and to show that this Government and this Parliament speak for all Canadians, to give to all the Government agencies which might be somewhat impatient and want to take action a firm and specific indication this evening that amendments will be introduced in the near future.

Mr. Jean-Guy Hudon (Parliamentary Secretary to Secretary of State for External Affairs): Madam Speaker, it is on behalf of the President of the Treasury Board (Mr. de Cotret) tonight that I am providing details on the questions raised by the Hon. Member for Ottawa—Vanier (Mr. Gauthier). First, Madam Speaker, concerning the Royal Canadian Mounted Police, as the President of the Treasury Board already indicated, the Treasury Board has neither considered nor approved of any reduction for whatever reason in the RCMP's or any other federal institution's goals for hiring employees or recruits whose first official language is French. Policy changes proposed by the RCMP in that respect will be submitted to his colleagues in the Treasury Board and to himself for consideration.

With respect to the many complaints that were filed with the Commissioner of Official Languages against the Canadian Security Intelligence service, as was mentioned by my colleague the Solicitor General of Canada (Mr. Kelleher) here some time ago, action already has been taken to remedy the situation. This action includes the appointment of a larger number of bilingual officers at headquarters, the enhancement of language skills for certain key positions, as well as an increase in the envelope for translation, in order that written communications be provided in both official languages.

As far as language training is concerned, the expected Public Service Commission staff reductions will not lead to any reduction in the use of French in Government Departments because, wherever possible, language teachers will be moved to other positions within the Public Service itself. On the contrary, changes to the language training policy and staff restructuring within the Public Service Commission are a major initiative in terms of efficiency and effectiveness in the area of official languages. As Hon. Members know, the Government will still be picking up the costs of language training needed for operational requirements, and also encouraging language training with a view to improving individual career prospects. Training opportunities will not be reduced, neither inside departments nor regarding the employees.

As to the question of the Hon. Member for Ottawa—Vanier concerning the presentation of the Bill amending the Official Languages Act, I cannot but repeat the statement the Prime Minister made on that subject on the 5th of December last year. If it is not before Christmas, it will be shortly after, due to the consultations the Government absolutely wants to hold on that matter.

Finally, Madam Speaker, the Government is well aware of the necessity to increase the francophone representation among the administrative group. You can rest assured that it spares no effort to that end. Along with the Public Service Commission, the Treasury Board keeps a watchful eye on the matter. Given the circumstances, of course, it may still take a few years before we reach a completely satisfactory situation, but the President of the Treasury Board wants you to know that this principle is of the utmost importance for the Government, and that all fair measures are taken, while respecting the merit principle, in order to continue increasing the francophone representation in the administrative group of the federal Public Service.

• (1810)

[*English*]

SCIENCE AND TECHNOLOGY—OPPORTUNITY TO INCREASE FUNDS FOR RESEARCH. (B) APPROVAL OF PROJECTS

Mr. David Berger (Laurier): Mr. Speaker, in preparing for my remarks this evening I was reminded of a comment made by John Polanyi, the Nobel laureate, at a dinner in his honour in Ottawa several weeks ago. A video tape had been shown, touching on some of the highlights of his remarkable career. In characteristically modest fashion, Professor Polanyi said that his work was but an element of the story of Canadian achievement past, present and future. "The question is", he said, "how long will that future be postponed"?

Canadians are still waiting for an answer to that question from the Conservative Government. Indeed, all we have seen since the last election are reversals and confusion, a policy and a Government that is in disarray. The saga of Canada's participation in the space station is a perfect illustration of a policy and a Government in disarray.

When I asked my question regarding cuts at the National Research Council, the Minister of State for Science and Technology (Mr. Oberle) denied for the umpteenth time that there had been any cuts at the National Research Council. Who did the Minister think he was fooling? Surely not the small businesses in Quebec, Ontario, Manitoba and Saskatchewan that I visited in September and October, prior to the announcement of the cuts. They told me that their projects had been put on hold because of a lack of funding in the Industrial Research Assistance Program, which is one of the most effective government programs in helping small and medium-sized businesses across Canada to do research and become innovative.

The truth is that the Cabinet ordered a cut in that program. However, the Minister had to back down following a wave of protest from across the country and when the members of the

board of directors of the National Research Council refused to take that direction from the Government to cut IRAP.

While the Government announced its participation in the space station over a year ago, we still do not know today where the money is coming from to pay for that program. We know that the National Research Council was forced to contribute some $60 million. The Minister was asked by an *Ottawa Citizen* reporter last fall to provide a list of the exact sources of money. He declined to do so because, he said: "It might cause my colleagues at other Departments unnecessary problems".

We have had a hint of some of these problems in recent days. We have learned that regional development moneys will go into the space program. Indeed, the Cabinet has ordered the Department of Regional Industrial Expansion to take some $35 million and $5 million respectively, or a total of $40 million, from the Laprade Fund and the Lower St. Lawrence and Gaspé Funds to pay for our participation in the space program.

[*Translation*]

Madam Speaker, not a single cent of that money will go back to the Mauricie, Bois-Francs or Gaspe areas, because there are no opportunities there. There is no research facilities and there is no way that part of the country can participate in the space program. Consequently, funds that had been earmarked by the Government for regional development are being secretly taken away, without the Government telling the truth to the Canadian population.

• (1815)

[*English*]

I mentioned this to the Minister several weeks ago and he expressed surprise that we had obtained the information. He wondered how we had got it. A researcher from the Library of Parliament got it through a simple telephone call to the Department of Regional Industrial Expansion. The Minister really outdid himself in answering a question I put to him two weeks ago. I again asked him when he would be able to provide us with details of the funding of the space program. He replied: "I do not know if I will ever be able to provide such information, if I will ever know what the answers are". Does that not inspire confidence in the Government? Canadians can really sleep well tonight knowing that our Government is in such good hands.

Professor Polanyi was once again disappointed by the Government when it announced its science and technology strategy 10 days ago. Our future is still on hold. I do not know if you have seen this policy statement, Madam Speaker. It is a very fancy policy statement. It looks like a placemat. It is pretty. It has the coats of arms of the provincial and territorial Governments. It has the signatures of the Ministers, but there is not one more nickel for research funds. I hope that one of these days the Government will learn that what we need is more spending for research, not cutting. The Minister will learn that we cannot solve problems by throwing promises endlessly at them.

Mr. Gordon Towers (Parliamentary Secretary to Minister of State for Science and Technology): Madam Speaker, as usual, the Hon. Member has departed from the question he asked and it is really annoying. The question he asked was why the Government has reduced IRAP funding by $60 million, thereby jeopardizing the competitiveness of Canadian industry, particularly small and medium-size business. The Hon. Member did not deal with that question at all, and that is what he asked.

I am pleased to respond today because it provides the opportunity to set the record straight on this issue. Simply, the Government never cut the NRC IRAP Program by $60 million. The Hon. Member should know that the Minister of State for Science and Technology (Mr. Oberle) gave his personal assurances that the level of IRAP grants in 1986-87 would not be any less than in previous years.

As the Hon. Member is so poorly informed about federal science and technology policy, perhaps he will not mind if I take a moment to educate him. Let me first say that the Government's actions with respect to the NRC have been part of a consistent policy. The Speech from the Throne announced the opening of a major effort to carve out a significant place for science and technology in the culture of Canada.

Had we taken office with a clean slate, there would have been few problems in meeting these objectives. Instead, we inherited a crisis situation which was built up by the Party to which the Hon. Member belongs. Years of unrealistic spending has led to an intolerable deficit position. Federal science and technology expenditures were an unco-ordinated grab-bag of programs, many just bricks and mortar, not science, working in isolation and often at cross-purposes. This meant that we could not move as freely or as quickly as we wanted. In particular, we found that the federal Government science and technology effort was in poor shape. There was no consistent national science and technology policy or priorities. As a result, the efforts of federal agencies, provincial organizations, universities and industry were unco-ordinated and, at times, ineffective. Funding for the granting councils was not secure, and vast sums were being spent on additional bricks and mortar for various federal facilities. Finally, the scientific research tax credit was losing significant tax revenue with little result.

• (1820)

Since taking office the Government has worked on four different fronts. First, we halted the SRTCs and replaced them with a refundable tax credit designed to help all Canadian companies, especially small start-up firms. Second, we have given the granting councils a guaranteed funding base for the next five years. From this measure alone, the university research community could receive over $1 billion in additional funds over the next five years. Third, we have developed a national consensus on science and technology that fully

involves all players. The product of this consensus building, which has recently been announced by the Minister of State for Science and Technology in Vancouver, is a national science and technology policy setting out the framework for a more co-ordinated and vigorous national effort in R and D. Fourth, we have begun to rationalize the Government's laboratories system, including NRC, to focus federal efforts on support to industry.

All these measures have been put in place within the constraints imposed by the deficit position. Despite these constraints the Government is finding additional resources when requested by NRC to meet new requirements. In fact, NRC is getting an additional 62 person-years for its operations next year.

In summary, the situation at NRC has been misrepresented and exaggerated out of all proportion by the Opposition. In actual fact the reductions which have taken place were necessary but very limited. The impact on people is being contained and the NRC remains a strong and viable research facility with new resources in important areas such as biotechnology.

ENVIRONMENTAL AFFAIRS—ACID RAIN—FORTHCOMING MEETING BETWEEN PRIME MINISTER AND UNITED STATES PRESIDENT. (B) NEED FOR UNITED STATES COMMITMENT

Hon. Chas. L. Caccia (Davenport): Madam Speaker, as you well know, the subject I raise tonight is with respect to acid rain. It is becoming evident that the Government's acid rain strategy is falling apart. We have now reached a stage at which getting President Reagan to live up to a commitment made a year ago has been proclaimed by the Prime Minister (Mr. Mulroney) to be a very significant movement. The fact of the matter is we are now locked into a five-year research and demonstration program. This is a program that will have no benefits to our dying lakes, forests and ecosystem because there are no commitments within the program to cut acid rain.

As Michael Perley of the Canadian Coalition on Acid Rain put it:

> Clean coal technology isn't the key to the solution . . . Emission reduction is the key.

I ask myself and the Parliamentary Secretary what the Prime Minister will be bargaining for at the summit on April 5 since he accepted with open arms yesterday President Reagan's proposed solution with respect to continuing with more demonstration projects. Not only has the Prime Minister accepted it, he has done so three weeks before the summit begins. Thus he has basically given away any bargaining position that he might have had. He could have remained silent and prepared on the basis of a position for Canada that would go well beyond what was announced yesterday in Washington by President Reagan. One has to ask oneself what the Prime Minister will be asking at the summit now that he has said: "Hurrah, that is what we want". Yet it was something promised a year ago, and it was for more than demonstration and research.

I ask the Parliamentary Secretary when the Government will muster the necessary courage—and not very much is needed—to say in a straightforward and plain manner to President Reagan that what we want is not more research and demonstration but cuts in acid rain. We want a significant program from the Canadian point of view with deadlines, percentages and dates such as we have launched on the Canadian side. We want to move ahead together in the interests of Americans and Canadians. One begins to wonder why the Government is pussyfooting around instead of saying it as it is. The basic mistake was made a year or two ago when this Envoy's report was launched and it was decided that we should go for research and development. Time is running out. Years are going by and the environment is still subject to deterioration and constant acidic precipitation.

• (1825)

We are not alone in saying this. Henry Wexman, the U.S. representative in Congress, says that by accepting President Reagan's pledge our Prime Minister has been accused of "selling out the Canadian people and the Canadian environment". He went on to say, "I am surprised that the second time around the Prime Minister would not see through the President's hocus-pocus . . . This is a betrayal of our common environment".

As another example, Clifford Lincoln, the Quebec Minister of the Environment, said Reagan's promise "sounds good until you read between the lines. There's nothing about limits of reduction. There's nothing about abatements. There's nothing about timetables. The signal is very clear to us. We've got to start pushing and screaming a little louder". That is what a distinguished Minister of the Environment in Canada is saying.

If that is not enough, Senator George Mitchell, the Chairman of the U.S. Senate Subcommittee on the Environment, said last week: "I hope the same thing does not happen again", namely this acceptance by the Prime Minister of President Reagan's diplomatic solutions. Congressman Sikorski chimes in along similar lines. I have already told you what Michael Perley of the Canadian Coalition on Acid Rain has said. I will quote another distinguished American—

The Acting Speaker (Mrs. Champagne): I suggest to the Member that if he does want an answer it may be to his advantage to give the floor to the Parliamentary Secretary.

[*Translation*]

Mr. Jean-Guy Hudon (Parliamentary Secretary to Secretary of State for External Affairs): Madam Speaker, of course questions are important but sometimes the answers are also. One must surely have to be quite bold to ask such a question and challenge us about our achievements. When one really considers what we have done . . . This Government, Madam Speaker, has done more to solve the problem of acid rain—and besides it has been recognized by everyone including the media—than the previous Governement.

The Prime Minister met with President Reagan in Quebec City in March 1986. They decided to conclude an agreement. During that time, the Opposition was chuckling and laughing and still was looking for dirt and scandals.

Then, Madam Speaker, the representatives appointed by the United States and Canada met to discuss acid rain and means to solve the problems. They came up with recommendations and findings. The U.S. President and Mr. Mulroney met in Washington in March 1986, one year later. They accepted those findings and promised to take the necesssary action. During that time, our opponents on the other side were still looking for dirt and scandals. They were not making any comparison with what had been done in past years.

Today, Madam Speaker, my colleague for Richmond—Wolfe (Mr. Tardif), a Member of the party opposite, has risen in the House to address the disastrous effects of acid rain on maple trees and said that conditions will be worse four years from now. I fully agree with him and I find it terrible. The people in my Beauharnois—Salaberry riding agree. However, Madam Speaker, acid rain is not the result of the election of a Tory Government in September 1984. The problems did not happen overnight after the election of the Tories. What was done before Septembre 1984 in that regard? If these problems are so catastrophic as is the case today, it is because absolutely nothing was done in the past. Do you know what he proposed for a solution? Will the producers receive any money? That is what has always been done. They think money can buy them peace of mind. That is not the solution. We have to take the proper means.

The last announcement . . . Mr. Bush did indeed come here, Madam Speaker, when we indicated how concerned we were about the agreement that was signed with Mexico; he took the trouble to come here in person. It did not happen when the Members opposite were in government. They were still scouring the garbage cans for scandals. What happened last Wednesday in Washington? Funds were allocated. Let us trust people who are sane and who wish to build a better world as fast as they can.

The Acting Speaker (Mrs. Champagne): The motion to adjourn the House in now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 11 a.m., pursuant to Standing Order 3(1).

The House adjourned at 6.31 p.m.

HOUSE OF COMMONS

Friday, March 20, 1987

The House met at 11 a.m.

Prayers

STATEMENTS PURSUANT TO S. O. 21

[*English*]

WELFARE

NEED FOR FOOD BANKS CONDEMNED

Ms. Sheila Copps (Hamilton East): Mr. Speaker, last night Liberal Leader John Turner and Hamilton Mountain Liberal Beth Phinney had a first-hand chance to see how poverty is affecting the people on Hamilton Mountain. They visited the Neighbour-To-Neighbour Food Centre on Hamilton Mountain. I think it is a crying shame that in this day of plenty in 1987, ridings across this country should have to open food banks in order to feed our poor and hungry.

The Government in the last three Budgets has taken more money out of the hands of the poor, the working class and ordinary Canadians, and put it into the hands of rich Canadians. Now the Minister of Finance (Mr. Wilson) has the nerve to talk about tax reform. We saw the reality last night on Hamilton Mountain. When our candidate Beth Phinney took our Leader to the food banks, she was able to show him that it is not only in the cities people are hurting. People are hurting in the suburbs. They are hurting in every riding across the country.

I think it is imperative that the Government come out with a national attack on poverty to ensure that in 1987 people do not have to stand in line for food for themselves, for their children and for their families. That is a decent policy, that is a Liberal policy, and that is the policy that Beth Phinney is going to promote when she comes here to Ottawa.

* * *

CHALLENGE '87

JOB OPPORTUNITIES FOR YOUTH IN NORTHERN ONTARIO

Mr. John A. MacDougall (Timiskaming): Mr. Speaker, much has been said in the House recently about Challenge '87 and youth job creation. I rise today to commend the Minister of State for Youth (Mr. Charest) for his fine job in furthering the federal Government's attempt to provide meaningful job opportunities for the youth of our country.

Last year I was pleased to see how successful Challenge '86 was for northern Ontario youth. Over $8.2 million was contracted to northern Ontario under the program which resulted in creation of 4,600 jobs. Students from across the North greatly benefited from Challenge '86, and this year students will have the same enjoyment of this successful program.

• (1105)

I am very happy to see that the federal Government has recognized the special needs of youth in northern Ontario, and we have responded. Again I commend the Minister of State for Youth for his efforts in recognizing the regions of our country, and the Government of Canada for the employment of our youth.

* * *

TRADE

CANADA-UNITED STATES NEGOTIATIONS—SASKATCHEWAN RESIDENT'S OPPOSITION

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, yesterday Canadians finally received a clear picture of who is really pushing for free trade in Canada. It is a Liberal-Conservative big business alliance which drew itself together with Donald Macdonald, Peter Lougheed, people such as Philippe de Gaspé Beaubien, and people supporting them from all of the major corporate groups in the country.

I wish to place on the record the voice of someone from central Saskatchewan, someone from the riding of the Minister of Justice (Mr. Hnatyshyn) who wrote to the Minister saying:

> I believe it is a mistake to attempt to negotiate a free trade deal with the U.S. while there are such strong protectionist sentiments down there . . . We don't want to sell the farm to buy a shovel.

He goes on to make a very strong case and concludes:

> Mr. Reisman should be instructed to quietly pack up and come back home.

That is the position of our Party, too.

S. O. 21

FINANCE

PHASING OUT OF INVESTMENT TAX PROGRAM

Mr. Geoff Wilson (Swift Current—Maple Creek): Mr. Speaker, the investment tax credit was instituted back in the mid-1970s. It turns out that the ITC was not intended to stimulate employment in the production of machinery and equipment. The purpose, according to Finance officials, was to enhance productivity by encouraging more investment in equipment.

Clearly, the ITC ought never to have applied to agriculture. The ITC is a program which encouraged wealthier farmers to flip equipment for tax purposes. It is a program which was not even intended to stimulate employment in the manufacturing of equipment in Canada, a program which did little to enhance productivity in western agriculture—a sector which is already highly productive. It is a program which has cost the Canadian Treasury hundreds of millions of dollars, moneys which might have been better used on other agriculture programs.

The investment tax credit was another Liberal program, like the scientific research tax credit—ill-conceived, poorly designed, and open to abuse.

I congratulate the Minister of Finance (Mr. Wilson) for recognizing the ITC as a program without purpose and for acting to phase it out.

* * *

[*Translation*]

AEROSPACE

OPPORTUNITY TO ESTABLISH NEW SPACE AGENCY IN MONTREAL

Mrs. Lucie Pépin (Outremont): Mr. Speaker, for a number of weeks now Montreal has been urging that it be designated as the site of the space agency headquarters. Board of Trade President Manon Vennat and *Chambre de commerce* President Marcel Daoust have made strong representations to have the agency located in Montreal.

Yesterday's *Le Devoir* stated: "Space centre in Montreal considered as realistic and challenging vision for all Canada". This is a true statement, Mr. Speaker: 55 per cent of Canada's space industry is located in Montreal; 79 per cent of research and development is carried out in that region; 45 per cent of the space industry sales are made in Montreal. Montreal's four universities provide excellent synergy for academic and industrial circles.

Notwithstanding so many good reasons to make Montreal Canada's space agency centre, it would seem that this Government may be considering locating it elsewhere. I think it is a very important issue, and we have been told that there are several reasons for this, one being that some public servants in this sector would be reluctant to leave the national capital, but I do not think this is a sufficient reason. The Government would be well advised to keep its mandate in mind and make sure that the country's economic interests come first, another way of suggesting that the space centre must be located in Montreal.

* * *

[*English*]

THE ECONOMY

REDUCTION IN NUMBER LIVING BELOW POVERTY LEVEL

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, thanks to the effective policies of the Progressive Conservative Government, poverty in Canada is being significantly reduced. Statistics Canada reports that as real family income increases the number of Canadians living below the poverty line declined by 263,000 in 1985. For those of us of the Conservative persuasion who believe in the dignity of all mankind, this is welcome news.

• (1110)

It is evident that the Government's emphasis on the creation of an economic environment which encourages investment, new jobs, and opportunity, is much more effective in eliminating hardship than the old Liberal-NDP approach of hand-outs and giveaways.

* * *

PROVINCIAL AFFAIRS

BRITISH COLUMBIA BUDGET—CRITICISM OF PROVISIONS

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, yesterday the British Columbia Government brought down a Budget that will cost average families an extra $135 in taxes. The Budget also provides strong evidence that the plan of the Conservative Government to ban new generic drugs will indeed hurt consumers.

The British Columbia Government has reached a new low in its treatment of the elderly by forcing seniors to pay 75 per cent of the dispensing fee for prescription drugs, up to $125 annually. Although there is compensation for the very poor, this will affect a great many seniors who live just near the poverty line.

The British Columbia Government has also hurt the elderly and sick by increasing the deductible for pharmacare. I submit that these callous actions are very much related to the drug Patent Act that will force families to pay more for prescription drugs. It is another example of Ottawa Conservatives working hand in hand with B.C. Socreds to make corporations wealthy at the expense of the elderly, the sick, and the poor.

RESEARCH AND DEVELOPMENT

RESULTS OF SCIENTISTS' RESEARCH AND INNOVATION

Mr. Reginald Stackhouse (Scarborough West): Mr. Speaker, the easiest people to deride in this House are professors. No MP dares say a word against farmers, fishermen, industrial workers, or business people, provided that they are small. But anyone, any day, can run professors down without fear of retaliation.

Yet the cars people use to drive to work, the equipment with which they work, the economy that makes the work possible, and the satisfaction of almost every legitimate need result from the research and innovation of scientists and scholars, mostly at universities.

Here is a priority for all levels of government and all members of the private sector as we see the rising need for increased funding for research. Without it Canada could not have prospered in the 20th century, nor can it hope to advance in the 21st century.

* * *

[*Translation*]

PROGRESSIVE CONSERVATIVE PARTY

ESTABLISHMENT OF SPACE AGENCY AND SITUATION OF ELDERLY WORKERS WITH REGARD TO UNEMPLOYMENT INSURANCE

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, as my colleague from Outremont (Mrs. Pépin) just pointed out, the *Chambre de commerce* and Board of Trade of Montreal, the mayor of Montreal and, yesterday, Montreal editorial writers, the Quebec National Assembly—for the second time—the Opposition, the *Parti québécois* and the Liberal Party unanimously endorsed a motion urging the Mulroney Government to confirm Montreal as our aerospace industry centre by establishing the space agency in Montreal.

Mr. Speaker, it is imperative, first, that at their Quebec City weekend meeting the Conservative Members general council adopt a unanimous resolution supporting Montreal; and, second, that the general council of Conservative Members should pass a unanimous motion aimed at eliminating unemployment insurance discrimination against elderly workers.

[*English*]

SPRING

DAFFODILS FROM BRITISH COLUMBIA—HURRAH!

Mr. Ted Schellenberg (Nanaimo—Alberni): Mr. Speaker, today is a very special day. Not only is it the forty-eighth birthday of Canada's Prime Minister (Mr. Mulroney)—

Some Hon. Members: Hear, hear!

Mr. Schellenberg: —but it is also the last day of winter. Yes, "now ends the winter of our discontent". Spring officially arrives this evening!

As you will agree, Mr. Speaker, spring is eternal in our home Province of British Columbia. The sun always shines, the flowers bloom year round, and ocean waters softly lap against our shores.

But we are magnanimous people who are willing to share our good fortune with eastern Canadians. So, while the Ottawa snow turns grey and gritty, Members of Parliament from paradise on the Pacific have provided daffodils to all of our colleagues in the House.

They are supplied by Vancouver radio station CKNW, which once again this year means: "Canadians know nice weather". These daffodils symbolize that:

Spring has sprung,
The grass is riz—
British Columbia is where
The sunshine is!

Some Hon. Members: Hear, hear!

* * *

• (1115)

HARBOURS AND PORTS

SMALL CRAFT HARBOURS—CALL FOR INCREASED MAINTENANCE EXPENDITURES

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, the Department of Fisheries has budgeted only $47.5 million for maintenance of small craft harbours. Mr. Mike Godin of the Harbour Maintenance Branch estimates that $120 million per year is needed. If we do not spend that amount of money, within five years we will have to close about 150 Class C fishing harbours.

In other words, the Government is not maintaining the basic infrastructure needed for both our fishing and tourist industries. In some cases if fire breaks out on fishing vessels it will be impossible for fire engines to have access. In the meantime licence fees for fishermen on the Pacific coast have doubled and, in some cases, wharfage rates have more than doubled.

The Government must change this penny wise and dollar foolish policy of neglecting our basic fishing industry.

* * *

THE ECONOMY

BANK RATE REDUCTION

Mr. Bill Attewell (Don Valley East): Mr. Speaker, it is true that some regions of Canada are booming and others are not sharing equally in Canada's strong economic performance. However, there is one key development which helps every region, that is, lower interest rates.

Yesterday the Bank of Canada rate dropped to 7.14 per cent, the lowest in 14 years. When the Government came to power in September, 1984, the Bank of Canada rate was 12.38 per cent.

This is good news for all Canadians. It helps young couples acquire homes. Lower interest rates mean the creation of more small businesses and help existing ones to survive.

Lower interest rates even help the Government. Each 1 per cent decrease means an annual saving of over $2 billion in interest charges on the national debt. This helps reduce the deficit.

As Jackie Gleason used to say, "How sweet it is!"

* * *

POLITICAL PARTIES

CANADA-UNITED STATES TRADE NEGOTIATIONS—POSITION OF NDP LEADER

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, you will recall that the Liberals proposed a very thoughtful amendment to the Government's free trade motion earlier this week. The amendment called for the protection of agricultural marketing boards, the Auto Pact, Canada's cultural industries, and other similar measures. The NDP voted against the amendment.

I have a transcript of an interview on CBC's *The Journal* of March 17 in which, in response to a question about free trade, the Leader of the NDP said:

> Now if we're talking about a trading arrangement that has certain protective mechanisms, that keep in place marketing boards for our western farmers, that keep in place certain investment requirements in the automotive industry, that protect our cultural industries, in other words, all these exceptions, of course we could have a trade arrangement with the United States.

Mr. Speaker, the NDP will never be accused of telling the truth.

[*Translation*]

OFFICIAL LANGUAGES

GOVERNMENT RESPONSIBILITY

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, today, there are a number of articles in the *Globe and Mail*, *Le Droit* and *Le Devoir* about the Official Languages Act and the Government's intention to introduce a Bill. Today, *Le Droit* says that the Conservative Government—

> —will provide bilingual services only in offices receiving an average of fifty requests per month, twelve months a year, in the minority language. In areas with a population of over 200,000, there will have to be more than 5,000 Francophones for Ottawa to provide services in both languages as a matter of course.

Mr. Speaker, Saskatoon, Saint John, New Brunswick and even Victoria do not have 5,000 Francophones, and I think their rights are going to be taken away. Why do the Conservatives feel they can afford to quantify the rights of Canadian men and women? This Government does not seem to realize that such a policy is prejudicial to the advancement of Francophones in several provinces.

We could say that this quantification policy is a sure sign of the Government's lack of any common sense. Mr. Speaker, when revising the Official Languages Act, the Government will have to set effective dates for language of service, language of work and language of communication, but it will also have to act responsibly to ensure that equitable representation is reflected in this Government and in this Parliament.

ORAL QUESTION PERIOD

[*Translation*]

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I was going to offer my best wishes to the Prime Minister on his birthday, but he is not in the House.

* * *

ACID RAIN

UNITED STATES PRESIDENT'S PROMISES—GOVERNMENT POSITION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question is therefor directed to the Deputy Prime Minister, because we are celebrating another anniversary as well. Exactly a year ago, the Prime Minister announced:

> —We are now going to reduce air pollution. That will remain our immediate objective.

This week, however, the Prime Minister praised the President of the United States for the same promise he received from him last year and the year before, which was that he would look into the problem of acid rain. How many

times does he have to thank the President of the United States for promises the latter made and which he has yet to keep?

• (1120)

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I really find it strange that the right hon. gentleman opposite would want to be so critical of progress that is being made on a very, very important issue. He and his Party should be the last ones to condemn the actions of this federal Government in trying to make progress in resolving this very important national and international situation. The Liberal Government of the day walked away from the bargaining table of trying to work toward a permanent resolution.

Under the leadership of the Prime Minister and with the close co-operation of the U.S. administration progress indeed has been made, and it was so indicated in Mr. Reagan's statement when he said, "We've made some progress in learning things that can be done and we were ready to make this move. There are others probably yet to come. We're still investigating this." This is a positive reaction to a very important problem. The Right Hon. Leader of the Opposition and his Party should be commending our Government and the United States for this action rather than adopting that attitude.

ENVOYS' REPORT—PRIME MINISTER'S POSITION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, the Deputy Prime Minister is contagiously close to the Prime Minister in attempting to rewrite history. The joint report of Drew Lewis and William Davis, the Special Envoys on Acid Rain reported that the amount of SO2 emitted in 1983 represents a 28 per cent decline from the peak level emitted in 1973. Electric utility SO2 emissions declined by 19 per cent between 1973 and 1983 and industrial emissions declined by 46 per cent. There was a lot of action under the previous Government which has not been continued under this administration.

My question relates to the fact that the Prime Minister has thanked the President for a giant step backward. In fact, even American Congressmen are criticizing our Prime Minister for undermining their efforts in the Congress to proceed toward emission control. Why has the Prime Minister backed away from his position of last year when he insisted on immediate emission controls?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Clearly, Mr. Speaker, progress has been made and if the right hon. gentleman would read the press release from Washington it makes clear reference to the fact that three major steps, consistent with the envoys' proposal, were being adopted and acted upon. Surely that is a clear indication not only of the commitment made south of the border but indeed of the progress being made which will be the subject of the bilateral talks to take place at the summit early in April. I know that the Right Hon. Leader has to play the role of being an opposition spokesman, but certainly when you are in opposition you have to have a little credibility.

Ms. Copps: Check with Dalton.

Mr. Mazankowski: The credibility that he and his Party have with respect to the actions they took on acid rain certainly does not give them much credibility and credence for the position they are taking right now.

Mr. Gauthier: It is a hell of a lot better than yours.

REQUEST FOR EMISSION CONTROLS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I say this in a kindly way to the Deputy Prime Minister. He is not adding to his credibility by being a mouthpiece for his neighbour the Prime Minister of Canada.

Every school child knows that smokestacks and cars are a source of acid rain. Yet the President of the United States is thanked by our Prime Minister for conducting more research into the sources of acid rain. When will our Prime Minister tell the President of the United States, "We have the research. Let us get on immediately to emission controls"?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, if the hon. gentleman is so sure we have all the research, why didn't he and his Government act prior to 1984? They did absolutely nothing. They walked away from the bargaining table. They refused to talk to the Americans. Within six months of taking office, with the co-operation of the provinces, we agreed to reduce emissions by 50 per cent. Through the efforts of the Prime Minister we have been successful in getting the U.S. discussions back on track. We have had very productive discussions and productive commitments. Those talks will continue at the summit.

• (1125)

The right hon. gentleman should acknowledge, as the Leader of the NDP did yesterday, that progress has been made. I am really surprised that the right hon. gentleman is so jealous of the progress that has been made.

UNITED STATES PRESIDENT'S PRESS CONFERENCE

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, two hours ago in Quebec City the Quebec Government and the Government of Canada signed an acid rain agreement which is part of the process that was initiated by the Liberal Government in 1984, just to inform the Deputy Prime Minister.

Last night on television we heard President Reagan at his press conference saying the following:

> We have found that the further we've gone, the more complex the issue of the source of acid rain becomes.

It does not seem to me that this is a statement by a person who is ready to act with acid rain clean-up programs. This is a stalling tactic. Does the Deputy Prime Minister not realize that the President has taken a stalling tactics approach?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, the hon. gentleman, who is a former Minister of the Environment, should refrain from selective quotations to try to present a weak case. If he read further he would learn that the President said:

> We've made some progress in learning things that can be done and we were ready to make this move. There are others probably yet to come. We're still investigating this.

I think that is a pretty positive statement.

Mr. Caccia: Mr. Speaker, that is exactly our point. The progress that has been made in the mind of the President of the United States is that it is no longer volcanoes and ducks. That is the progress that has been made.

NEGOTIATION OF CANADA-UNITED STATES TREATY

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, it is a solid position common to all three Parties in this House that procrastination is not helping Canada. Therefore, will he make representations to the Prime Minister urging him to push for a North American acid rain agreement with deadlines, percentages and targets? Can he tell us when Canada will be protected by such a treaty?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I do not have to make representations to the Right Hon. Prime Minister. He has clearly shown leadership and made progress in this regard. More leadership will be demonstrated at the summit and more progress will be made.

* * *

ABORIGINAL RIGHTS

FIRST MINISTER'S MEETING—GOVERNMENT POSITION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I have a question for the Minister of Justice. Next Thursday there will be a major meeting of First Ministers and the aboriginal peoples of Canada to discuss aboriginal rights. The Minister knows that the federal Government has left leadership, with regard to documents that will be discussed, to the provinces which will determine the substance of the meeting.

At this late stage before the meeting starts next Thursday will the Government of Canada undertake to make public its position on the crucial issues to be discussed at that meeting?

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker, I appreciate very much the question asked by the Leader of the New Democratic Party because it affords me the opportunity to restate once again the very great priority which the Prime Minister gives to this important meeting coming up next week.

I believe that impartial observers of this process will agree that throughout the consultation process and period the federal Government has consistently given leadership in terms of rolling drafts, in terms of stating the position of the federal Government up front, and in terms of trying to move the parties toward a constitutional amendment.

We are determined to arrive at an agreement if possible but it will require movement on the part of participants in these meetings. I call upon those who are participating to come to this meeting with an open mind in order that we may bridge the gaps which now exist between the parties in order to serve the true and legitimate interests of the aboriginal peoples of Canada.

Mr. Broadbent: Mr. Speaker, when you work your way through that fog you conclude that the federal Government is not prepared to state its position openly and therefore take a leadership role.

MINISTER'S STATEMENT

Hon. Edward Broadbent (Oshawa): I would like to quote what the Minister of Indian Affairs and Northern Development had to say on this and then ask the Minister to deal with the question. In the House on March 11 the Minister of Indian Affairs and Northern Development said:

> There has not been a proposal put forward in the meetings that has not been supported by the federal Government when it came to trying to bring consensus from all sides of the table.

The Minister is saying that the federal Government has not taken the lead. It is prepared to follow the lead of others and maybe get a consensus. Will the federal Government now show some leadership and, before next Thursday's meeting, publicly release its views, particularly on the crucial question of aboriginal self-government?

• (1130)

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker, the position put forward by the Leader of the NDP is patently absurd. The fact is that the federal Government has come a very considerable way and has tried to bring the participants along and make progress on the issue. We have taken a position with respect to the right of self-government which is clear and unequivocal. We are unequivocally supportive of the right of self-government. We want to, and on this all participants agree, determine the process by which self-government will be instituted in a constitutional way. We are the first Government to put forward our views with respect to financing and every other critical issue to be discussed at that meeting. There is no secret about our position. We are the leaders in putting our position forward.

AGENDA FOR FIRST DAY'S TALKS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, it is just unfortunate, and I will not go into the details now, that the leadership of virtually all the aboriginal peoples have been quite critical of the federal Government for failing to do precisely what the Minister claims it is doing.

I want to ask the Minister another question which came out of a House committee meeting last night. It has been suggested that the federal Government is now making changes in the proposed agenda for the first day. As the Minister knows, the first day was supposed to be allocated to discussions of the question of self-government. The suggestion now is that the federal Government is proposing a much more general discussion on the first day about a variety of aboriginal matters. Will the Minister clarify this situation? Is the Government still proposing to go ahead on the first day and deal with the very important matter of self-government?

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker, the agenda is under discussion now. The Prime Minister has written to the Premiers and leaders of the aboriginal groups represented at the conference. The federal Government cannot solve this matter unilaterally. A constitutional amendment is required. Not only the federal Government but seven provinces representing 50 per cent of the population must support it. It is not possible to have movement unless we have the support of the provincial Governments. I say to the Hon. Leader of the NDP that we have been giving leadership and striving mightily at the Ministers' meetings to bring about that kind of consensus on the best possible level so that the aboriginal peoples will be able to achieve self-government and realize their expectations in the Canadian confederation.

* * *

[*Translation*]

UNEMPLOYMENT INSURANCE

RIGHTS OF EARLY RETIREES

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. Next Monday, in Montreal, I am having a meeting with older workers to explain the decisions announced this week and what should be done to defend the rights of early retirees.

Could the Minister explain to the House why he decided to continue to discriminate against older workers who have company pension plans, as opposed to the older worker who has a registered retirement savings plan? Why is the older worker who has a company pension plan not entitled to full unemployment insurance benefits, while the worker who is getting money from a registered retirement savings plan is entitled to full unemployment insurance benefits? Why the double standard?

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, in November 1984, the Minister of Finance identified a set of rules dealing with the issue of simultaneous income from pensions and unemployment insurance. In these rules, the Minister of Finance considered that private pension plans were eligible and public pension plans were not.

At his meeting next Monday, I think the Hon. Member will have to make it clear that the Government has always maintained the same principle. There has never been any change in the Government's position in the way it deals with early retirees. However, for considerations of justice and equity in implementing the measure, the Government has decided to consider a refund for people who formally applied for unemployment insurance before 1986, but that will not be the case for those who applied after that time. I think this position is quite clear, and it will remain entirely in line with what was announced by the Minister of Finance in November 1984.

REQUEST FOR EXPLANATION

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, I have a supplementary. The fact remains that the Minister has yet to explain why some older workers are treated better than others. The purpose of my supplementary is to get some information for these people. Could the Minister inform the House whether a person who on October 10, 1985 agreed with his employer to take early retirement and who because of separation payments and accumulated sick leave was not eligible for unemployment insurance benefits until February 10, 1986, is considered to be a 1985 retiree and thus eligible for the refund or will that person be penalized if he failed to apply at the time of termination of employment?

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, I think the statement I made in the House the day before yesterday was quite clear in this respect. I said that people who formally applied for unemployment insurance benefits at a Canada Employment and Immigration Centre before January 1986 would be considered. There are a number of special cases. The staff at the employment centres has a certain amount of leeway, and the usual mechanisms that exist at employment centres should people decide to protest the Government's procedures are in place and will apply in these instances. I want this to be quite clear. I repeat, people who formally applied for unemployment insurance benefits before January 5, 1986, will be considered.

[*English*]

ENVIRONMENTAL AFFAIRS

ACID RAIN—UNITED STATES PRESIDENT'S PRESS CONFERENCE

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, I would like to return to the Deputy Prime Minister and the issue of acid rain. The President of the United States, at his press conference, when asked about it, said "We are still investigating this". The President has some fine qualities, no doubt, but he is not known as a quick study. I ask the Deputy Prime Minister not to tell us about what the Liberals did in the past or anything else. I want to know whether the Canadian Government was satisfied with the President's response at that press conference yesterday?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, we are certainly satisfied with the announced initiative and will, I am sure, be satisfied with the results of the continuing discussions which will take place between the Prime Minister and the President when they meet here in early April.

MINNESOTA CONGRESSMAN'S STATEMENT

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, I think most people in Canada think that acid rain is the key environmental issue in North America. They are really disappointed with our leaders on both sides of the border for their responses. Is the Deputy Prime Minister aware that a U.S. Congressman from Minnesota said this morning that our Prime Minister's dealings with the President on acid rain are retarding congressional efforts to deal with acid rain? Will the Government stop retarding the efforts of the anti-acid rain lobby by pretending that the President is doing something significant on acid rain when he is not? Would it not be better for the Government to work with congressional leaders against acid rain instead?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I guess there is nothing wrong with different points of view being expressed in the U.S., just as they are expressed in Canada, on this very important issue. I remind the Hon. Member that there has been considerable progress not only on acid rain but on other fronts as well. For example, on February 4, 1987, Canada and the U.S., along with Ontario and New York, signed a declaration of intent which, coupled with the Niagara River management plan, will see a 50 per cent reduction of loadings of persistent toxic chemicals into the Niagara River by 1996. There was, in the fall of 1985, a joint declaration of intent regarding transborder control of hazardous wastes. There was a Memorandum of Understanding creating contingency measures for dealing with accidental and unauthorized discharges along the inland boundary.

Mr. Waddell: That was not the President.

Mr. Mazankowski: There was a Memorandum of Understanding concerning research and development for areas of common interest in science and technology. The latest initiative, reinforced by the President, is also good news.

Mr. Waddell: Good news? That is good news?

Mr. Mazankowski: Why do Members opposite always chastize the good news and the progress being made?

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CANADIAN NATIONAL RAILWAYS

LAY-OFFS AT MONCTON SHOPS

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, I have a number of questions concerning regional development of importance to the Atlantic provinces. However, in the absence of the Minister responsible I will put my first question to the Minister of Transport. The Minister knows that the announcement by Canadian General Electric that it does not intend to locate in the Moncton area, coupled with the stated intention of CN to close the Moncton shops, represents a double devastating blow to the citizens of Moncton. So far all the Government has done is allocate $4 million to assist laid-off workers. The Minister knows that amounts to $3,300 for each of the 1,200 workers, while the yearly pay-roll of those shops was some $32 million. Does the Government of Canada really believe that $4 million is a sufficient response?

• (1140)

In light of the Canadian General Electric announcement that it is not locating in Moncton, would the Government consider ordering CN to maintain its shops in the city of Moncton and to transfer work back to that community?

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, we are pleased to see the Hon. Member back in the House after going to Newfoundland to unseat the provincial Liberal Leader. In fact it is rumoured that the hon. gentleman is going to run for the leadership there and we all wish him well. If he is successful, it will certainly lead to a quieter House of Commons.

With respect to Moncton, the first thing the Government did to assist was to encourage CN to find another employer to take over part of the works. It did that with Canadian General Electric, but unfortunately two of the international unions operating in Moncton refused to go along with the arrangement which was made. As a result, a further 303 people are now unemployed who could have been employed in Moncton.

We then encouraged CN to participate with the Government in a $4 million fund to help Moncton find other industries to go in to help the situation. In addition, our payroll this year in the Moncton area—

Some Hon. Members: Order.

Mr. Crosbie: —of CN will be over $90 million. There is a new multi-modal terminal in operation which cost—

Some Hon. Members: Order.

Mr. Crosbie: You don't want to hear what we are doing for Moncton. The question was what are we doing, and I am trying to answer it.

Mr. Tobin: Mr. Speaker, the only Newfoundland Member of Parliament who has a well deserved reputation for salivating unashamedly whenever the word "leadership" is mentioned is the Hon. Member opposite who, of course, has run for two of the three Parties so far, and I would advise the Hon. Member for Oshawa to watch his back.

Some Hon. Members: Oh, oh!

Mr. Broadbent: No, no, we are safe.

Mr. Speaker: At least it is a family argument.

Some Hon. Members: Oh, oh!

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REGIONAL INDUSTRIAL EXPANSION

HAWKER SIDDELEY PLANT AT TRENTON, N. S.

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): My other question of regional development importance to Atlantic Canada has to do with Pictou County, Nova Scotia. Hon. Members are aware that an announcement has been made that the Trenton car works will be sold or closed. Of course, yesterday Members of the House heard the Prime Minister respond to that grave crisis in his former riding of Central Nova.

Is the Deputy Prime Minister aware that the current Hon. Member for Central Nova, who preceded the Prime Minister and who followed the Prime Minister, that is, the Minister of National Revenue, is quoted as saying yesterday: "If I was a Hawker Siddeley worker, or the son of a Hawker Siddeley worker, I would be pretty cynical about the Government's response too". When is the Government of Canada going to come clean and keep the Prime Minister's commitment to the people of that community to ensure prosperity and continuity of work?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, you not only heard an answer to that question yesterday from the Prime Minister, you heard it from the Minister of Regional Industrial Expansion. I invite the Hon. Member to reread the answers and maybe he could enlighten himself.

FREIGHT CAR MANUFACTURING INDUSTRY

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, my question is directed to the Minister of Transport and also concerns the sorry state of the Canadian freight car industry and the fact that jobs are being lost in Montreal, Hamilton, and Trenton. Hawker Siddeley is now on the sale-block. Yesterday the Prime Minister promised action, but the Mayor of Pictou says they have had so many promises they are now calling it the promised land. Yesterday the Prime Minister promised he would work with Canadian National presumably to cause CN to use Canadian instead of American freight cars. Which policy is the one we can depend on being implemented, the Prime Minister's policy or the Minister's, which was no interference with CN?

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, in case of any difference there might be, and I am not aware of any, between my views and those of the Prime Minister, my guess is that the Prime Minister's views will overcome. With respect to this particular question, the railcar manufacturing industry has had grave difficulties in the last several years because circumstances in both the United States and Canada have dictated that the railroads are not purchasing railcars in their normal volumes because of the reduction in the amount of goods they have had to transport and circumstances like that. There is a problem and it has been looked at by the Department of DRIE.

With respect to Nova Scotia, there has been a tremendous contribution, I believe $1.4 billion, in development assistance from this Government to Nova Scotia in the two and a half years since September of 1984. That is $1.4 billion to help overcome these kinds of situations, and we will continue in that gigantic effort, no matter what the difficulties are.

USE OF AMERICAN FREIGHT CARS BY CANADIAN RAILWAYS

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, my supplementary question is directed to the Minister of Transport. Will the Government act to stop the use of American freight cars by CN? And will it change its own tariff regulations to encourage the use of Canadian cars rather than American cars by CN and Canadian rail industries?

Hon. John C. Crosbie (Minister of Transport): I do not know how protectionist the hon. gentleman can get. The New Democratic Party has to decide. Does it want an efficient, economic and effective Canadian transportation service or not? This is a very complicated—

Mr. Broadbent: We want jobs in Nova Scotia, fellow.

Mr. Crosbie: We will have no jobs in Canada at all if that Party, led by the Hon. Member for Oshawa, the hon.—I won't call him that name.

Some Hon. Members: Oh, oh!

Mr. Broadbent: Watch it.

Oral Questions

CANADA POST CORPORATION

DELAYS IN MAIL DELIVERY

Mr. Bill Attewell (Don Valley East): Mr. Speaker, my question is directed to the Minister responsible for Canada Post. Many of my constituents are very upset with the tardy mail service of Canada Post. To cite a typical example, Mr. Kasner of Pinnacle Road called recently to say he receives his mail about seven or eight o'clock at night. It often takes a week for a letter to arrive from downtown. He has not had a regular mailman for over two months.

Is service really the number one priority at Canada Post? And if it is, when are we going to see some results?

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, some of the mail apparently gets through. In February I received 3,000 letters of complaint. As the Hon. Member will know from the Marchment Committee report, there is a lot wrong with Canada Post, going back some two decades, as a result of political interference and other things. I think the Post Office is on the right track. It is making the right moves. There is the intent, and indeed it is in place, to have outside auditors on a quarterly basis measure the effectiveness, efficiency and quality of service of Canada Post so that the public will know from an independent source whether in fact these improvements are occurring according to the plan. I have all my fingers and toes crossed that by February next year my letters of complaint will be down significantly.

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SCIENCE AND TECHNOLOGY

FUNDING OF SPACE PLAN

Mr. David Berger (Laurier): Mr. Speaker, my question is directed to the Minister of State for Science and Technology. In the fall we learned the Government was making massive cuts at the National Research Council to pay for its space plan. Now we learn it is cutting $40 million from regional development programs. When is the Government going to tell us where it plans to find the rest of the money? And could the Minister tell the House and Canadians what he meant when he said he could not provide us with details because: "It might cause my colleagues at the other Departments unnecessary problems"?

• (1150)

Hon. Frank Oberle (Minister of State for Science and Technology): Mr. Speaker, as I recall that question was answered yesterday. It is quite true that the resources that will be required to carry out the comprehensive space program which was announced last May will come from existing programs. It is not true that regions which have had resources identified for their use will be deprived of those resources. However, should some of the space activities be carried out in those regions, obviously it would be prudent to use the resources that have already been identified for them.

[*Translation*]

SELECTION CRITERIA FOR SITE OF FUTURE SPACE AGENCY

Mr. David Berger (Laurier): Mr. Speaker, the Minister ought to give guarantees there will be some kind of space industry in the Gaspé and in Mauricie. I challenge him to do so.

Mr. Speaker, so far, the Minister has also refused to reveal the selection criteria for the site of the future space agency. Could the Minister inform the House today what definitive criteria will be used to determine the site of this agency?

[*English*]

Hon. Frank Oberle (Minister of State for Science and Technology): Mr. Speaker, the comprehensive space program is a national program. There is keen competition from several regions in the country for the head office of the agency, which is not in itself a job-creation effort. It will involve about 40 or 50 people. The location of the agency will be decided in the best national interest.

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[*Translation*]

FINANCE

REQUEST FOR REDUCTION OF CREDIT CARD INTEREST RATES

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, my question is directed to the Minister of State for Finance and deals with the subject of credit card interest rates. Yesterday, the Bank of Canada rate fell to 7.14 per cent, a drop of 4 percentage points over two years, while interest rates on most credit cards have remained unchanged, that is, about 19 per cent at the banks and 29 per cent for the department stores. Is the Government prepared to take the necessary steps to ensure that credit card interest rates are brought down to reasonable levels?

[*English*]

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, I want to thank the Hon. Member for raising this important issue, an important issue which not only he raises but which has been raised by the Hon. Member for Scarborough West over the last year.

Some Hon. Members: Hear, hear!

Mr. Beatty: The NDP is slow but they catch up after a while.

Mr. Hockin: The Hon. Member suggests a reduction of interest rates on credit cards. I think the goal should be not only to do that, and to do it right away, but to act across the

whole range of needs. First, we should act in terms of better disclosure and in terms of better and common methods of reporting. This range of issues is being looked at by the standing committee whose report we will receive shortly. With that report we will be able to act very quickly.

ROLE OF BANKS

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, I welcome the Minister's statement that he intends to see action taken right away. Will he assure the House that if the banks and retailers do not act to bring their credit card rates down, as the Toronto Dominion Bank did about four weeks ago, the Government will introduce legislation which will impose ceilings on credit card rates and ensure that the benefit of lower interest rates will go to credit card users and not to the banks?

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, I would be very glad to look at that Major Douglas Social Credit solution to the problem—

Some Hon. Members: Oh, oh!

Mr. Hockin: —as well as other ways to get those interest rates down.

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AIRPORTS

TORONTO INTERNATIONAL AIRPORT—LACK OF TAXI AND BUS SERVICE

Mr. Reginald Stackhouse (Scarborough West): Mr. Speaker, my question is for the Minister of Transport. For months people have found it easier to fly into Toronto International Airport than to drive out of it. Often, limousines, taxis and buses are simply not available. When entrepreneurs are eager to supply additional services, I ask the Minister what action he plans to take to solve this problem?

Ms. Copps: We have a great airport in Hamilton. Come on over!

An Hon. Member: We would but you're there.

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, we can always put the Hon. Member for Hamilton East there to act as a director.

Because of the popularity of Toronto, which city's popularity is unbounded—it used to be known as Hogtown, but no longer—there has been a problem at Toronto Airport after 11 p.m. when a number of charter flights come in together. There have not been sufficient ground facilities in place there. However, certain steps are being taken during the March break weekend.

We are assigning additional ground transportation inspectors, commissionaires, and RCMP to be on duty. We have told the public that the arrivals level of Terminal One will not be available to private vehicles after 11 p.m. during this weekend when many people are returning. We have warned all the airport taxi and limousine vehicle operators that they will be expected to be at the airport to provide service during these peak times. If the taxi-cab and limousine fleets become depleted, outside taxis and limousines will be called in to provide service.

Some Hon. Members: Order, order!

Mr. Crosbie: In other words, we are taking every reasonable precaution. We anticipate that the problems should be met.

Some Hon. Members: Order, order!

Mr. Crosbie: In addition—

Mr. Speaker: The Hon. Member for Renfrew—Nipissing—Pembroke.

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SCIENCE AND TECHNOLOGY

CANADIAN SHARE IN NEW TELESCOPE IN HAWAII

Mr. Len Hopkins (Renfrew—Nipissing—Pembroke): Mr. Speaker, my question is for the Minister of State for Science and Technology. In a letter to me the Minister stated that the Government:

> —has reached a preliminary understanding to purchase a 25 per cent share of the new James Clark Maxwell Telescope being built by the United Kingdom and The Netherlands on Mauna Kea in Hawaii.

How can the Minister place Canada in the disgraceful position of being the first country in the world ever to close down a major telescope, a world-class telescope, the Algonquin Radio Observatory, and then turn around and pay out millions of dollars elsewhere to remove science and technology from Canadian soil?

Hon. Frank Oberle (Minister of State for Science and Technology): Mr. Speaker, as you know the Government relies on a council of the most eminent people we can find to help us allocate scarce resources in the best interests of the country. It was a decision of the National Research Council to participate, with other countries, in the establishment of a world-class leading-edge telescope in Hawaii. This is a millimetre telescope compared to the centimetre telescope that is in place in Algonquin Park. Far be it from me to question that decision. It was merely made to stay on the leading edge of this particular discipline of science.

GOVERNMENT POLICY

Mr. Len Hopkins (Renfrew—Nipissing—Pembroke): Mr. Speaker, what the Minister has just done is not only abdicate

his own responsibility but he has abdicated the responsibility of the Government of Canada.

Some Hon. Members: Hear, hear!

Mr. Hopkins: Is this the Government's new science and technology policy—made in Britain and made in The Netherlands and located on American soil? Why is the Government returning the country back to its colonial days? Has he no pride in the Canadian record in science and technology, the best in the world?

Some Hon. Members: Hear, hear!

Hon. Frank Oberle (Minister of State for Science and Technology): Mr. Speaker, perhaps the reason the council made the decision is because the telescope being established in Hawaii is simply the best in the world. Incidentally, we are already partners with a number of other countries in this telescope. We shall assure that we and future generations will be with the best in the world on the frontier of science. We will even drag, kicking and screaming, the Hon. Member along with us.

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BANKS AND BANKING

CHARTERED BANKS—WEEKLY FLOATING INTEREST RATE CHARGED TO FARMERS

Mr. Vic Althouse (Humboldt—Lake Centre): Mr. Speaker, my question is for the Minister of State for Finance. With the inception of the new Bank Act in 1980 most banks began to charge farmers on a weekly floating rate of interest even though the signed notes that they held were for lower fixed rates. Since the banks floated their rates as high as 22 per cent and 24 per cent, and since there now appear to be several judgments showing these extra charges to be beyond the legal power of the banks to collect, will the Minister instruct the banks to review all such files and have them make restitution for the overcharges to farmers?

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, I would be glad to take a look at that issue and report back to the House next week to see whether the suggestion the Hon. Member is making can be followed or not.

Mr. Speaker: The Hon. Member for Mississauga South.

• (1200)

TRADE

CANADA-UNITED STATES NEGOTIATIONS—WITHHOLDING TAX ARRANGEMENTS

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, my question is for the Minister responsible for organizing trade and financial services as part of our bilateral arrangements with the United States. I want to inform the Government that at the Finance Committee, Alexander McKie indicated that the major problem in our financial services and banking with the United States was withholding tax arrangements that do not apply between the United States and Britain, between the United States and Germany, or between the United States and Holland. Is that matter being addressed by the Government in these negotiations?

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, I know the Hon. Member would not want me to negotiate that issue with the United States in Parliament at this time. He has a very tantalizing theory about withholding tax. At some point he should make that clear to members of his committee because I believe it is a very important theory for these negotiations.

Mr. Speaker: I remind Hon. Members that Question Period is drawing to a close. I will try to recognize more Members, but they should make the questions short.

Mr. Gauthier: Mr. Speaker, I hope the answers will be short as well.

* * *

[*Translation*]

OFFICIAL LANGUAGES ACT

AMENDMENTS TO ACT—GOVERNMENT POSITION

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, my question is for the Minister of Justice. On several occasions I tried to get the Government moving with respect to the Official Languages Act amendments. Today's newspapers report that the situation is worsening and that people are exasperated at the Government's snail pace when it comes to the introduction of these amendments. They even indicate that the Member for Charlevoix and Chairman of the Standing Committee on Official Languages has stated that the delay was due to barbarian and dinosaurian reactions, as he put it. In all likelihood, he was referring to his Conservative caucus colleagues who have seen the proposed amendments, but we certainly did not see them.

Can the Minister assure the House today that, to prevent leaks and so that at long last we might deal seriously with this matter, the Government will soon set a firm and specific time

frame concerning appropriate amendments to the Official Languages Act?

Hon. Benoît Bouchard (Minister of Employment and Immigration): When I was Secretary of State, Mr. Speaker, I had an opportunity to launch the official languages policy review process. Surely my colleague will recall that last fall he deplored the lack of sufficient consultations with organizations directly involved in this process, among others the *Fédération des francophones hors Québec*. The process has been initiated, and I should think that the Government is committed and will take action soon in this session. As I see it, everything must be in place before we can recommend the best possible course to follow with respect to revamping the Official Languages Act.

NEED TO END SITUATION

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, my question is directed to the Minister of Justice because he is responsible for this matter.

Today, for instance, we have learned that Federal Court and Tax Court of Canada judges are exempt from the need to understand what is being said in court, in other words, the language of the accused. Once again to avoid the possibility that people might begin to question the seriousness of the Government and its willingness to correct the problem, can the Minister not rise in the House and put an end to this painful and probably very dangerous situation by stating today that the Government will bring forth its Bill, thus enabling people to conclude that this is what the Government wants to do?

[*English*]

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker, I am very pleased to answer categorically that notwithstanding what the Hon. Member refers to as leaks, the Government has been involved in a very extensive process of consultation with a wide range of people who are most interested in the question of official languages across our country. We do not regard that as being the wrong approach. I know that when the Hon. Member was in the previous Government he did not think much of consultation, but we think it is important to develop our official languages policy on the basis of consultation.

I think the Hon. Member is completely out of luck with respect to his allegation concerning the judiciary and that so-called leak because it simply is not true. I have negotiated on behalf of the Government of Canada with respect to a number of provincial jurisdictions and the provision of trials in both official languages. Presently, I am trying on a voluntary basis to have the accord of all provinces on this basis. But I have put the provinces on notice that I will proclaim the provisions of the Act which will provide for trials in the French language where they are not now provided in the provinces. I intend to proceed with that initiative.

Some Hon. Members: Hear, hear!

Mr. Speaker: I advise Hon. Members that this will be the last question. I want to apologize to the Hon. Member for Humboldt—Lake Centre. I did not mean to cut him off. I will try to make it up to him on another day.

* * *

PROVINCIAL AFFAIRS

BRITISH COLUMBIA BUDGET—SILVICULTURE FUNDING

Ms. Pauline Jewett (New Westminster—Coquitlam): Mr. Speaker, my question is directed to the Deputy Prime Minister in the absence of the Minister for International Trade. The British Columbia Budget that was brought down yesterday only allocates $36 million in new money to silviculture and reforestation from the estimated $360 million to $400 million that British Columbia will receive from the federal export tax on softwood lumber. Less than 10 per cent will go to silviculture and reforestation. Was this the understanding that the Minister for International Trade had with Premier Vander Zalm? This was not suggested at all in her remarks in the House on February 5. Is that allocation of less than 10 per cent acceptable to the Government?

Mr. John McDermid (Parliamentary Secretary to Minister for International Trade): Mr. Speaker, the Minister for International Trade made it clear in the House many times that it was her hope that the moneys realized from the tax on softwood lumber—money that was kept in Canada and did not go to the United States—would be used for silviculture, reforestation, and adjustment for displaced workers. I remind the Hon. Member that these are provincial resources and the funds being channelled to the provinces are money that they can use as they see fit. That was a provincial Budget on which I do not care to comment. It is for the people of British Columbia to comment on the Budget. However, it is the Minister's hope that moneys derived from this tax will be spent in the forestry industry in a way, I might add, that does not negate the Memorandum of Understanding we have with the United States.

Mr. Speaker: The Hon. Member. One last question.

PERFORMANCE GUARANTEE QUERY

Ms. Pauline Jewett (New Westminster—Coquitlam): Does the Parliamentary Secretary not agree that these are federal moneys and that some performance guarantee should have been arranged? Why was it not arranged, and why is the Government allowing itself to be conned by Premier Vander Zalm?

Mr. John McDermid (Parliamentary Secretary to Minister for International Trade): Mr. Speaker, I do not think it is a matter of Premier Vander Zalm conning anyone. These funds are derived from a provincial resource and the agreement was that the taxation, with the exception of a small amount for

administration, would be channelled to the provinces. At the same time the provinces are considering various ways of adjusting that tax, by stumpage fees or other means. Therefore, it would be foolish for the Government to dictate to the provinces how this money should be expended. We can make suggestions but we should not be dictating—

Ms. Jewett: It is federal money.

Mr. McDermid: Maybe the NDP would dictate to them. We will not.

ROUTINE PROCEEDINGS

[*Translation*]

PETITIONS

GOVERNMENT RESPONSE

Mr. Doug Lewis (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, pursuant to Standing Order 106(8), I have the honour to table, in both official languages, the Government's response to two petitions, Nos. 332-771 and 332-993.

* * *

AGENCY FOR CULTURAL AND TECHNICAL CO-OPERATION

SEVENTEENTH ANNIVERSARY

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, last March 9 the Secretary of State for External Affairs (Mr. Clark) rose in this House to observe Commonwealth Day. Barely a few days later we are proud to mark the anniversary of the creation of *L'Agence de coopération culturelle et technique* (the Agency for Cultural and Technical Co-operation) on March 20, 1970 in Niamey, Niger, particularly in this year of the Quebec City francophone summit.

• (1210)

[*English*]

Canada, with Quebec alongside as a participating Government, was one of the founding members of the ACCT. New Brunswick joined the agency in 1977. Still today the ACCT is the most important Francophone intergovernmental organization.

[*Translation*]

Its initial vocation being the promotion of co-operation among member nations, through a common means of communications, the French language undoubtedly contributed to create the climate which led to the first meeting of heads of states and heads of governments held in Paris in 1986.

Indeed we can only be pleased that the growing number of Canadian representatives within the Agency for Cultural and Technical Co-operation has paved the way, through such summits, for a formula which made it possible to invite the Premiers of Quebec and New Brunswick to attend these deliberations.

Before the Paris meeting, the Prime Minister (Mr. Mulroney) stated in Montreal that:

> —Canada's collective prosperity cannot be dissociated from the economic development of the Third World, industrial co-operation between countries and access to international markets.

He went on to say that:

> —la Francophonie is a window on the world. It gives Canadian Francophones, whether they are from Quebec or any other province, the unlimited scope that those who speak English already have in the English-speaking world.

[*English*]

In 1987 Canada will host two major international meetings which will bring here representatives from more than 90 countries. Canada is one of the few countries which can claim to be a part of such a large international assemblage. In La Francophonie, as in the Commonwealth, most of Canada's partners are Third World countries. Our common interests require a greater measure of dialogue and co-operation in the face of the challenges before us.

[*Translation*]

The Quebec Summit, like the summit in Vancouver, will help enhance co-operation and understanding between countries and between heads of state of varying political affiliations and cultural origins, who nevertheless are able to converse in a common language. Canada, after ensuring that two of its provinces were allowed a degree of participation consistent with this country's constitutional framework, will spare no efforts to make this event a success that will ensure the further development of La Francophonie, an institution that reflects our most fondamental interests.

Mr. David Berger (Laurier): Mr. Speaker, speaking on behalf of the Liberal Party, I would like to join the Minister in drawing the attention of the House to this anniversary of the *Agence de coopération culturelle et technique*. It is indeed a fact that Canada and Quebec have been a part of the ACCT since its inception in 1970, and perhaps I may recall some comments that were made at the time by the former Secretary of State of Canada, Mr. Gérard Pelletier. In fact, his remarks were made in February 1969 at the first conference in Niamey, prior to the creation of the ACCT. Mr. Pelletier said, and I quote:

> That the Francophones in our country, taking part in a structured Francophonie is not only natural but fulfils a vital need. After three centuries of living in French in North America, French-Canadians feel they need the support of the entire francophone community to develop their full potential.

I would also like to mention one of the objectives of the ACCT that is particularly important:

> c) To provide the means for securing the broadest and most efficient dissemination of information among all members in the areas of science, education and technology;

Finally, Mr. Speaker, I feel that our participation in the ACCT is further proof of one of the specific advantages this country has, namely, our two official languages: French and English.

I think this is one more opportunity to recall how our two languages enable Canadians to take part in both English-speaking and French-speaking international organizations. This makes it possible for Canada to have considerable influence throughout the world, and it is part of the heritage and the resources of this country.

Mr. Lorne Nystrom (Yorkton—Melville): On behalf of our Party, Mr. Speaker, I endorse the Minister's statement. As he said, today is the anniversary of the creation of the Agency for Cultural and Technical Co-operation. This organization was founded in Niger on March 20, 1970

Mr. Speaker, La Francophonie is the world's most important intergovernmental organization, and the first summit of the heads of government of this organization took place in Paris in February 1986. Canada is proud to play host to the organization's second summit in Quebec next fall.

Mr. Speaker, we are lucky to have as participants not only the Government of Canada, but also the Governments of Quebec and New Brunswick. As an English-speaking Member from western Canada, Mr. Speaker, I can only say how proud I am of the fact that we should belong to both La Francophonie and the Commonwealth, because we are now members or the world's leading linguistic communities, and we can make a great contribution to both the Commonwealth and La Francophonie.

[*English*]

It is also as important for English-speaking Canadians that we participate in La Francophonie, in terms of what we can do in the world, as it is for Francophone Canadians to remain active members of the Commonwealth.

[*Translation*]

Because, Mr. Speaker, La Francophonie is very important to French-speaking people and for the worldwide advancement of the French language. It is also very important to the ACCT. And do not forget that French is the language spoken in 18 African countries, Mr. Speaker, such great countries as Zaire, Senegal, the Ivory Coast, Niger, the North African countries of Morocco, Tunisia, Algeria, and so on. Both the ACCT of La Francophonie and the Commonwealth are outstanding organizations.

The other fact is that, just as is the Commonwealth, La Francophonie is important for economic development, a driving force in the Third World.

And something else, perhaps we could do something against apartheid in La Francophonie as the Prime Minister is trying to do in the Commonwealth. I realize that South Africa is not part of La Francophonie, being a former British colony, but perhaps, Mr. Speaker, with so many African countries in La Francophonie, we could do something for the liberation of Blacks in South Africa.

Mr. Speaker, I agree with the Minister, and I wish those participating in the Francophonie Summit in Quebec City next fall the best of luck, and today, we are proud to celebrate the anniversary of the *Agence de coopération culturelle et technique*.

* * *

[*English*]

COMMITTEES OF THE HOUSE

STRIKING—SIXTEENTH REPORT OF STANDING COMMITTEE

Mr. Doug Lewis (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I have the honour to present the sixteenth report of the Striking Committee. If the House gives its consent, I intend to move concurrence in the report later this day.

* * *

• (1220)

REGULATIONS AND OTHER STATUTORY INSTRUMENTS

PRESENTATION OF FOURTH AND FIFTH REPORT OF STANDING JOINT COMMITTEE

Hon. Bob Kaplan (York Centre): Mr. Speaker, I have the honour to present the fourth and fifth reports of the Standing Joint Committee on Regulations and Other Statutory Instruments in both official languages.

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FINANCE AND ECONOMIC AFFAIRS

FIFTH REPORT OF THE STANDING COMMITTEE ON FINANCE AND ECONOMIC AFFAIRS

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, I have the honour to present the fifth report of the Standing Committee on Finance and Economic Affairs in both official languages in relation to interest rates charged on credit cards and charge cards.

We are in a plastic age where paying bills with a credit card is the common way transactions are handled. The committee deals extensively with that matter. It deals with disclosure of the terms and conditions of credit cards in Recommendations Nos. 1, 2 and 3; in the standardization of the calculation of interest charges and other charges in Recommendations Nos. 4 and 5 and in the question of fairness of rates in Recommendations Nos. 6 and 7.

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

Petitions

PETITIONS

UNIVERSAL ACCESS TO FAIR ORAL HEARINGS BEFORE REFUGEE BOARD

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, it is an honour for me to present a petition on behalf of a number of Canadian citizens who are calling upon this Parliament to enact legislation which will embody the principles of fair and complete oral hearings of claimants before a refugee board, independent of a refugee commission; universal access to such hearings for every claimant in Canada and a fair chance to arrive in Canada to present their claim. It is an important issue. These people feel strongly and I am honoured to present the petition on their behalf.

Mr. Vic Althouse (Humboldt—Lake Centre): Mr. Speaker, I have a petition under Standing Order 106 that calls upon the House of Commons to enact legislation that will embody the principles of fair and complete oral hearings of claimants before a refugee board, independent of the Immigration Commission, universal access to such hearings for every claimant in Canada and a fair chance to arrive in Canada so they can present this claim.

RIGHT TO LIFE OF UNBORN BABIES—PROTECTION OF CHARTER OF RIGHTS AND FREEDOMS

Mr. Anthony Roman (York North): Mr. Speaker, I have the honour to present 24 petitions signed by 714 of my constituents in support of Motion M-37 that would amend The Constitution of Canada and protect the life of the unborn by the Charter of Rights. My constituents petition and humbly pray and call upon Parliament to support M-37.

Mr. Benno Friesen (Surrey—White Rock—North Delta): Mr. Speaker, I have two petitions, both of which have been certified correct according to form. The first one reads that because of the killing of thousands of unborn Canadian babies each year for reasons of convenience, and for such babies capital punishment exists for the crime of being unwanted, wherefore the undersigned, your petitioners, humbly pray and call upon Parliament to support Motion M-37 and allow unborn babies to be protected by the Charter of Rights.

The second petition Mr. Speaker, reads that all human beings are deserving of legal protection from unjust attacks upon their lives, that the present law regarding abortion does not provide such protection, wherefore the undersigned, your petitioners, humbly pray and call upon Parliament to amend the Criminal Code so that the unborn human beings are protected by law from abortion.

IMPOSITION OF SHIFT CHANGES—AIR CANADA

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I have a petition signed by several hundred Canadians from Air Canada in Toronto who are calling upon the Government of Canada whereas the shift changes imposed on Air Canada aircraft maintenance employees at Pearson International Airport will severely affect quality of work, family life and social life; and whereas the strain of these imposed shifts are already having adverse effects on the family unit, the health of the employees physically and mentally, and the deterioration of the maintenance of aircraft safety; and whereas the imposition of these shifts are a ploy by Air Canada to have its employees vote away their paid statutory holidays, wherefore, we the undersigned, your petitioners, humbly pray and call upon Parliament to demand Air Canada to direct management at Pearson International Airport to return to an equitable system whereby its employees will have some weekends off to spend with their families, and as in duty bound your petitioners ever pray.

I am sure a number of Government Members in the Toronto area will certainly want to support this petition.

UNIVERSAL ACCESS TO FAIR ORAL HEARINGS BEFORE REFUGEE BOARD

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, it is my humble duty to present a petition on behalf of a number of citizens of Canada who, although they recognize that the refugee status determination of Canada has been well developed, are concerned it is unfair to certain people and call upon the Parliament of Canada to enact legislation which would require complete oral hearings of claimants before a refugee board, independent of the Immigration Commission; universal access to such hearings to every claimant and also the right for a fair chance at least for claimants outside of the country to have these hearings performed.

Mr. Lewis: Mr. Speaker, I rise on a point of order. Perhaps my hon. friend might tell us briefly which Member presented the petition for certification?

Mr. Speaker: The Hon. Member for Prince Albert (Mr. Hovdebo)?

The Hon. Member for Cowichan—Malahat—The Islands (Mr. Manly).

UNIVERSAL ACCESS TO FAIR ORAL HEARINGS BEFORE REFUGEE BOARD

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, I have a petition here from a number of Canadians concerned about the refugee determination process. Although it was originally a good process it is now breaking down under the strain of the increased number of refugees. It points out that a recommendation for an improved process has been put forward by the Standing Committee and endorsed by a number of organizations throughout Canada. It calls upon Parliament to enact legislation that will embody the principles

of fair and complete oral hearings of claimants before a refugee board, independent of the Immigration Commission, universal access to such hearings for every claimant in Canada and a fair chance to arrive in Canada to present this claim.

Mr. Lewis: Mr. Speaker, I rise on a point of order. Would the Hon. Member provide the House with the name of the Member of Parliament who had the petition certified?

Mr. Speaker: Does the Hon. Member wish to respond? No response. The Hon. Member for Spadina (Mr. Heap).

UNIVERSAL ACCESS TO FAIR ORAL HEARINGS BEFORE REFUGEE BOARD

Mr. Dan Heap (Spadina): Mr. Speaker, it is my honour and duty to present a petition on behalf of a number of residents of the City of Toronto who point out that the committee of Parliament has recommended an improved system for refugee determination procedure which has been supported by the Canadian Council of Churches, the Canadian Bar Association, the Canadian Jewish Congress and other groups and individuals and, therefore, humbly pray and call upon Parliament to enact legislation that will embody the principles of fair and complete oral hearings of claimants before a refugee board, independent of the Immigration Commission; universal access to such hearings for every claimant in Canada and a fair chance to arrive in Canada to present this claim, and as in duty bound, your petitioners will ever pray.

OPPOSITION TO PROPOSED CHANGES TO PATENT ACT

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, I have several petitions that I am honoured to present today, all on the same subject. People are very concerned about the Government's legislation to change the Patent Act and the impact this will have on drug prices, and state that it will hurt elderly Canadians particularly and those who need prescription drugs. They call on this House to rescind the legislation. The petitions are from Surrey, Langley and Clearbrook, British Columbia.

Mr. Lewis: Mr. Speaker, would my hon. colleague be able to give the date of certification of these petitions?

Ms. Mitchell: Not necessary.

Mr. Speaker: The Hon. Member for Vancouver East (Ms. Mitchell). No response.

Mr. Lewis: Mr. Speaker, I wish to advise the House that I will be raising a point of order with respect to the petitioning of the Crown and Government on Monday next.

• (1230)

STRIKING

CONCURRENCE IN SIXTEENTH REPORT OF STANDING COMMITTEE

Mr. Doug Lewis (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, if the House gives its consent, I would like to move concurrence in the sixteenth report of the Striking Committee presented earlier this day.

Some Hon. Members: Agreed.

Motion agreed to.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Doug Lewis (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, Question No. 57 will be answered today.

[*Text*]

POST OFFICE AT FORT GOOD HOPE, N.W.T.

Question No. 57—**Mr. Nickerson:**

1. Did the post office in Fort Good Hope, N.W.T., run out of 34 cent stamps three times between August and the end of November, 1986?

2. Is there a restriction on the number of stamps that a post office, such as the one at Fort Good Hope, may order at any one time?

3. Are stamps shipped from a regional office in the south to northern post offices, such as Fort Good Hope, only on one day per month and, if so, if a stamp order arrives late will it have to wait until the following month to be filled?

Hon. Harvie Andre (Minister of Consumer and Corporate affairs): 1. Yes. The post office in Fort Good Hope, N.W.T. did run out of 34-cent stamps on three occasions between August and November, 1986, as a result of problems the Postmaster was having in anticipating demand. The Field Support Postmaster for the area has provided guidance to the Postmaster which should prevent a future occurence of the incident.

2. The only restriction on offices of that size is that the value of the stock on hand does not exceed $1,800.

3. Routinely, orders are processed once a month. However, stamps may be ordered at any time. There is neither a time limit nor a restriction on the frequency or orders to the Vancouver depot. In addition, any order received by the depot, either in writing or by telephone, which is identified as being "urgent", "special" or "late" will be processed as quickly as possible, often within an hour.

[*English*]

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

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

Some Hon. Members: Agreed.

[*Translation*]

Mr. Speaker: I wish to inform the House that because of the Minister's statement, today's sitting will be extended nine minutes.

[*English*]

I should advise the House that before beginning Orders of the Day there is a point of order by the Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria). I will hear the Hon. Member now.

* * *

PRIVILEGE

ALLEGED DIVULGING OF CONTENTS OF COMMITTEE REPORT

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I want to briefly raise a question of privilege of order with you regarding the long-standing practice of this House as explained to us in Beauchesne's Fifth Edition, Section 647, which reads as follows:

> No act done at any committee should be divulged before it has been reported to the House.

This is a long-standing principle. It has also come to our attention through Erskine May's Twentieth Edition, on page 153, which reads as follows:

> By the ancient custom of Parliament "no act done at any committee should be divulged before the same be reported to the House".
>
> Upon this principle the Commons, on 21 April 1837 resolved, "That the evidence taken by any select committee of this House, and the documents presented to such committee, and which have not been reported to the House, ought not to be published by any member of such committee or by any other person."

On January 27, 1987, I apologized to this House for having accidentally released one line from a parliamentary committee report prior to it coming to the attention of the House of Commons. Today there are three newspaper articles alluding to the fact that the Standing Committee on Government Operations will be tabling a report on Monday. Those reports very accurately divulge the contents of the report. There is a further newspaper article on a similar issue involving the parliamentary committee dealing with day care. Yesterday there was a similar breach of parliamentary privilege, in my opinion, regarding another parliamentary committee dealing with unemployment insurance.

I want to close by asking that you investigate these matters and report to the House. I believe they could be breaches of our parliamentary privileges. All Members of this House have a right to be protected, otherwise we could all divulge the contents of these committee reports.

Mr. Doug Lewis (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I will be brief because I appreciate that the Right Hon. Leader of the Opposition (Mr. Turner) wishes to speak to his opposition motion. I would not want to delay the debate.

I would simply say that this happens from time to time. The Hon. Member used the word "alluding". I think the accuracy of the reports can be judged by the fact that in one article my friend from Selkirk—Interlake (Mr. Holtmann) was referred to as being a Saskatchewan Member of Parliament and he took great umbrage at that.

Mr. Nystrom: Order!

Mr. Lewis: I think we should take it at face value.

Mr. Felix Holtmann (Selkirk—Interlake): Mr. Speaker, I chair the committee on which the Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria) sits. As you may recall, I stood up in this House on a question of privilege, after the first report, on this very problem. We once again find ourselves in the very unfortunate situation where the media alludes to our report before it is tabled in the House. I object to that and ask for your guidance on what we can do in the future.

Mr. Speaker: The Chair is very aware of the problem. I will consider the matter and report back to the House. At this time I can say only that if Hon. Members feel they cannot deal with each other in confidence, that gets very close to putting them in great difficulty in carrying out their duties. The Chair is very concerned about that. I thank the Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria) and the Hon. Member for Selkirk—Interlake (Mr. Holtmann) for taking the position they have. I thank the Hon. Parliamentary Secretary for his intervention.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S. O. 82—ABORIGINAL PEOPLES—CONSTITUTIONAL RIGHT TO SELF-GOVERNMENT

Right Hon. John N. Turner (Leader of the Opposition) moved:

> That this House affirms its support for the aboriginal peoples of Canada in their endeavour to have recognized in the Constitution their inherent right to self-government, and further instructs the Government of Canada to assume its leadership role and fulfil its Constitutional obligations to protect and guarantee the aboriginal and treaty rights of the aboriginal peoples of Canada, and specifically directs the Government of Canada to abandon its insistence that the right to self-government be contingent upon negotiated agreements.

He said: Mr. Speaker, the purpose of this motion is to urge the Government to correct what we believe is a historical injustice to the aboriginal people of our country. Before I proceed I want to pay tribute to the Hon. Member for

Cochrane—Superior (Mr. Penner) who will be following me in the debate from our side.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): He has been and continues to be a great friend of the aboriginal peoples of Canada. I think it is conceded that he is the leading authority in this House of Commons on the subject. It is thanks in large measure to his skill and persistence that this Party, both in Government and in opposition, has taken a leadership role on this issue.

[*Translation*]

And I am proud to lead the party that presided over the patriation of our Constitution and enshrined therein the rights of our aboriginal peoples. I want to pay tribute to the endeavour and perseverance of the aboriginal leaders who obtained constitutional recognition of their rights, and I salute their sustained efforts and determination to translate this recognition into a new framework for their relationship with Canada.

Finally, I had the privilege of meeting with Chief George Erasmus, and as I said to him at the time, we in the Liberal Party acknowledge that the right of our aboriginal peoples to self-government has existed for centuries. In fact, that right existed well before this continent was explored and colonized by the Europeans.

• (1240)

[*English*]

We believe that this right to self-government is inherent and has always existed, having never been extinguished. It exists today and should be recognized, therefore, in the Canadian Constitution.

At our convention last November this Party approved a resolution calling for the entrenchment in our Constitution of the right of our aboriginal people to self-government.

[*Translation*]

The Liberal Government led by my predecessor, Mr. Trudeau, also recognized that right. The Penner report, named after the Hon. Member for Cochrane—Superior, which recommended working towards the inclusion of aboriginal self-government in the Constitution, was ordered by the Trudeau Government. Subsequent to this report, the same Government also introduced legislation to provide self-government for Indian nations.

[*English*]

As a result of that report, Mr. Trudeau also introduced a constitutional amendment to include aboriginal self-government in the Constitution. Mr. Trudeau's Government brought forward framework legislation for self-government for Indian nations. Aboriginal rights were included in the Constitution of 1982 along with the guarantee that those rights apply equally to men and women.

There was also recognition of the existence of rights acquired through both future and existing land claims agreements. Several land claims agreements were also negotiated including the self-government of the Cree-Naskapi in the James Bay area. Also included was the accord binding the federal and provincial Governments to hold three more conferences; one in 1984, one in 1985, and the conference next week, to reach agreement on this very critical issue for the aboriginal people of Canada.

[*Translation*]

We do not deny the complexity of this issue. We recognize the concerns it may raise for provincial Governments. However, we believe the federal Government should exercise its leadership to provide for aboriginal self-government, and in our opinion, the present Government is not exercising that leadership.

[*English*]

The issue turns on whether those rights should be included in the Constitution first as a general statement and affirmation of the rights of the aboriginal people which we consider to be inherent, never having been extinguished, or that all the details of every application of that right be worked out first and only then have the right included in the Constitution. It is the latter position which has been taken by the current Government of Canada. We believe it is the wrong one. The Government is attempting to make the right to self-government contingent upon the negotiation of successful agreements.

In his response dated March 18 to my letter of December 23, 1986, to the Prime Minister (Mr. Mulroney) in which I requested that the Government pursue this matter, the Minister of Justice (Mr. Hnatyshyn) stated that the principle of self-government "would be enforceable in accordance with the terms of negotiated agreements in order to ensure the necessary certainty as to the potential scope and effect of aboriginal government jurisdiction".

In his telex to native leaders outlining the program for the upcoming conference the Prime Minister says they will not even discuss specifics. They will only chat about the concept of self-government and hope that possibly the lawyers can draft something they can all agree on—maybe. I quote from that telex as follows:

> The first part of the conference will focus neither on the specific constitutional language nor on specific proposals.

That telex indicates that the Government is not only stepping backwards, but represents, I believe, an insult to the aboriginal people of the country. Let us remember where we were three years ago. I quote Mr. Trudeau at the First Ministers Conference in March, 1984, as follows:

> The Government of Canada remains committed to the establishment of aboriginal self-government . . . .We are not here to consider whether there should be institutions of self-government, but how these institutions should be brought into being: what should be their jurisdiction, their powers; how they should fit into the interlocking system of jurisdiction by which Canada is governed.

In effect, the current Government is turning back the clock to before 1982. It wants to start all over again. How can our Government expect the aboriginal peoples to trust it? In our view this is simply not acceptable, not to the aboriginal people and not to the Party I represent today in the House of Commons, nor should it be acceptable to the other Members of the House of Commons.

We in the Liberal Party support a constitutional amendment which recognizes the inherent right, the historic right never extinguished, of the aboriginal people to self-government. The question for the Prime Minister and the Premiers next week is whether their vision of Canada is great enough to include the aboriginals' right to self-determination or whether they will once again insist on calling the shots.

Our First Ministers must demonstrate faith in the ability of the aboriginal peoples of this land to make their own decisions. It is not the time to take refuge in the security of what they may believe to be a status quo, that status quo having served the aboriginal people of this country so poorly in the past.

Not only must we have an acceptable amendment, we must also have a commitment from the Government subsequent to that amendment to negotiate and to provide the fiscal resources necessary for the effective exercise of self-government and a commitment to negotiate the necessary agreements and infrastructure. Our point is that the agenda should be, enshrinement of an existing right as a constitutional amendment to our constitutional position in 1982, then the infrastructure, then the agreements, then the financial underpinnings.

This is the last scheduled conference on the issue of aboriginal rights under the terms of the Constitution Act, 1982. Time is running out. I believe that we must move forward in the process started by my colleague, the Member for Cochrane—Superior, and continued by the last Government. The current Government cannot abrogate its responsibility to complete this historical and, I believe, essential change to our Constitution.

I am glad the Minister of Justice is here to respond. I understand his sincerity, but we believe that he ought to persuade his Government and the Premiers that this is the last constitutional opportunity under the law of 1982 to achieve that breakthrough. There are hundreds of thousands of Canadian citizens of aboriginal status awaiting his answer and looking forward to one last chance at that conference next week. We are counting on him, from our quarter of the House, to exercise on behalf of the people of Canada the leadership which I believe is overwhelmingly sought by Canadians everywhere and from every origin.

Some Hon. Members: Hear, hear!

Mr. Hnatyshyn: Mr. Speaker, I have a very brief question for the Right Hon. Leader of the Opposition (Mr. Turner). I would like to thank him for his participation and initiation of this very important debate. Is the position of the Party of the Right Hon. Leader of the Opposition that inherent right to self-government on the part of the aboriginal people involves sovereignty of aboriginal peoples?

Mr. Turner (Vancouver Quadra): Mr. Speaker, I think we understand the interdependence of these rights and the fact that these rights were historically linked to a land base and must be considered in accordance with the land base. I think that the background work has been sufficiently explored so that the full ambit and parameter of those rights is already known. The Minister's officials in the Department of Justice have explored this for the last 10 years. I think there is enough precision and certitude to the ambit of those rights to draft that constitutional amendment with little difficulty. We are asking that those historical and inherent rights which preceded the arrival of our ancestors on this continent be enshrined in the Constitution as already described, and that the aboriginal peoples of this country be invited to join our confederation.

Mr. Hnatyshyn: Mr. Speaker, I would like to get a more precise response, if I might. I am asking whether it is the position of the Liberal Party of Canada that the inherent right to self-government involves actual sovereignty, or is it the position of the Liberal party of Canada that self-government should be only in the context of confederation?

• (1250)

Mr. Turner (Vancouver Quadra): Mr. Speaker, I think we are talking about self-government within our Confederation, linked to that historical land base. If the hon. gentleman would refer to the United States Constitution, he will see in that Constitution that the word "sovereignty" has a flexible enough meaning to recognize the aboriginal peoples under the United States Constitution within that context as well.

I urge him not to confuse the issue by setting up a definition of "sovereignty" beyond what the historical inherent right would imply.

Mr. Hnatyshyn: Mr. Speaker, this will be my last question because I want to have an opportunity of elaborating on what I think is a very excellent position of leadership taken by the federal Government with respect to this matter.

I just want to refer back to the remarks of the Right Hon. Leader of the Opposition when he addressed, a week ago last Wednesday, the gathering on Parliament Hill which was sponsored by the AFM, representing the Indian peoples of Canada. At that time the Right Hon. Leader of the Opposition supported what he referred to as an explicit right of self-government. He did not at that time, and I have a copy of the transcript of his remarks, endorse the concept of an inherent right. I ask the hon. gentleman what has caused him and his Party to change their position since a week ago last Wednesday?

Mr. Turner (Vancouver Quadra): Mr. Speaker, my position was quite clear that we wanted to state explicitly what was implicitly already an inherent right. So there is no conflict at

all. I did not state a precise position, as I am able to state in the House of Commons, before a public meeting where the Indian peoples were calling for some response from the Government of Canada. In the absence of the Government, I went out and met with them. The Minister may have had—

Mr. McDermid: The Minister has been meeting with them all along.

Mr. Turner (Vancouver Quadra): Where was the Prime Minister (Mr. Mulroney) on this issue? Our motion is clear and consistent. I am going to read it to the Minister. We moved that this House affirms its support for the aboriginal peoples of Canada in their endeavour to have recognized in the Constitution their inherent right to self-government. Nothing could be clearer and the Minister will have an opportunity to respond to it in clear terms. What is more, the aboriginal peoples of our country are going to be listening to him very carefully.

[*Translation*]

Mr. Hudon: Mr. Speaker, I should like to direct a question to the Right Honourable Leader of the Opposition (Mr. Turner). If he is proud of the patriation of the Constitution, why did he overlook the province of Quebec?

Mr. Turner (Vancouver Quadra): As you know, this is not relevant to the situation today, and the Hon. Member is as aware as I am of the history of our patriation. But he should pay particular attention to what we are here for today, namely, to remedy an injustice, and I give his colleague the Minister of Justice (Mr. Hnatyshyn) an opportunity to take a stand.

An Hon. Member: Where are the Quebec Francophone members?

An Hon. Member: You don't have enought guts to rise.

An Hon. Member: Traitors!

An Hon. Member: Why don't you go back to your riding.

An Hon. Member: There is not even one Quebecer present.

[*English*]

Mr. Speaker: The Hon. Member for Yorkton—Melville (Mr. Nystrom) on questions and comments?

Mr. Nystrom: Yes, Mr. Speaker, I have a very short question, if I may. I want to commend the Right Hon. Leader of the Opposition (Mr. Turner), if that is in order, for putting this motion before the House today. It is a very important issue. The aboriginal people of this country have rights and those rights should be enshrined in the Constitution. I agree fully with the Right Hon. Leader of the Opposition. I want to ask him a question which is very difficult for all of us. What is the policy of the Liberal Government now on Métis and non-status people? There are a lot of them in Saskatchewan. I do not have the simple answers to it. I wonder if the Right Hon. Leader of the Opposition could enlighten the House as to what the position of the Métis people should be in terms of the Constitution of Canada? I am not asking this question in a critical sense. It is just a very difficult issue that we are going to have to deal with some day.

Mr. Turner (Vancouver Quadra): Mr. Speaker, the Hon. Member is right, and he has returned the House to a serious tone.

I have met with the Métis people of Canada through their federation. They are anxious that this constitutional agreement be achieved in the terms as we described it this morning so that they can proceed towards some sort of constitutional recognition by way of agreement of the rights they may have under our Confederation. We would be in favour of advancing that position.

[*Translation*]

I will just reply to the noise coming from benches opposite, Mr. Speaker, by saying that the reason why the Quebec Tory caucus is so sensitive today is because they have no Constitutional position to respond to Mr. Bourassa's initiatives.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): They have nothing. The Liberal party's position since November is quite clear, quite concise and quite constructive, to quote Mr. Bourassa's own words. Even the NDP which is not so comfortable in Quebec has a position, but the Conservative caucus has a big zero to offer the Quebec people.

Mr. Champagne (Champlain): Mr. Speaker, when we hear pandemonium in the Opposition benches, it's business as usual. I have a question for the Leader of the Opposition. Although his answer to my colleague for Beauharnois—Salaberry (Mr. Hudon) was absolute Liberal hypocrisy, I would like to ask him, if he is so conscientious, Mr. Speaker, as to grant the right to self-government to the native people, how does he explain that Quebec is absent from those negotiations and does not want to take part? If he has such an awareness of the provinces, especially Quebec, Mr. Speaker, when we know that his own party dropped Quebec, his own party stabbed it with the Ouellets and others.

An Hon. Member: They murdered it.

Mr. Blais: Where are the Members from Quebec? There is not a single one of them.

Mr. Gauthier: What about Allmand? Is he not a Quebecer? What about Berger. Is he not a Quebecer?

Mr. Berger: On a point of order, Mr. Speaker.

An Hon. Member: French-speaking Quebecers, there is not one of them.

[*English*]

Mr. Speaker: I see the Hon. Member for Laurier (Mr. Berger) is returning to his seat and I understand he is raising either a point of order or a point of privilege.

[*Translation*]

Mr. Berger: Mr. Speaker, the Quebec Conservative Members have just insulted part of the Quebec people by suggesting there were no Quebec Members among the Liberal Members today. I want to tell him that anglophone members from Quebec are definitely Quebecers and Canadians, and it is about time Members in that party recognized the multicultural and pluralistic nature of our Canadian society—

Some Hon. Members: Hear, hear!

• (1300)

[*English*]

Mr. Speaker: Once upon a time there was a rule of relevance in this Chamber. The Right Hon. Leader of the Opposition (Mr. Turner) referred to it earlier, something for which the Chair is grateful. The Chair will exercise that ancient rule. I will now hear the Hon. Member for Brampton—Georgetown (Mr. McDermid).

Mr. McDermid: Mr. Speaker, I have a short question for the right hon. gentleman.

An Hon. Member: One o'clock.

Mr. Speaker: I should advise Hon. Members, as I did a few moments ago, that because of the ministerial statement and replies the House will sit until 1.09 p.m.

Mr. McDermid: Mr. Speaker, I have a serious question for the right hon. gentleman. His friend who is now sitting to the right of him, the Hon. Member for Cochrane—Superior (Mr. Penner), will reinforce the feeling that I have a very genuine interest in this issue as I was a spokesman for our Party for one year while we were in opposition. One of the things that has been bothering me somewhat while these negotiations are going on is the leverage that is being used by the Premier of Quebec in bringing our native peoples into them and their position *vis-à-vis* the Constitution. I am wondering if the right hon. gentleman will use his good offices and ask the Premier of Quebec that he not use the native peoples of Canada as a leverage—

Ms. Copps: Like you did with Sterling Lyon.

Mr. McDermid: Boy, you are ignorant!

Some Hon. Members: Oh, oh!

Mr. Gauthier: You are arrogant!

Mr. Champagne (Champlain): You are Liberal!

Ms. Mitchell: Withdraw.

Mr. Speaker: I should bring to the attention of all Hon. Members that yesterday during a question and comment period when I was not in the Chair, but when the Acting Speaker, the Hon. Member for Saint-Hyacinthe—Bagot (Mrs. Champagne), was in the Chair, there was, as Hon. Members will note if they look at *Hansard*, or if they were here, an unfortunate and lengthy exchange of comments that took place back and forth across the Chamber. I remind all Hon. Members that that was viewed by thousands of people who watch this place. I can also say that the comportment of all Hon. Members has been—and I think the Chair can say this—generally of a very high quality for a long time now. However, I would ask Hon. Members not to take advantage of the question and comment period. It was introduced, as some Members who are in this Chamber will know, and when I was their colleague as a private Member, in order to create more debate, and more relevant debate, arising out of the comments made by Hon. Members. It is not an excuse for Members to send messages, if I can put it euphemistically, to each other verbally. I would ask all Hon. Members to constrain themselves.

The second thing I want to say is this. There are obvious differences of opinion on this subject in the Chamber. It is not for the Chair to comment on them. I think the Chair can almost take judicial notice of the fact that the matter raised here by the Right Hon. Leader of the Opposition is a very serious one. It is treated just as seriously by the New Democratic Party because of the calibre of the Members who are here for this debate. It is also being treated as seriously by the Hon. Minister of Justice (Mr. Hnatyshyn) and other Members who are here.

I would ask the Right Hon. Member to respond to the Hon. Member for Brampton—Georgetown. Since we are close to the time of adjournment for lunch, I know that the Hon. Member from the New Democratic Party, or the Minister of Justice, whoever wishes to speak next, might want to start after lunch so that his comments will not be interrupted.

Mr. McDermid: Mr. Speaker, I rise on a point of order. I want to withdraw my remarks which I aimed at the Hon. Member for Hamilton East (Ms. Copps). I feel very passionately about this particular subject and I was asking a very serious question. I apologize for the comments I made earlier.

Mr. Speaker: The Chair thanks the Hon. Member. Perhaps the Right Hon. Leader of the Opposition will respond to the question.

Mr. Turner (Vancouver Quadra): Mr. Speaker, we appreciate the last comment of the Hon. Member also. We held him in respect on this issue when he was critic. Thus I will treat his question with the gravity it deserves, and I thank him for it.

I hope that the Premier of Quebec will see it within his priorities to attend the meeting.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): In earlier days his Government was a leader in moving toward self-government and the autonomous rights of our aboriginal peoples when the James Bay project was constructed. In order to make that a meaningful operation he had to obtain the consent and the co-operation of the people in northern Quebec. He did so with a great deal of imagination, skill and enlightenment. As a result of that, there was the James Bay and Northern Quebec Agreement. Flowing from that was a federal statute, the Cree-Naskapi Act. In light of the history of the enlightened treatment the Premier of Quebec has shown for our aboriginal peoples, I hope that he would bring those skills to the table at the conference next week.

Mr. Speaker: I take it that the order of speaking which seems to have agreement in the Chamber is that the Minister of Justice will speak next. I am inviting the Minister of Justice to indicate to me whether he would prefer to return at two o'clock. There are but a few minutes left until we adjourn.

Mr. Hnatyshyn: Mr. Speaker, I think this would be an appropriate time for us to adjourn. I can then deliver my remarks in total at two o'clock, even though they would be equally compelling if I were to divide them before lunch and after lunch.

Mr. Speaker: It being 1.09 p.m., I do now leave the Chair until 2 p.m. this day.

At 1.09 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

The Acting Speaker (Mrs. Champagne): When the House rose at 1.09 p.m., the Hon. Minister of Justice (Mr. Hnatyshyn) had the floor.

[*Translation*]

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Madam Speaker, I am pleased to take part, on behalf of the Government of Canada, in this important debate.

[*English*]

Earlier today, the Leader of the New Democratic Party asked me to restate the position of the federal Government with respect to the very important issue we are debating today. It gives me a great deal of pleasure to participate in the debate so that I can state the federal Government's position on the matter of constitutional amendment on behalf of the aboriginal peoples of Canada.

Let me point out at the beginning that the position of the Government has been consistent since taking office. In fact, it has been consistently better than that of Members opposite when they were in Government.

The Right Hon. Leader of the Opposition (Mr. Turner) is asking us to recognize an inherent right of self-government for aboriginal peoples. The previous Government refused to so in 1984. I am at a loss to understand why there should be such a blatant inconsistency on the part of the Official Opposition on this very important issue.

Indeed, I pointed out during the question and answer period with the Leader of the Opposition that, not only were the Liberals inconsistent between 1984 and today, they have been inconsistent between one and a half weeks ago and today.

It should be clear that the position of the Assembly of First Nations has been consistent throughout. From the very beginning they have insisted on the so-called inherent right to self-government. That certainly has not changed. The record will show, however, that that was a position they placed before the First Ministers' Conference of 1984, which everyone knew.

Let us look at what the Government of the day, many of whom are sitting in the Opposition now, said in response. In fact, I would like to quote from the federal proposal that was tabled at that conference. I refer to a particular provision from their proposed constitutional accord. It states:

> The aboriginal peoples of Canada have the right to self-governing institutions that will meet the needs of their communities, subject to the nature, jurisdiction and powers of those institutions, and to the financing arrangements relating thereto, being identified and defined through negotiation with the Government of Canada and the provincial governments; and
>
> The Government of Canada and the provincial governments are committed to participating in the negotiations referred to in paragraph (B) and to presenting to Parliament and the provincial legislatures legislation to give effect to the agreements resulting from the negotiations.

That provision merely offered self-governing institutions and, moreover, it contained no guarantee that self-government arrangements would be constitutionally protected. The proposal then envisaged delegated powers that could have been revoked at any time by Parliament and the legislatures concerned.

So unsuitable was the Liberal Government's proposal that it prompted a caustic observation by a scholar and specialist on the subject of aboriginal constitutional rights. I want to quote from a recently published book by Dr. Bryan Schwartz of the University of Manitoba Law School, *First Principles, Second Thoughts*. He says:

> The Federal Government's 1984 proposal on self-government was a brilliant public relations stroke. It was utterly vacuous; it contained no ideas on what self-government would look like in practice, no commitment to adequately fund them, no clarification of the federal-provincial division of powers and responsibilities in dealing with them. It was designed to be legally unenforceable. It might have prejudiced constitutional gains that aboriginal peoples had already made.
>
> It would almost certainly have impeded their progress towards substantive constitutional assurances on self-government. Yet the impression created for the public was that the Federal Government had unveiled a bold new picture of aboriginal self-government.

What does that represent? Is that an inherent right? I do not think so. Is it a substantial acknowledgement of the right

in some way? I suggest that the answer is no. The proposal of the Liberal Government at the time was no more than a right to delegated legislation. It was not a constitutional solution. The negotiating climate established by the Government was so poor that even with this proposal it was only able to win the support of three provinces and, of course, none of the aboriginal associations. That record does not accord with the kind of proposition I hear from across the House today.

I want to speak about our record in connection with this matter. When we took office we inherited an extremely polarized and very difficult situation. We moved immediately to reconcile two opposing points of view. On one hand, the aboriginal associations were insistent on an inherent right to self-government. On the other hand, many governments did not want to recognize any right of the aboriginal peoples to self-government in the Constitution. Instead, most governments preferred to proceed by non-constitutional means of defining self-government. They were led by the Liberal Government and the same Prime Minister whom the Leader of the Opposition now embraces, lock, stock and barrel. Mr. Trudeau's position was that he would give self-government but it would be delegated. It would be legislated rather than constitutionalized.

I know the Hon. Member for Cochrane—Superior (Mr. Penner) will agree that that proposition was patently absurd and unfair. While I thought he would have rejected it at the time, I did not hear him do so.

In December, 1984, my predecessor introduced a proposal that was designed to bring these two sides together in a spirit of compromise and negotiation which, I suggest, is the preferred way to work at constitutional development in our country. The polls indicate that this is what Canadians want. It is the preferred position of the aboriginal peoples. The proposal of my predecessor provided for the right of self-government to be recognized in the Constitution subject to its detailed right being defined in agreements concluded by the governments and aboriginal representatives. That proposal marked the beginning of a new era in negotiating the right of the aboriginal peoples to self-government.

• (1410)

This has been a lengthy process involving numerous multilateral meetings at the ministerial level and at the level of officials. All parties worked together building upon this essential idea and identifying the components which they considered necessary to reach a workable agreement on a self-government amendment.

As a result, the federal Government was in a position to table at the 1985 First Ministers' Conference a substantive and improved proposal for a constitutional amendment on aboriginal self-government. That proposal will have constitutionally committed Governments to negotiate self-government agreements with representatives of the aboriginal peoples. It also proposed and provided for the right to self-government set out in the agreements and that those rights would be given constitutional protection. Despite its subsequent modification at the insistence of the Government of Saskatchewan, the proposal was supported in principle by seven provinces around the constitutional table and by two of the four aboriginal associations.

That represents the progress of the former Government and the present Government in constitutional amendment on behalf of the aboriginal peoples of Canada. I ask Hon. Members, particularly those who have put forward this proposition, to compare the two records and understand the progress which has been made.

The level of support from aboriginal associations for the proposals was not sufficient for Governments to proceed with an amendment without giving aboriginal peoples the opportunity to consult further with their constituents. However, the Prime Minister (Mr. Mulroney) was not ready to give up. Instead, he asked aboriginal leaders to reconsider their positions and instructed his Ministers to convene a subsequent meeting to deal with the outstanding contentious items. The meeting took place, but the necessary support was unfortunately not forthcoming.

Since then the Government has been tireless in its efforts to pursue a constitutional amendment. It has convened and led numerous ministerial meetings to identify the necessary components of a workable agreement on the self-government amendment. It has also explored a number of options which might bring us to a compromise.

Throughout this very lengthy process we have attempted to strive for compromise, which is the essence of constitutional change. I have been a part of the process since July of last year and have participated in a series of not only multilateral meetings but a huge number of bilateral meetings with participants, with the purpose of seeing whether or not we could in fact establish appropriate wording for a constitutional amendment. The intervening period has been a productive one. We listened. We consulted. We negotiated and have been able to define, in my view, the essential shape of an agreement which will give us an amendment on self-government.

Let me be clear that the federal Government is prepared to support proposals which provide for the explicit recognition of the right of aboriginal peoples to self-government. We take the view that we must be equally explicit in ensuring that self-government be implemented through agreements negotiated by Governments and the representatives of aboriginal peoples living in communities or regions, agreements tailored to the particular circumstances of aboriginal peoples which would encompass a broad range of matters.

We established a process of negotiation among aboriginal peoples and Governments to define and implement that right; to permit aboriginal control over matters that are directly affected and applicable to all aboriginal peoples; to ensure that the rights already recognized and affirmed in Section 35(1) of the Constitution Act, 1982 are neither diminished nor expanded; to permit the reasonable accommodation of the

interests and concerns of other Canadians; and, finally, to ensure that aboriginal peoples have access to the basic protections and privileges available to other Canadians.

I want to review the approach of the Government. The Government supports an explicit statement, as I indicated before, of the rights of aboriginal peoples, and it would be implemented and exercised through a process of negotiations.

The recognition of the right would respect the aspirations of aboriginal peoples without compromising their position—and it is shared by most Governments—regarding the unacceptability of an immediately enforceable and inherent right to self-government.

This position is based upon the strongly held view of Governments that the establishment of aboriginal self-government should be achieved through negotiation. I suggest that the entrenchment of an inherent right could leave details of content and exercise to be decided by lawsuits and countersuits. Because these details of content and exercise refer to such complex items as the nature of the institutions of self-government, their powers and jurisdiction, and financial arrangements, and because the arrangements resulting from negotiations could affect in many ways the lives of all Canadians, the Government and most others as well believe that they should be defined through negotiation.

Furthermore, the Government believes that a key purpose of self-government negotiations under an amendment is to develop new relationships between the two orders of government and the aboriginal peoples, thus establishing their rightful place in Confederation. The entrenchment of an inherent right and the inevitable litigation to define its content and exercise would not meet this goal.

The federal Government favours a process of negotiation to implement self-government. I think it is important to understand, however, that once agreements have been concluded, it believes that aboriginal self-government rights should be given constitutional protection. This is not a matter of passing legislation giving delegated self-government which can be revoked at the whim of any subsequent Parliament. This is constitutionalized self-government which has been arrived at by equal negotiation on the part of aboriginal peoples and the respective levels of Government. It would be constitutionalized and put out of the reach of subsequent Parliaments and the whims of subsequent legislators and subsequent governments, whether they be federal or provincial.

Constitutional protection of the rights contained in the agreements would safeguard them from unilateral amendment by Parliament or provincial legislatures. Having their rights thus recognized and affirmed is of special significance to Canada's aboriginal peoples.

Although it recognizes that in 1985 only six provinces were prepared to support it, the Government continues to believe that the commitment to negotiate self-government agreements should be placed in the constitutional amendment rather than in a political accord. This approach respects the aboriginal belief that only a constitutionally mandated commitment to negotiate will guarantee the integrity of the process over a period of time and through changes of governments. While some governments have feared that a constitutionally mandated commitment would result in aboriginal groups resorting to the courts for rulings which would prescribe the terms of agreements where negotiations had failed, our view is that the commitment would simply require governments to negotiate in good faith.

We support the principle that the evolution toward and the financing of aboriginal self-government is a joint responsibility of both orders of government. Although we believe that the costs of self-government can only be determined on a case by case basis in the context of the powers and responsibilities which an aboriginal government would assume, we are of the view that neither level of government should off-load financial responsibilities as a result of self-government, and that both levels of government should share in any new costs resulting from the negotiations which would take place.

I have a couple of minutes left in which to deal with some very important issues. I hope the House will allow me a few minutes to conclude my remarks and entertain questions.

The position on the joint responsibility of both levels of government reflects a conviction shared by all governments that provincial participation is a practical necessity, given possible effects on areas of provincial jurisdiction. Provincial Governments have sought an active role in negotiation of self-government agreements in order to ensure consistency by aboriginal self-governing communities with the standards and regulations in adjoining regions.

[*Translation*]

The Government supports the principle that Parliament and provincial Legislatures have a role to play in the constitutional protection of rights contained in their negotiated agreement.

• (1420)

[*English*]

A provision embodying this principle would require approval by the provincial legislature as well as Parliament in any case where rights set out in negotiated agreements were to obtain constitutional protection. This approval requirement reflects the positive role provinces are prepared to take in the negotiation and realization of self-government arrangements.

The Government is, however, willing to consider alternatives that do not involve provincial legislatures in the protection of rights contained in certain types of bilateral agreements. Certain of these alternatives have been advanced during the consultative process, primarily to the effect that provincial approval might not be required where their legislative jurisdiction or other interests were not affected.

We support the inclusion in an amendment of a non-derogation clause to ensure that new constitutional provisions could not be construed so as to derogate from any existing

aboriginal or treaty rights aboriginal peoples may have. Such a provision would guarantee that any new constitutional amendment would not prejudice the rights of aboriginal peoples that are now constitutionally recognized. At the same time, the amendment should ensure that existing rights are not expanded, except through a process of negotiated agreements.

The process that has led to this final conference has challenged the resourcefulness and perseverance of Governments and aboriginal associations alike. Although the search for constitutional change through negotiation has been a difficult one, the Prime Minister in his opening address to the 1985 First Ministers' Conference expressed confidence that:

> The inventiveness and creativity that Canadians have always shown in developing their democratic institutions—

—would stand participants in good stead.

The Government believes that significant tangible benefits would result from the federal approach to the constitutional recognition of aboriginal self-government rights. This approach would provide for self-government based on aboriginal peoples taking responsibility for their own decisions rather than having decisions made for them; based on self-reliance rather than dependence; based on pride and a sense of self-worth. This, indeed, is the Canadian way.

The Acting Speaker (Mrs. Champagne): I hesitate to interrupt the Minister but perhaps by unanimous consent the House will allow him to conclude his remarks?

Is there unanimous consent?

Some Hon. Members: Agreed.

Mr. Hnatyshyn: Madam Speaker, I thank the House for its indulgence. I will not be very long. I just wanted to put on record the full context of the background and the position of the federal Government for the benefit of Members and for the benefit of all Canadians.

If participants can achieve the level of agreement required for a constitutional amendment on aboriginal self-government, the federal Government believes that the door will have been opened to translating into reality the dreams of Canada's aboriginal peoples. In this sense, the Opposition's motion is not helpful as it is clearly not of a nature that could produce agreement to proceed with a constitutional amendment.

[*Translation*]

However, Madam Speaker, the Canadian Government's approach does not stop at that. Recently, we introduced a list of basic rules governing the financing of aboriginal governments.

[*English*]

Let me summarize what our approach does, Madam Speaker. First and foremost it asks that the aboriginal peoples of Canada give us none of their rights recognized within the Constitution. There are no risks in this regard for them. We recognize those rights which are at present acknowledged by our Constitution.

Second, it provides for a solemn, indeed a constitutional commitment by governments to the aboriginal peoples that they will enter into negotiations aimed at concluding self-government agreement.

Finally, it provides that the right to self-government identified in those agreements would be given constitutional protection. Let me stress what that means. It means protection in the highest law of this land.

Our approach would result in self-government arrangements based on negotiation and compromise. I think that is the route to follow in adjusting constitutional arrangements. I have to ask the question, and this, of course, is the nub of what we are talking about today: what does inherent right to self-government mean? Does it mean that we are going to dedicate the resolution of constitutional self-government to the courts and to a series of litigation by a variety of aboriginal peoples across Canada?

We have at the present time a very delicate and intricate jurisdictional relationship in Canada. It is appropriate and necessary for us to have a system which involves both levels of government in our country and the aboriginal peoples. Any amendment that would provide for an adjustment of those jurisdictional relationships must be formulated to ensure that that delicate balance is not thrown awry. The only way that I know of is through a process of doing it, what I call the Canadian way, through negotiation and agreement; a commitment to negotiate, a commitment with the aboriginal peoples enforceable in the courts of this land but nonetheless a political accord arrived at between the aboriginal people and the Governments of our country.

I agree with those who say that at the First Ministers' meeting we have a historic obligation no matter who we represent in those meetings to arrive at an agreement to set the basis for progress in the years ahead, to meet the legitimate hopes and aspirations of aboriginal peoples and to do it in a way which will ensure progress and ensure that the aboriginal peoples will realize self-government at the earliest possible moment in the most equitable way and in a way which will win the approval, not only of those peoples but of all peoples of Canada.

I thank you, Madam Speaker, for your time and for the indulgence of the House and I look forward to any questions that may be asked.

Mr. Manly: Madam Speaker, the motion condemns the Government for not showing the kind of leadership needed in this upcoming constitutional debate which has been taking place at the ministerial and official level for some time. The Minister has asserted everything the Government has been doing.

Could the Minister tell the House what chance does he think the conference will have of succeeding? Does the Minister

believe that it will result in an acceptable resolution of the situation, a recognition by the federal Government and of the provinces of the right to self-government in a way that will be acceptable to the aboriginal peoples of Canada? What chance does the Minister think the conference has of succeeding?

Mr. Hnatyshyn: Madam Speaker, I think I should answer that question in two parts. First, very often in negotiations there is a pre-occupation with items in which there are differences between participants. It tends to overshadow very substantial areas of consensus which have been developed over the course of the last month. I say to the Hon. Member that I regret very much that we were not able at the ministerial level to come forward with specific wording that we would recommend as being acceptable to the First Ministers to take forward, to finalize and to approve. I had hoped to be in that position after the substantial number of meetings but, regretfully, that was not the case.

• (1430)

Having said that, I know the federal Government looks forward to going into this meeting with a view to concluding an arrangement. It will require movement on the part of all parties. As has been pointed out many times, in order to amend the Constitution it is necessary to have concurrence of the federal Government and seven provinces representing 50 per cent of the population. We are going to work as hard as necessary to achieve success. That is our commitment. I hope the parties to this issue will show the necessary flexibility which will result in an amendment that will meet the hopes and aspirations of aboriginal peoples. That should be and is our commitment. The alternative is unacceptable.

Mr. Penner: Madam Speaker, all Members recognize the need for provincial consent. What troubles Members on this side and the aboriginal leaders is the lack of leadership shown by the federal Government. I want to ask the Minister why the Prime Minister of Canada (Mr. Mulroney) would suggest that the first day of the meeting be given over to a discussion of issues in a general way and that they not get down to specifics? It leaves the impression there are no specifics to be discussed. I believe what the Right Hon. Leader of the Opposition (Mr. Turner) is proposing in his motion today is similar to the Nova Scotia proposal which has a free-standing right in Section 35(5)(a). It stands on its own. It then goes on in Section 35(5)(b) to say the scope of the right shall be set out in agreements. That is quite different from the federal position which at the very outset wants to make the right contingent.

My second question is to ask why the Minister wants to raise this smoke-screen, along with other attorneys-general across the country, that a recognition of the right to self-government is going to mean a headlong rush to the courts. Surely the Minister is now well enough acquainted with aboriginal leaders to know that it is not in the courts that they wish to seek a remedy but through negotiated agreements. If they wanted to use the courts, Section 35 gives them all the scope they need. There has been precious little of that except in the Province of British Columbia which has been so reluctant to do any kind of negotiating at all.

Finally, I want to come back to the question the Minister put to the Right Hon. Leader of the Opposition regarding what is meant by "inherent" and where the concept of sovereignty comes in. Would the Minister not agree that when we talk about sovereignty in the modern context, we are talking about a definition or description of jurisdiction? How do you define or describe jurisdiction? Surely the Minister would agree it is done by way of negotiation and agreement. Is that not what we want when we recognize an inherent right and then want to proceed from that recognition to agreements embodied in the Constitution?

Mr. Hnatyshyn: Madam Speaker, I thank the Hon. Member for his questions. I should preface my remarks by acknowledging his very sincere interest in this matter over a long period of time. I do listen with interest and sincerity to his representations.

His first question dealt with the agenda. Reference has been made to a general discussion. I think that is taken out of the context of the Prime Minister's telex to the provincial Premiers and leaders of the aboriginal groups. There is specific reference to the draft proposed by Nova Scotia which is draft number three with an appendix. This document in itself has been the subject of discussions and it touches on all the salient and essential ingredients which have to be considered in coming to an agreement.

What we must do at the meeting and what the Prime Minister is interested in doing is having a discussion to resolve in a conceptual way some of those areas in which we can come together and bridge the gaps which have existed up until this point in time. I think the format will be helpful in arriving at a specific and detailed discussion so that an agreement can come out of the process.

The second question dealt with what is meant by inherent right. The Hon. Member puts forward the proposition that somehow the reason we are discussing the question of a process involving negotiations is that we are concerned that under the *status quo*, or indeed under an inherent right proposition, there will be a headlong rush, I think were his words, to the courts. With all due respect, I think this is a misunderstanding of the position we have put forward.

If you want to be quite candid and frank about the federal Government's position, this enhances the right of aboriginal peoples to go to the courts. It gives them an additional dimension, what I call a constructive and positive dimension, inasmuch as in the amendments put forward by the federal Government we include a commitment by the Government to negotiate. If we are simply silent or talk about inherent right or have some general reference to inherent right, that will fall far short of providing guidelines or any assistance to the courts to define what self-government really is. I ask the Hon. Member, and I referred to this the other day during Question Period, does he think that the courts are the appropriate forum

in which to have these matters resolved? I think not. In his remarks he indicated that he would prefer, as do I and as do the aboriginal peoples, to have a negotiated arrangement. That is the mature political way in which we accomplish things in Canada. It is a recognition of the equality of status of the aboriginal peoples in this country that they are able to negotiate with different levels of government.

What I am saying to the Hon. Member is simply this. What I am looking for is to convince people that we should have the determination and will to look for creative wording. This is a constitutional document. Whether we like it or not, his view and mine of just what sovereignty is becomes academic. If we have a concept of sovereignty in this constitutional document, the courts are going to interpret it. Sovereignty in a legal sense is quite a different proposition from that of the Hon. Member with respect to self-government within Confederation.

Mr. Nicholson (Niagara Falls): Madam Speaker, I would like to congratulate the Minister of Justice (Mr. Hnatyshyn) on his fine speech. I think all Members agree that he spoke with the sensitivity we have come to expect from the Minister of Justice.

In his motion, the Right Hon. Leader of the Opposition (Mr. Turner) asked the Government to assume a leadership role on this issue. That is somewhat surprising for those of us who have participated in the Thirty-Third Parliament, because I think most fair-minded individuals would acknowledge that the Government has taken a very strong leadership role in this area ever since it was elected in September, 1984. In any case, I would like the Minister to comment on the level of effort he has put into this issue and, in doing so, comment on whether it is true that he himself has chaired a number of ministerial meetings with aboriginal leaders since last fall?

Mr. Hnatyshyn: Madam Speaker, I have spent a very considerable amount of my time as Minister of Justice on this important issue. Shortly after I was given the opportunity to serve in this portfolio, I was asked to chair the meeting of representatives of the aboriginal peoples and the provinces at the ministerial level. We moved ahead and obtained the participation of the AFN. That group came back into the process and I was very grateful because it was a positive act. We then moved on and had a number of ministerial meetings, I think four in all. We have had a host of meetings of officials. In these meetings we have shown leadership in terms of enunciating, on a rolling draft basis, the proposition that could be considered by all the participants. We have tried to assist in many ways, financially and otherwise, aboriginal peoples to deal with matters related to the constitutional process. We funded the AFN's examination of treaty rights. Each of the aboriginal associations were given moneys with which to pursue their research into constitutional amendment.

• (1440)

I met bilaterally with all of the groups. The Prime Minister has given me a special responsibility for the Métis people of Canada which I take very seriously. I have met with representatives of those people on an ongoing basis. I think that we have an obligation in this country to recognize that there are legitimate hopes and aspirations. For a long period of time aboriginal peoples have not had the same opportunities to share in the kind of life which many Canadians have had. The Government is trying its level best to understand and to react positively and sensitively to aboriginal peoples to give them a plateau upon which they can build, become self-sufficient, and reflect their very rich cultural traditions.

I hope the meeting will be successful and determine to have an amendment. I ask all Members of Parliament to use whatever influence they have on the participants of this meeting to ensure that we go forward in partnership to a successful meeting.

Mr. Jim Manly (Cowichan—Malahat—The Islands): Madam Speaker, I would like to express my appreciation to the Right Hon. Leader of the Opposition (Mr. Turner) for presenting this motion which our Party fully supports. Indeed, it is very similar to a motion presented a little over a week ago by my colleague, the Hon. Member for Kenora—Rainy River (Mr. Parry).

The motion is:

> That this House affirms its support for the aboriginal peoples of Canada in their endeavour to have recognized in the Constitution their inherent right to self-government—

The motion calls upon the Government to assume a leadership role "and specifically directs the Government of Canada to abandon its insistence that the right to self-government be contingent upon negotiated agreements".

In debating this we should begin with the recognition of the need of aboriginal peoples to have control over their own lives, communities and futures. It should have become abundantly clear to every Canadian and North American that the aboriginal people of North America do not want to be absorbed into the general population. They want to retain their special identity as individual peoples. They have all paid a very high price to maintain their identity as a people. They have paid the price of poverty, inadequate housing, exaggerated rates of unemployment, poor health, inadequate education and loss of their traditional economic base in their attempts to hold on to their identity as a people.

It is important to realize that these negative features which are so large in the lives of so many aboriginal peoples are not an essential part of aboriginal life and should not be associated with aboriginal peoples at all. I believe they result from two groups of factors which must be considered in combination. We have no real control over one of these groups of factors, but do have control over and responsibility for the second group.

The negative features of aboriginal life associated with poverty and loss of traditional base must, in some sense, be attributed to four centuries of economic and technological change. This change has affected all peoples on the face of this

globe, but it has particularly affected them. It has swamped their traditional economy and technology. The second constellation of factors which is important here is the failure of successive governments; British, American and Canadian, to protect the rights of aboriginal peoples even when they have recognized those rights.

Those rights were recognized as long as two centuries ago. In the Royal Proclamation of 1763, King George III provided that Indian nations were not to be molested or disturbed on their traditional lands. In 1787 in the United States the Northwest Ordinance gave the same kind of protection to Indians there. Article III of that ordinance says:

> The outmost good faith shall always be observed towards the Indians; their lands and property shall never be taken from them without their consent; and in their property, rights, and liberty they never shall be invaded or disturbed, unless in just and lawful wars authorized by Congress; but laws founded in justice and humanity shall, from time to time, be made, for preventing wrongs being done to them, and for preserving peace and friendship with them.

Even where there was recognition of these rights, there was not a protection of these rights flowing from that recognition. This failure to protect the rights of aboriginal peoples combined with the economic and technological changes led to the complete over-running of their lands and the swamping of their traditional economies. As an example we can consider what happened in the 19th century to the Indian peoples on the Canadian and American prairies when the railways were built and the buffalo were destroyed. The effects of the coming of settlers varied from place to place but, in the worst instances, people were reduced to being paupers in their own land and they had to depend on government handouts—the seeds of socialism!.

In 1881 Helen Hunt Jackson, as part of the ongoing celebrations of the American centennial of the 1776 revolution, published her epoch-making book, *Century of Dishonour*. This book detailed the dishonourable way in which the American Government had treated American Indian people. That was 100 years ago. Today that dishonour continues to afflict both Canadian and American Indians. It continues to stain the peoples of both the United States and Canada.

In Canada there has been a deliberate and systematic attempt to subvert and supplant traditional Indian leadership. For example, the Protestant missionary, William Duncan, who in many ways was one of the greatest of the missionaries, went to Metlakatla, British Columbia, in the late 19th century. He had a view that in that so-called model village of Metlakatla there were to be no chiefs but Duncan. Potlatch laws were introduced to attempt to destroy the traditional religion as well as the whole system of government, exchange of property, validation of title and everything else. The potlatch was made illegal by the Canadian Government. In their zeal some missionaries burned potlatch items; rattles and masks. Other missionaries with a little better eye for commercial value collected some of these items and shipped them off to museums. Indian people are still trying to get some of these items back. We had an Indian Act passed which stated that Indian people had to have permission to go to Indian dances or to rodeos. It was an Indian Act which, in the 1920s, made it illegal for Indian people to collect funds for organizations which were advocating aboriginal land claims. There was unworkable racist and sexist legislation in the Indian Act regarding band membership and Indian status. There was discrimination against Indian women. Two years ago with Bill C-31 we attempted to correct some of the worst of those abuses but it is very hard to correct history in this way. The federal Government has had a trust responsibility for managing Indian properties which has been carried out in an abominable way. Indian lands have been sold or leased at far below market value.

• (1450)

We cannot be responsible for the kind of economic and technological changes which have affected Indian peoples over the last four centuries. However, we are collectively responsible for the second group of factors, including the failure of governments and of Canadian and American peoples to recognize the rights of aboriginal people. Over the last few years we have seen a growth in recognition of aboriginal rights. There has been a growth in understanding of aboriginal rights among aboriginal peoples themselves, and that is most significant. We have seen that growth among federal politicians. In the short time I have been in this House, I have seen a development in all Parties in terms of recognition of what aboriginal rights mean. We have seen a growth on the part of the Canadian population as a whole and now we have polls which indicate a majority of Canadians want to see aboriginal self-government.

The modern recognition of aboriginal rights owes a great deal to two events in our time. First, there was the 1969 White Paper which was basically an assimilationist document. At first blush, it was accepted by all Parties in the House of Commons. It followed a series of consultations which had taken place with Indian people and Indian leaders all across Canada. At those consultations the Indian peoples stated their demands to have their historic rights recognized, their hunting and fishing rights, their land claims and their treaty rights. However, the White Paper ignored these demands.

Perhaps the best statement of the way in which the Government ignored those demands came from former Prime Minister Trudeau when he spoke on August 8, 1969, in a very celebrated speech in Vancouver. Mr. Trudeau said that the Government had two choices, either retaining the traditional conventional way of administering to Indians "by adding bricks of discrimination around the ghetto in which they live", or by moving towards eliminating all special status and having Indian people the same as everyone else. He said:

> We will recognize treaty rights—we will recognize forms of contract which have been made with the Indian people by the Crown. And we will try to bring justice in that area. And this will mean that perhaps the treaties shouldn't go on forever.
>
> It's inconceivable, I think, that in a given society, one section of the society have a treaty with the the other section of the society. We must all be equal under the laws and we must not sign treaties amongst ourselves and many of

these treaties indeed would have less and less significance in the future anyhow.

With regard to the question of aboriginal rights he said:

Our answer is no. We can't recognize aboriginal rights because no society can be built on historical "might-have-beens".

The Indian people across Canada did not accept the White Paper. They did not accept the assimilationists' philosophy and began to organize. There was a great awakening of the Indian people all across Canada. People from the Nisga'a, the Cree, the Mohawks, the Micmacs, discovered that they had a great deal in common and began to build a truly Canadian Indian movement which would fight for them. They awakened to a new understanding of their rights, to a new pride in their culture and to a new determination to regain basic control over their lives.

The second event is very closely related. The refusal of the Government to acknowledge aboriginal claims led the Nisga'a Indians on the Nass River in northern British Columbia to take their historic land claim to the Supreme Court. More than any other aboriginal nation in Canada, the Nisga'a had fought for recognition of aboriginal title. It was a fight that went back to the days of Queen Victoria. They have never given up that struggle and they are still struggling. Taking their claim to the Supreme Court resulted in a split decision. Former Prime Minister Trudeau in 1973 said: "Perhaps there is more to aboriginal rights than we thought". I think it is to his credit that, having denied the very concept of aboriginal rights, when the Supreme Court came down with this split decision he recognized there was something there and he was prepared to move on it. As a result a land claims policy was set up. It is a policy which has not worked very well so far for the aboriginal people, but it has at least made people aware of aboriginal rights and that growing acceptance has been indicated by the polls.

In 1980, 1981 and 1982, when former Prime Minister Trudeau was working on patriating the Canadian Constitution, one group of people who took that whole patriation process very seriously was the aboriginal peoples of Canada. They fought very hard to have recognition of their aboriginal rights included in that Constitution. After a hard fight it was included. It was then taken out but it was put back in in a weakened form. When they put back, in a weakened form, recognition of existing aboriginal treaty rights, they were given the promise of First Ministers' Conferences which would further define those rights. A lot of hope was attached to these First Ministers' Conferences, but so far they have been exercises in high frustration. There has been a lot of grandstanding and posturing, but where are the results which affect the average life of the Indian person living on a reserve, a Métis person living in one of their settlements or an Inuit person living in an Inuit village in the Northwest Territories?

The process which was set out in those First Ministers' Conferences has continually been frustrated on the one hand by the intransigence of some provinces, particularly in the past by Saskatchewan, Alberta and British Columbia. Unfortunately, the Province of Ontario seems to be joining the ranks of that intransigence for the current round. Second, that process has been frustrated by a failure of the federal Government to give the kind of leadership which is needed to rally the Canadian people around this whole issue.

Perhaps that failure of leadership is exemplified by the statement made in the March 11 debate by the Minister of Indian Affairs and Northern Development (Mr. McKnight). He said:

There has not been a proposal put forward in the meetings that has not been supported by the federal Government when it came to trying to bring consensus from all sides of the table.

We recognize that the Government would like to have a consensus. We recognize that the Government has good intentions. However, basically what it is doing, and what the Minister said it was doing, was following. When other governments presented proposals, the federal Government would say: "Let us see who supports that. Who is willing to go along with this?" Where did the federal Government stand in providing the kind of leadership which was necessary to create a total Canadian consensus around this issue which would result in action?

The Minister of Justice (Mr. Hnatyshyn) in his speech pointed out the view that recognition of inherent rights leaves the Government open to lawsuits. A right is a right. We are talking here about a right of the aboriginal peoples which was never surrendered. Before the coming of non-Indians and non-aboriginal peoples to North America, these people had the right to govern themselves. Historically, they did govern themselves. They have never surrendered that right. Therefore that right is still intact.

• (1500)

Why does the Government take the position which says in effect: "We are prepared to give this to you as a privilege, only if you are prepared to accept that you do not have a right to it"? The people have a right—they insist on that right. They will not bargain it away for the few chips that the Government thinks it can give to them as a privilege.

Our Party wants the Prime Minister (Mr. Mulroney) to show the type of leadership that Prime Minister Trudeau showed in his great project of patriating the Constitution, for example, or the type of leadership that the present Prime Minister is evidently now prepared to give in his own pet project to sell free trade to the Canadian people. Why does he not give that type of leadership to the question of entrenching the rights of aboriginal people to self-government?

I urge the Government to catch a vision of what self-government can do for Canada, as well as for the aboriginal people. Instead of a grudging concession to the needs of aboriginal people, why not take a positive step which the Government can see as doing something for all of Canada so that to be Indian, Métis or Inuit will no longer be synonymous with poverty or with being off in the margins of Canadian life

but, instead, at the centre of Canadian life. In this way they will be a part of Canadian life, something about which everyone can be proud, rather than perpetuating the system that was typified by the phrase "a century of dishonour". Let us instead have a century of pride and dignity for our aboriginal peoples.

Mr. Hnatyshyn: Madam Speaker, I would first like to thank the Hon. Member for a very thoughtful speech. It was another demonstration of his continuing interest in this area. Before asking my question I want to say at the outset that I share the same concerns, as does the Government, with respect to the history of injustice to aboriginal peoples in our country.

Having said that, I want to make a very important correction to the interpretation the Hon. Member gives to my remarks. I want to reiterate the fact that nowhere have I said, or what I have said could be interpreted to mean, that I think that the aboriginal peoples of Canada should be restricted, denied or refused access to the courts. Indeed, in response to the Hon. Member for Cochrane—Superior (Mr. Penner) I tried to make the point that what I am trying to do is to assist the aboriginal peoples in some of the suggestions being put forward to give them even more compellable legal remedies in the event that the negotiation process is not successful.

So that I can be clear in my own mind I ask the Hon. Member if he would not agree with the proposition that I have been putting forward, that is, it is far more preferable to have a process under which there is a negotiated political agreement which is constitutionalized than it is to have a document which simply states that the courts will decide what constitutes self-government. Does the Hon. Member not agree with the proposition that under the present circumstances, in terms of their excellence and in terms of their membership, knowledge and so on, the courts are simply not the appropriate forum within which self-government should be determined and that the Canadian way would be to have a system or process which involves negotiation between the aboriginal peoples and the Governments of our country?

Mr. Manly: Madam Speaker, certainly all parties in this matter, especially the aboriginal peoples, would like to see a negotiated approach to this question. They know how difficult it is to move through the courts. There has already been too great a need for aboriginal peoples to go to the courts. There are a number of court cases pending now in British Columbia because the whole system of land claims is moving so terribly slow. What I am saying is that we cannot use the desire for a negotiated settlement to deny to the aboriginal peoples the right that they have inherited to self-government. It is incumbent upon us to recognize that that is a right that has always existed. It is a right that has never been extinguished. We must recognize that that should be the basis for negotiation. If we recognize it as a basis for negotiation, I do not think it will lead to increased appeals to the courts. If we are not prepared to recognize that basic right, then I think there are a number of aboriginal groups which will indeed go to the courts because they believe that they have a very good legal case and they will want to test it in the courts.

Mr. Penner: Madam Speaker, I would like to ask the Hon. Member for Cowichan—Malahat—The Islands (Mr. Manly) if he agrees that what the Minister of Justice (Mr. Hnatyshyn) has just proposed, that is, an either/or situation, is not at all fair to the concept of having an inherent right entrenched in the Constitution. In his question the Minister left the impression with the House that we had to go one way or the other, either we fight it out in the courts, if it is believed that there is a freestanding inherent right in the Constitution, or we move to negotiated settlements. In fact, what has been proposed by the Assembly of First Nations, which has been supported by other aboriginal leaders, and what has been proposed by Nova Scotia, incorporates both. It is not a case of either/or. Nova Scotia sets the right out, as the Hon. Member wants and as the motion we are debating today wants, and then goes on to say that the scope of the right shall be set out through negotiated agreements. Will the Hon. Member not agree that the Minister is not being fair in stating the two approaches by making it an either/or proposition?

Mr. Manly: Madam Speaker, absolutely. As I said earlier, I do not think that the aboriginal people generally want to have to rely upon the courts. They are looking for this recognition. Following that recognition they are looking for a negotiated settlement. They realize that there has to be give and take on both sides. But with respect to the basic fundamental question of justice, they have a right which they are not prepared to negotiate away. They believe that it is a right which they have inherited from their ancestors. It is something which they have to be able to pass on to their children. It is not something which is negotiable.

Mr. Tupper: Madam Speaker, I wish to compliment my colleague, the Hon. Member for Cowichan—Malahat—The Islands (Mr. Manly), on his thoughtful presentation this afternoon and on the sincerity with which he presented his case before us. Something I have been interested in for quite some time as we move toward self-government and in the resolution of the land claims aspect for our native peoples is the ownership of the subsurface rights in the lands that are in question. If we look at our Constitution relative to this matter we will see that these subsurface rights are inherently owned by the provinces. Will the Hon. Member clarify for us the position of his Party with respect to this issue of whether subsurface rights, that is, mineral, hydrocarbon and water rights, are in fact contingent with surface rights?

Mr. Manly: Madam Speaker, the people who signed the historic treaties in Alberta understood at that time that they were signing a treaty for the use of the land, a treaty that extended to the depth of a plow furrow. They were not signing away the land itself.

If we are looking at the question of aboriginal self-government then we have to take seriously the need of aboriginal

people for a proper economic base. This is why one of the agenda items has to be the whole question of resource sharing. Again, this is something that has to be decided upon by negotiation. There are reserves in western Canada where the aboriginal peoples have subsurface rights. There are others where they do not have those rights. It is important that they have a right to share in the resources of their historic lands.

• (1510)

Mr. Keith Penner (Cochrane—Superior): Madam Speaker, I wish to begin by commending the Right Hon. Leader of the Opposition (Mr. Turner) for proposing this motion. I think it clearly demonstrates, along with other of his actions, the strong leadership position he is taking with respect to the recognition and the elaboration of aboriginal rights in Canada.

Not only has the Right Hon. Leader of the Opposition proposed this motion today, he was the only leader of any national Party who spoke to the aboriginal peoples' rally on Parliament Hill recently. He also issued a strong statement which was read at the summit of the aboriginal leaders held in Toronto just a few weeks ago.

I also want to thank all Hon. Members for their interest in this debate. I am pleased that the Minister of Justice (Mr. Hnatyshyn) was able to be here for part of the debate. I thank the Member for Cowichan—Malahat—The Islands (Mr. Manly) for his contribution. I look forward to the words from an ally and strong supporter in this area, the Hon. Member for Notre-Dame-de-Grâce—Lachine East (Mr. Allmand).

Very recently I had the opportunity to appear on a television program. Unlike many, this was a live program on the subject of aboriginal self-government. Before the interview began, the young interviewer coached me a little. She said: "You are a politician and we only have 12 minutes. Could your answers to my questions be brief?" I assured her that they would be, but she made me promise again. She said: "Please be brief". When the interview began, her first question was: "What is really meant by aboriginal self-government?" I said: "Emancipation". She blinked her eyes and asked me to elaborate. The elaboration is simply that the aboriginal people of Canada are seeking emancipation through our Constitution.

First, they are seeking emancipation from the Indian Act, which is a totalitarian Act of this House. It controls and regulates every aspect of an Indian person's life. No other citizens of this country would allow themselves to be dominated by an Act of Parliament such as the Indian Act dominates Indian people.

Second, Indian people are seeking emancipation from the overbearing, constant direction, superintending, and overseeing of the Department of Indian Affairs and Northern Development. Again, there is no Department of Government that controls every aspect of the lives of other Canadians the way this Department controls Indian and Inuit communities in Canada.

Third, aboriginal people are seeking emancipation from a dominant society, which, as my hon. friend from Cowichan—Malahat—The Islands pointed out, continually seeks to assimilate these people and make them like us in the belief that somehow our industrial commercial system is the one we should all follow in order to be considered a success.

The Special Committee on Indian Self-Government was an all-parliamentary committee. The recommendations of that committee were unanimous in every case. When that special committee set out to do its work, we first had to steep ourselves in some little-known history of this country. It is not a history that is usually taught in the elementary or secondary schools, or even universities of Canada. However, if a person were to go to a college like the Saskatchewan Federated Indian College, that person would get quite a different kind of education regarding the early history of this country.

When the Europeans arrived in North America to explore and later to settle, what they encountered were various tribes and nations. That terminology comes directly from the Royal Proclamation of 1763. They saw different cultures, and economies in existence, and people speaking different languages. This was not a vast empty land; there was activity going on. People were interrelating and they were recognized by the British explorers and the British colonists as being tribes and nations. A government-to-government relationship was established in order for there to be accommodation and agreements. That was the *modus operandi* established by the Royal Proclamation. While it is a colonial document and we do not want to make too much of it, it has been recognized in our Constitution as being an important document on which to proceed.

The debate about negotiating and reaching agreement is not one that is being questioned. That is the way to proceed. What is being questioned is whether we begin with the right and then proceed to the negotiations and the agreements, or do we say that there are only rights if agreements can be negotiated? If we do it that way, I ask the House: Where will be what I call the constitutional imperative to begin those negotiations? If we do not have a constitutional imperative, once again we must rely on good will and co-operation.

I know that there is a lot of co-operation and good will in Canada, but I also know that there is a very bad history in this country of not negotiating in good faith and of not honouring agreements once they are made. A constitutional recognition of an inherent right seeks to change the direction we have been following for such a long time.

We must go back a long way in our history to see when this direction began to change. Early British policy did recognize sovereign self-determining nations. However, it was not long before that began to change and there entered a system of domination, of paternalism, and eventually assimilation, about which a whole history could be carefully documented and described for Hon. Members.

The Department of Indian and Northern Affairs has very often been the instrument or manifestation for this kind of control. For example, it is under the Indian Act, which the Department of Indian Affairs and Northern Development administers, that the band council form of government was set up. According to the wisdom of the Parliament and Government of the day, these were the only kinds of government aboriginal peoples could have.

However, we know what those Governments were. They were agents of the Government. They were not self-governing bodies, making decisions for their people and being answerable or responsible for their people. They were agents of the Government in Ottawa. Regulations, directives and guidelines issued from Ottawa were carried out by those band councils as if they were somehow Indian agents. That is what we are seeking to change when we introduce the concept of self-government.

Recently in *The Globe and Mail*, a columnist whom one might not expect to be a spokesman for self-government nevertheless wrote a piece which I thought was very appropriate to the theme of self-government. I am referring to Richard Needham. He wrote as follows:

> The desire to heckle and hassle and harass other people, to possess and control and manipulate them, to change them into something different from what they are—this desire is surely one of the oldest in history. It's born right into us.
>
> What we must learn, and painfully, is to let go, to let the other person live according to his or her own pattern.

That is what self-government for aboriginal people is about. It is about letting go.

When our special committee was in Yukon we heard very telling testimony from a small band. My hon. friend will remember the Mayo Band. They had a truly remarkable brief which contained a reference to a short piece written by Leo Tolstoy in 1886. I do not know how they discovered it. I never ran across it before, but it was submitted as part of their brief. Quoting Leo Tolstoy, it said very simply: "I sit on a man's back, choking him and making him carry me, and yet assure myself and others that I am sorry for him and wish to lighten his load by all possible means, except by getting off his back". That is what self-government is all about.

• (1520)

There are a lot of well-meaning people in the Department of Indian Affairs and in Canada who want to do good things for Indian people. However, there is the suspicion that really what we want to do is to make them like us, to deny their culture, to deny their way of life, and to deny their right to make decisions, manage, control and direct their own affairs. It is a foolish and academic debate to talk about whether or not this represents sovereignty.

We all know that we live in a very interdependent world and that sovereignty nowadays is always hedged in by all sorts of provisions, agreements, and conditions. The aboriginal people of Canada are quite prepared to accept that. They want to negotiate so that they can fit into, not pull out of, our Canadian Confederation.

We should listen, for example, to John Amagoalik, Co-chairman of the Inuit Committee on National Issues. Recently before our standing committee he said:

> The vision of aboriginal self-government is one that sees aboriginal peoples maintaining their own distinctiveness by running as many of their own affairs as is practical in a modern, culturally diverse and interdependent federal state. In my view, this is a vision that can be shared by most of the political leaders taking part in the upcoming conference.

What could be more reasonable than that? I want Hon. Members to know that in this whole issue—and let us call it a public policy issue because that makes it so respectable—there is another aspect which is rather disturbing. The Department of Indian Affairs, after having wandered around in a political desert for decades, has now discovered a new *raison d'être*. It has discovered something which gives it a brand new lease on life, and it is called self-government. It has embraced the policy of self-government like someone who is meeting a long lost love. However, if we look at it carefully—and we have done this in the Standing Committee on Aboriginal Affairs and Northern Development; we cross-examined the department officials when they appeared before us—we discover that they are not promoting self-government at all. They are using the language, the terminology, and the phraseology, but they continue to deny the substance.

The Hon. Member for Cowichan—Malahat—The Islands and the Hon. Member for Notre Dame-de-Grâce—Lachine East will remember that when the special committee was sitting we anticipated that this would happen. We made it very clear in our report that we could not look to the Department of Indian Affairs to be the leader in bringing about aboriginal self-government in Canada. I quote just a small part of that reference in the report itself. It reads:

> The past history of the federal-Indian relationship has left a legacy of distrust and suspicion that would seriously impair the capacity of the Department of Indian Affairs . . . to act as the federal instrument for developing a new relationship.

We said that that Department should get off the stage. We proposed that it have five years to get off the stage. It is still around. It is still manipulating, controlling, regulating, and dominating, only it has a brand new set of words by which to do that.

I should like to give an example to help Hon. Members understand how it works, because it is a little subtle. I take my example from education. A policy exists which is called Indian control of Indian education. What could be more reasonable than that? Almost anybody could accept it as being a fair and acceptable proposition.

However, there are two approaches to it. First, to the First Nations, local control of education is an area of their jurisdiction based on treaty and aboriginal rights which falls under the purview of self-government. Indian First Nations understand control to be the establishment of philosophies, goals, and objectives, and the administration and management of

educational systems which reflect fundamental attitudes and values of Indian and aboriginal culture and tradition. Of course it does. What Hon. Member would debate, argue, or take exception to that? None of us, because it is what controlling education is about.

How does the Department of Indian Affairs interpret Indian control of Indian education? The Department has interpreted it to mean the administration of funds for certain aspects of education managed under federal guidelines and regulations. That is quite different. The implications of that may escape many. However, if they are seeking to control their own educational system, which is a way of enhancing their culture and giving it new life, that difference takes on a very great magnitude.

Recently I had the opportunity to go to Queen's University in Kingston which has an Institute on Intergovernmental Affairs. It sponsored a day-long workshop on aboriginal self-government called "The Search for Accommodation". As I participated in the workshop, it crossed my mind that one of the problems of those of us in Canada who are non-native Canadians is that we have not fully understood or appreciated the magnitude of the accommodation which has already been made for our patterns of settlement and development. For example, the question about natural resources posed to my hon. friend fits clearly into that category. We have not comprehended the magnitude of the accommodation which has been made for us. However, as we move toward the First Ministers' Conference at the end of next week, we have the opportunity to reciprocate and respond to that accommodation.

We can do it by putting into our Constitution a recognition of a right, which was never relinquished or given up; a right which could easily be accommodated in our federal system; a right which would give aboriginal people of the country a new meaning, a new sense of their own destiny, and a new control over their future which heretofore they have not had.

The special committee agreed unanimously that there must be in the Constitution a recognition of the inherent and inalienable right of Indian people and aboriginal people to be self-governing.

We cannot put that right in the Constitution and immediately hedge it in on every side, limit it, and confine it. However, that is the proposal which is being put forward by the federal Government at the present time. Even the Province of Nova Scotia, in its participation, has seen the folly of this. All aboriginal leaders find it to be unacceptable.

For example, the federal proposal indicates that the right to Indian self-government exists, but that it can only be recognized in accord with or subject to negotiated agreements. Madam Speaker, you know all about your rights and Canadians know all about their rights under our Charter. Would any of us allow our rights to be contingent rights? Would we say that our rights of conscience, religion, association, and assembly, those fundamental and democratic rights, are contingent rights and that they only exist if we can negotiate agreements with Governments, and that only once we have negotiated those agreements we have those rights?

The argument that if we have a free-standing and inherent right of aboriginal self-government in the Constitution, the courts will be plugged with aboriginal people seeking a definition, seeking substance, and seeking an order to impose self-government, is a false fear. I suggest, further, that it is a big lie. Aboriginal people do not want to go the court route. They want to negotiate self-government, jurisdiction, financial agreements, and resource sharing. If they had wanted to go to the courts, they would have gone a long time ago under Section 35. It is a powerful section. They could have had all kinds of settlements out of Section 35. Only in British Columbia has that route been followed because the province refused to negotiate with aboriginal people there.

• (1530)

If we succeed next week in having a constitutional amendment that recognizes aboriginal self-government, we do not need to worry about people rushing headlong to the courts. But if we fail next week, there will be no other recourse. What our leaders fear most, namely, court action after court action, will take place because we will have failed at the First Ministers' Conference on aboriginal rights related to self-government.

[*Translation*]

Mr. St. Julien: Mr. Speaker, the Hon. Member for Cochrane—Superior (Mr. Penner) is a staunch defender of Canada's aboriginal people and I commend him for his dedication.

Earlier this week I sent a telegram to Quebec Premier Bourassa to urge him to be in Ottawa next March 26 and 27. When it comes to defending the interests of Quebec and aboriginal people, I think that Mr. Bourassa is an outstanding negotiator. Quebec's aboriginal people need him personally at this conference.

Quebec seems to be content with standing on the station platform and watching the train go by as last minute preparations are being made for the constitutional negotiations on aboriginal issues. Native leaders in Quebec and the rest of Canada are very concerned and disappointed that Mr. Bourassa should take such an attitude. Native people seek to have their political power within the federation enshrined in Canada's Constitution. Why stay away from this conference? More than anybody else, Quebecers are dutybound to speak up for the first inhabitants of Canada.

That was a preamble, Madam Speaker, and now here is my question. The greatness of a nation is measured in terms of respect for its minorities. Quebec Government officials must confirm their Amerindian and Inuit policy under which they should actively participate in the constitutional conference and attempt to convince the reluctant provinces that Quebec native people do have legitimate claims. Would the Hon. Member tell me whether the Leader of the Liberal Opposition has done

whatever may me required to convince the Quebec Liberal Premier to attend the conference? And, as you see it, what are the repercussions of Mr. Bourassa's absence at the conference?

[*English*]

Mr. Penner: First, Madam Speaker, let me say that the Hon. Member for Abitibi (Mr. St. Julien) has been far too generous in describing me as a defender of the aboriginal people. The aboriginal people do not need any defenders. Their own leaders are perfectly capable of doing that. My role simply is to work with legislators and Governments in the development of public policy and with non-native Canadians. The Hon. Member has been too generous. I like it, but it is not fair to the aboriginal leaders.

The Member's question about the participation of Premier Bourassa was asked by the Hon. Member for Brampton—Georgetown (Mr. McDermid) of the Right Hon. Leader of the Opposition (Mr. Turner). I thought it was a relevant and fair question. It is important that Quebec be there. Most important of all would be for Quebec to be a signatory to the Constitution and a full participant at all times. I, for one, hope that this will happen in the near future. Even though it has not happened yet, there is an important reason for Quebec to be at the conference table. As my hon. friend knows, there is aboriginal self-government now in effect in the Province of Quebec. The Hon. Member for Notre-Dame-de-Grâce—Lachine Est will perhaps describe that later in his comments. I simply repeat what the Right Hon. Leader of the Opposition said that, yes, the Premier of Quebec should be there. Quebec has much to contribute and without Quebec it will be a lesser conference than it could otherwise be.

Mr. Allmand: Madam Speaker, why does the Hon. Member think there is so much hesitancy on the part of provincial Governments in Canada and of the federal Government to accept completely the proposal for aboriginal self-government when after more than 100 years of governing them through the Indian Act and the Department of Indian Affairs we have made such a complete mess of things? For example, in a 1980 report it was pointed out that the life expectancy of Indian people was 10 years less than non-Indian people, that the infant mortality rate was 60 per cent higher than the national rate for all Canadians, that the unemployment rate ranged from 50 per cent to 90 per cent, that income was two-thirds of the national average, and that in 1977, less than 40 per cent of the Indian people had running water, sewage disposal or indoor plumbing and 19 per cent had two or more families in their homes.

Mr. McDermid: Who was the Minister during that time?

Mr. Allmand: With that kind of mess after 100 years of Government by many political Parties—

Miss MacDonald: You are absolutely right.

Mr. Allmand: What I am reading is from a report published in 1980, and I think it reflects on all of us.

Mr. McDermid: Especially former Ministers.

Mr. Allmand: No, it reflects on all Parties. I do not say this in a partisan way. I hope the Hon. Member does not understand me to say that. I am saying that on behalf of Liberals, Conservative and NDP Governments, and I meant to say it that way.

Miss MacDonald: I agree.

Mr. Allmand: If that is the case, why is there a hesitancy not to agree to Indian self-government with that kind of record?

Mr. Penner: Madam Speaker, I think the Hon. Member asks an extremely difficult question. We want to get now at the issue of motivation. What is it that motivates people either to block something or to do something? For what it is worth, and I can certainly be challenged on this by any Hon. Member and his or her answer would be as good as mine, I believe there exists among political leaders in Canada a fear of the consequences of sharing, on the one hand sharing wealth, and on the other hand, and probably more important, sharing power. It is an unknown. Entering into an unknown area can be very threatening, very challenging and very destabilizing.

I would simply say that, having been associated with aboriginal leaders for a very long period of time, I would think the quote, going back to the 1930s of Franklin Delano Roosevelt, would be appropriate, that really there is nothing to fear but fear itself. There is no fear in negotiating these agreements, Madam Speaker. What we require at this First Ministers' Conference and what we will all be watching for is whether those people who have been elected as Premiers of provinces and our own Prime Minister (Mr. Mulroney) have the kind of vision that Mr. Amagoalik referred to and which my friend, the Hon. Member for Cowichan—Malahat—The Islands mentioned. A need for vision is what is required to get over this obstacle of fear, of moving into what for many Governments in Canada will be a new area. I would encourage them to make a leap over that gap of fear and move into this new realm. It is very promising for our Confederation. The whole world is watching us expecting that we can get some answers for the indigenous people.

Ms. Mitchell: Madam Speaker, I could not help but think back to the time when we were all involved in the constitutional negotiations in one way or another and, as the Hon. Member was speaking so eloquently, I thought of two other areas of rights that were being negotiated at the same time, both of which came out quite differently. Can the Member explain to me and others why the difference? First, regarding the equality rights for women, there was no question that these were not contingent rights. Rights were established first and, after being clearly established, various programs are still being negotiated.

Second, with regard to linguistic rights, the right to two official languages was established clearly first, and then programs were established afterwards. There were fears

attached, certainly to loss of jobs, in both areas. Why in the case of the aboriginal rights to self-government was this not accepted as a basic right and why has it been left to the amending formula? It seems so different. We are dividing things up that should be basic human rights.

The Acting Speaker (Mrs. Champagne): The Hon. Member for Cochrane—Superior (Mr. Penner). May I remind him that there is very little time left.

• (1540)

Mr. Penner: Madam Speaker, all I can say to the Hon. Member is thank you. In future speeches on the subject, I am going to incorporate those two aspects. Neither linguistic rights nor women's rights are in any way contingent. She is perfectly correct that the definition and elaboration of those rights followed. Why aboriginal rights should be different still puzzles many of us. We heard the answer from the Minister of Justice (Mr. Hnatyshyn), and it was not a very good or complete answer. He said that somehow they are going to rush off to the courts. I have not seen a great deal of court action in the two areas mentioned by the Hon. Member. There has been some, but usually court action follows when there is an unwillingness to negotiate, when negotiations get bogged down. I think the courts could play a useful role in getting the parties to bargain in good faith, but not to describe the content of those negotiations.

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

Mr. John A. MacDougall (Timiskaming): Madam Speaker, I appreciate the opportunity to rise and speak on a very important question. Aboriginal peoples' rights are not a new issue in Canada. Indeed, it was an arduous and, some would argue, long overdue accomplishment to include them in the Constitution Act, 1982. But as of then, our Constitution recognized and affirmed existing aboriginal rights without defining them. However, it went on to establish a means to do that. It provided in Section 37 for a future constitutional process on aboriginal matters, which has become known as the "Section 37 process". Section 37 included the following provisions: A First Ministers' Conference was to be convened within one year—Section 37(1); the conference agenda would include the definition and identification of aboriginal rights, to be included in the Constitution and, representatives of aboriginal peoples would participate in discussions on agenda items affecting them—Section 37(2); elected representatives of the Yukon and the Northwest Territories Governments were to be invited to participate in discussing agenda items affecting those regions—Section 37(3).

It is also important to note that, from the outset, there were different interpretations of the purpose of the Section 37 process. The aboriginal associations viewed the process as one in which their rights would be clarified and affirmed rather than given or restored. Many Governments on the other hand viewed the Section 37 process as a means of identifying and protecting aboriginal rights which would be recognized in the future.

The March 1983 First Ministers' Conference was preceded by extensive consultations among the provinces, the Territories and the aboriginal representatives. It resulted in an accord signed by the federal Government and all the provinces except Quebec. As participants in the process, aboriginal representatives and leaders of the territorial Governments also signed the accord. The 1983 accord called for a resolution containing the following amendments to the Constitution which were ultimately proclaimed in June, 1984, after being endorsed by the House of Commons, the Senate and nine provincial legislatures. These provisions were: The protection of "treaty rights" in the Constitution was extended to include rights arising from land claims settlements; aboriginal and treaty rights recognized and affirmed in the Constitution were made to apply equally to male and female persons; the Prime Minister (Mr. Mulroney) was required to convene two further conferences of First Ministers each having in its agenda "constitutional matters that directly affect the aboriginal peoples of Canada"; the conferences were to take place no later than April 17, of 1985 and 1987 respectively; and no amendment to Sections 25 and 35 of the Constitution Act, 1982, or Section 91(24) of the Constitution Act, 1867, could be made without first discussing the proposed amendment at a First Ministers' Conference to which aboriginal representatives must be invited as participants.

The accord also gave formal recognition to the agenda for future conferences and provided that future conferences must address the items that could not be discussed in the time available. The agenda was a list of "constitutional matters" identified for ongoing review in the Section 37 process and included: Charter of Rights of the aboriginal peoples; amending formula revisions; self-government; amendments to Part III; and ongoing process. The accord also provided that there should be a subsequent First Ministers' Conference by March of 1984, and established a mandatory and continuing preparatory process to be undertaken by Ministers and aboriginal representatives. Specifically, it required that a multilateral ministerial level meeting had to be convened at least annually by the Government of Canada in preparation for the required First Ministers' Conferences. The Section 37 process was intended to be one whereby the rights of the aboriginal peoples would be identified and defined so that they could be included in the Constitution. The 1983 accord was intended to give practical effect and commitment to that intention.

The difficulties inherent in this process emerged early on. The rights to be so identified and defined fell into the broad category of "existing aboriginal and treaty rights" referred to in Section 35. It was not surprising that there were quite divergent and varied interpretations of the nature and scope of these rights. Mutually agreeable definitions eluded the parties, yet, for Governments in particular, a clear definition of these rights was essential if the process of constitution-building between Governments and the aboriginal peoples was to

remain one of practical political discussion rather than one of the judicial interpretation. Eventually self-government emerged from the ministerial level preparatory process leading up to the 1984 First Ministers' Conference as the pivotal issue, although the items dealing with equality rights and Section 35 issues were also explored intensively.

At the 1984 First Ministers' Conference, it was evident that the aboriginal representatives considered self-government to be the only acceptable means by which all of their other aspirations could be dealt with. There emerged, from their statements and positions, a firm perception that the right to "self-government" would clear away the major impediments to a better life for aboriginal peoples. Various participants at the First Ministers' Conference proposed a range of options to deal with the self-government issue, from the constitutional recognition and entrenchment of an inherent and unqualified right to aboriginal self-government to recognition of the right only after its full definition. It was out of this range of options that the challenge emerged to find a workable consensus. For its part, the federal Government presented a draft resolution to the conference which was aimed at a constitutional amendment of a non-justifiable nature which would commit Governments to the establishment of institutions of aboriginal self-government.

The conference failed to resolve any issues. The aboriginal representatives sought immediate entrenchment of self-government as a right. A majority of the provinces refused to consider the entrenchment of an undefined right that they considered could have unknown consequences and that might eventually have to be interpreted by the courts.

When this Government assumed office, in the fall of 1984, our position on aboriginal self-government was already on the record and we moved immediately to place it high on the national agenda. Since assuming office we have worked diligently in our efforts to reach consensus on constitutional change for our aboriginal peoples. An intense preparatory process was undertaken leading to the 1985 First Ministers' Conference. Four ministerial meetings and four meetings of officials were held. It was clear to us that the wide diversity of aboriginal communities, coupled with the concerns of provinces about a general undefined right of self-government, called for a flexible process that could be tailored to reflect individual community aspirations while providing for substantive participation by the provinces.

• (1550)

Accordingly, in December, 1984, among Governments and aboriginal leaders at a ministerial meeting, the federal Minister of Justice made a proposal which became the core of the federal proposal tabled at the 1985 First Ministers' Conference. Under this proposal the rights of the aboriginal peoples to self-government which were set out in agreements negotiated between Governments and the aboriginal peoples concerned would have received constitutional protection.

The proposal contemplated that these rights would not be justiciable in the absence of negotiated agreements but would receive constitutional protection, along with a possible list of elements to be negotiated, such as the nature of institutions and powers and jurisdiction. Under the proposal, each level of government would negotiate within its own authority under the Constitution and any resulting agreements with representatives of aboriginal communities and groups which would have had the same constitutional status and protection as land claims agreements.

In the federal Government's view, many different forms of government would be possible under this proposal and were indeed necessary. It had become clear that in most cases the appropriate unit of self-government would be the community or band, and this fact itself would likely lead to great diversity. Some communities, especially those that are very small, would wish to join with others in a regional, tribal treaty or other group. This, too, would be possible as long as all communities involved consent. Some forms of government would be based on aboriginal membership, some would not. Under its proposal the federal Government indicated a willingness to consider a wide range of possibilities in working with aboriginal peoples and other Governments.

At the meeting in December many Governments argued that the parties should be working on practical issues that would benefit the aboriginal peoples. The federal Government agreed with that but believed that a constitutional amendment recognizing self-government subject to definition through negotiations would lead to a measured approach and pave the way to practical community level discussions.

The Prime Minister (Mr. Mulroney) convened a First Ministers' Conference in April, 1985. The focus of the meeting was on aboriginal self-government and on a specific federal proposal for a constitutional amendment and accompanying political accord. The Prime Minister expressed the Government's view that "it is through self-government that a people can maintain the sense of pride and self-worth which is necessary for productive and happy lives".

He also stated that "constitutional protection for the principle of self-government is an over-riding objective because it is the constitutional manifestation of a relationship, an unbreakable social contract between aboriginal peoples and their Government.

There were moments in the course of the conference when agreement appeared close and, although such agreement was ultimately not achieved, an unprecedented level of consensus was reached. Seven provinces appeared ready to support a modification of the federal draft proposed by Saskatchewan if a majority of the aboriginal associations at the table agreed. Two did not.

The Assembly of First Nations stated that it could accept nothing less than recognition of an inherent and unqualified right to self-government. The Inuit Committee on National Issues withheld its approval because of its concern about

provinces having a mandatory role in the negotiation and constitutional protection of self-government agreements.

A subsequent ministerial meeting in June, 1985, was not successful in achieving agreement on an amendment. For its part the federal Government stated that despite the failure to achieve consensus on a constitutional amendment it intended to proceed, within its existing authorities, with community level negotiations aimed at providing concrete examples of self-government in practice.

Since June, 1985, four multilateral meetings have been held at the Minister's level and seven at the officials' level with bilateral discussions with participants continuing throughout. During the first year, June, 1985, to June, 1986, the federal Government had two main goals. The first was to re-establish a positive climate for the discussions and negotiations. The second goal in this period was to ensure a full hearing and thorough discussion of all perspectives on the full range of constitutional issues with a view to ensuring greater understanding of, if not agreement on, the positions of the participants.

This process resulted in considerable clarification and detailing of positions and rationales and led all participants to conclude that self-government continued to be the focal issue for the 1987 First Ministers' Conference. The challenge has continued to bridge the range of views which still exist on this issue.

The aboriginal associations continue to argue for recognition of an immediately enforceable right to aboriginal self-government. Some provinces are still not prepared to accept recognition of a right which is not free and fully defined. The federal Government has listened to the concern of the aboriginal associations and has reflected this in its proposals. We have attempted to meet the concerns of provinces by proposing an amendment which leaves the task of defining the right, in practical terms, to a political process rather than to the courts.

I would like to take a moment to review the Liberal record. Very briefly, what does the record show? For example, what was the Liberal Government's response to the parliamentary Special Committee on Indian Self-Government? Its response was Bill C-52, a legislative approach to accommodating self-government through delegated powers. Bill C-52 provided:

> An Indian nation may not seek recognition unless:
>
> The Indian nation meets the criteria established by regulation for eligibility for recognition.

Was this the recognition of an inherent right? No. In fact, the federal Minister of Indian Affairs and Northern Development indicated clearly in his response to the parliamentary report:

> The Government, therefore, is prepared to acknowledge that effective movement toward self-government will require substantial restructuring of the current relationship between Indian people and the Government of Canada. Changes are clearly needed. However, it is important for us to recognize that any change in the relationship will affect not only the federal Government and Indian people but also provincial governments and others.
>
> Because the effect of changes in the relationship are likely to be wide-ranging, long-lasting and profound, they cannot be undertaken lightly. Each step toward self-government must be carefully considered through joint consultation to ensure that progress is steady and sure.
>
> The Government recognizes, as the committee has, that self-government can be furthered through non-constitutional as well as constitutional means. Indeed, if the principle of self-government were constitutionally entrenched tomorrow, the challenge of making self-government an effective and vital reality would remain. Effective government, as the Prime Minister said at the First Ministers Conference on the Constitution in March, 1983, will first be judged by how it impacts upon the daily lives of its constituents.

Does this, Madam Speaker, sound like a policy in support of a right immediately enforceable in the courts? It does not. It speaks of a Government treading very carefully into new territory. Subsequently, at the 1984 First Ministers' Conference the then Liberal Prime Minister put his proposal on the table. Did it call for an inherent right? No, Madam Speaker, it did not.

The approach underlying that proposal was a pragmatic approach to negotiating self-government agreements. Let me give you some examples of the Government's position. The then Prime Minister, speaking of the 1984 First Ministers' Conference, said:

> I reject full independence or absolute sovereignty as a basis for aboriginal peoples relationship with any Government within our federation.

Mr. Trudeau went on to make his Government's position crystal clear. He said:

> Interpretation of our Constitution and its application in various situations could be left to the courts. That will always be open to us in any event.
>
> My own judgment, however, is that we should be looking at concepts and formulations which lead to political rather than legal solutions.

What does the present Government record show? We have gone far beyond the debate on whether aboriginal peoples should have a right to self-government and, unlike the Liberals, we have taken pains to make sure that we do not leave the provinces behind. Constitutional change is not a federal prerogative. It is a collaborative effort.

What we are discussing now, and have been for years, is not whether the right exists but how it should be exercised. In this, Governments seem to be clear. Any aboriginal Government must sit within the Canadian Confederation. Indeed, it was the Liberal Prime Minister who said:

• (1600)

> Aboriginal governments, in whatever form or model, will have to fit into the constitutional system. It should fit smoothly, comfortably and effectively. The complexity of jurisdictional issues is at once obvious and formidable. It can only be addressed through careful negotiations, based on full and frank expression of aims and needs and a determination to get a set of intergovernmental relationships that will work well for the benefit of all concerned.

Governments today continue to share that view and, as representatives of all Canadians, it is the elected politicians' responsibility to ensure a smooth transition from the status quo to new constitutional arrangements with aboriginal peoples. Whether the aboriginal peoples' right to self-government is already contained in Section 35 as an inherent right will ultimately be a question for the courts. Whatever the courts

decide, the exercise of self-government rights would have to be negotiated. To do otherwise would result in legal and institutional chaos for which we would all be responsible. I cannot believe that this is the intention of any Government or aboriginal representative around the constitutional table. This Government's record clearly shows that whatever the nature or source of aboriginal peoples' right to self-government, we are prepared to negotiate with them on how those rights could be exercised.

Mr. Manly: Madam Speaker, I would like to ask the Hon. Member who just spoke for his comments on another aspect of self-government, namely, the Cree-Naskapi Act which incorporates the self-government of the Cree-Naskapi people. Under Section 158 of the federal legislation, there is a requirement for the federal commission to look at it. The report, which was brought in a short time ago, stated:

> —the federal Government has failed in particular to respect the formal financial agreements for the implementation of the Act, and has thus placed the implementation of the Act in jeopardy.

The Government of Canada has decided to repudiate the report of the Cree-Naskapi Commission which was set up in accordance with the provisions of the Act. I wonder if the Hon. Member could say what that repudiation of the commission's report—which details the federal Government's failure to live up to financial commitments—indicates about the Government's total attitude towards aboriginal self-government?

Mr. MacDougall: Madam Speaker, I think the Hon. Member at this time is well aware, because it was discussed earlier this week in the House in questions to the Minister of Indian Affairs and Northern Development (Mr. McKnight), that that subject is now before the courts and it is improper at this time to pass any judgment on it.

Mr. Hicks: Mr. Speaker, may I first congratulate the Hon. Member on his very genuine interest and his great depth in matters of the aboriginal peoples of Canada? I know they are extremely well represented by his hard work on the standing committee. Reference has been made on several occasions today to the negotiated process and litigation which would result in solutions imposed by the courts. I wonder if the Hon. Member would clarify for the House his feelings as to which of these methods would be best for aboriginal peoples? Does the Hon. Member feel that litigation would improve in any way the relationship between Canada's aboriginal peoples and Canadians? I might add that this is a relationship which all Canadians are working hard to build.

Mr. MacDougall: Madam Speaker, I would like to begin by saying I certainly thank the Hon. Member for his comments. Not only today, but for five years as a Member representing a riding in northern Ontario, I have had great concern for our aboriginal Canadians and I want to ensure we do address their concerns on an ongoing basis. As my colleague knows, this year, last year and the year before, the standing committee has always tried to take the view of working with our aboriginal Canadians to make certain we address their concerns. This morning I had a meeting with representatives of the Ontario Chiefs. I always feel the best approach is to be able to sit down and negotiate. I think this is the approach our Government and our Prime Minister has taken since we came into office in 1984. We feel it is much better to be able to sit down and negotiate. As we well realize today, the dollars it would take to be put into the court system are much better spent in regards to enhancing and helping the native people of Canada, whether in regard to health care and education or in helping them to achieve self-government. I think negotiations are what we have to continue. We know there are 17 different groups with which we have to negotiate. That is the way we have operated until today, and we will continue to do so.

Mr. Tupper: Madam Speaker, I want to compliment my colleague, the Hon. Member for Timiskaming (Mr. MacDougall), on his presentation this afternoon. My colleague represents a very valuable but difficult constituency in northern Ontario. He represents a community which makes a substantive contribution to our mining industry. The Hon. Member also has a very substantive component of our native community. I was particularly pleased this afternoon to recognize his understanding and appreciation of the problem which not only confronts his native people in Timiskaming but native people all across Canada. I particularly compliment him on his analysis of the alternatives of self-government which could be made available to the native people. I think that clearly demonstrates the breadth and depth of the Hon. Member's understanding and awareness, not only of the problem but of the solutions.

As I was listening to the Hon. Member's presentation about those alternatives, I was reminded about some of the poll results which have come to my attention recently. More than 60 per cent of all Canadians favour negotiations involving the federal and provincial Governments to implement self-government arrangements for aboriginal peoples. At the same time, similar polls indicate that nearly 80 per cent of Canadians favour a constitutional amendment, recognizing the right of aboriginal peoples to self-government. This polling indicates very strongly where Canadians stand on this issue. I would like to ask the Hon. Member how these findings relate to the position of this Government and his own position on this matter.

Mr. MacDougall: Madam Speaker, I thank the Hon. Member for Nepean—Carleton (Mr. Tupper) for his comments. I do come from the northern part of Canada and we do rely on the resource base industry as vital. I should mention that in one area of the mining sector, about which I know my colleague is very interested, we have been able to work with a mining company to enable the native people of the area to train for aspects within the mining sector. It just shows how both groups can work together in order to come out with an enhanced program which allows employment for the native people of that region.

One other area I should mention is the way that co-operation and working together means so much to all our native people. In the Moosonee area we were able to put in a cable system which is going to be owned and operated by native people. This shows me their dedication and how they are able to take that step forward. What we are really dealing with here is giving native people the ability to operate at all levels of government and to sit down and come out with an enhanced program that will enable a system of self-government. This is something which we all want to see happen. It is something which 17 individual groups have to work toward.

• (1610)

I am pleased with the way our Prime Minister and our Minister of Justice have been able to work in co-operation with the provinces and the native groups to enhance what I believe will be a very successful two-day conference next week.

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Madam Speaker, on March 26 and 27 of next week the Prime Minister (Mr. Mulroney), the Premiers and representatives of the aboriginal peoples of Canada will meet in Ottawa to consider the constitutional entrenchment of aboriginal self-government. I say the "constitutional entrenchment of aboriginal self-government". This means, not to create the right to self-government, but to recognize a right that has existed inherently for centuries. I said that the Prime Minister and the provincial Premiers will come together with representatives of the aboriginal peoples to do this. However, I am saddened to say that one of those provincial Premiers may not be present. I refer to the Premier of Quebec. At this time, as a Quebecer, I plead with my Premier, Mr. Bourassa, to change his view on this subject and to attend this important conference.

Some Hon. Members: Hear, hear!

Mr. Allmand: As was pointed out earlier in the debate, when the James Bay situation arose a few years ago and the Bourassa Government was developing electricity in the James Bay region of northern Quebec, it was obliged, as a result of a court decision, to negotiate with the Cree and Inuit of northern Quebec. Once they started to negotiate, they began to learn a few things, as all of us have done over the years, and an agreement was finally reached. At that time, the Province was fortunate to have with it a man who is still in the Government, the present Minister of Energy for the Province of Quebec, and who represents Mont-Royal and who at one time was the Deputy Minister of Indian Affairs here in Ottawa. He is a man of great experience with Indian and Inuit peoples. I am sure that with Mr. Bourassa he can make a positive contribution at the conference and help the federal Government and other provincial Governments to come to an agreement on these important matters.

This is the fourth such conference held for this purpose. The first two were under Liberal Governments in 1983 and 1984. The third was under the present Conservative Government in 1985. These conferences took place as a result of Section 37 of the Constitution Act, 1982, which states:

> A constitutional conference composed of the Prime Minister of Canada and the first ministers of the provinces shall be convened by the Prime Minister of Canada within one year after this Part comes into force.
>
> The conference convened—shall have included in its agenda an item respecting constitutional matters that directly affect the aboriginal peoples of Canada, including the identification and definition of the rights of those peoples to be included in the Constitution of Canada, and the Prime Minister of Canada shall invite representatives of those peoples to participate in the discussions on that item.

As I have said, we have already had three of these conferences, and the one coming up will be the fourth. This is the last one that is provided for in the constitutional provisions. The section which obliged the calling of a conference to deal with these matters was inserted in the Constitution because several years before the new Constitution of 1982 the aboriginal peoples of the country, through their organizations, had campaigned long and hard to have their aboriginal rights recognized by Governments in Canada at all levels, as well as to have them recognized in the Constitution.

When the Constitution Act, 1982 was passed by the provinces and the federal Government, a complete agreement had not been reached with respect to aboriginal rights. Some agreement had been reached. It was agreed to put into the Constitution an obligation to sit down with aboriginal leaders and to complete the job. That is what we are still trying to do.

Some progress was made in the Constitution of 1982. After a great deal of lobbying and a great deal of bargaining the aboriginal organizations were able to have inserted in the Constitution Section 35 which states:

> The existing aboriginal and treaty rights of the aboriginal peoples of Canada are hereby recognized and affirmed.

Many aboriginal leaders believe that the section includes all aboriginal rights, even though it is in general terms, including the right to self-government. However, they want it more specifically defined. That is why at this conference next week the Government will be discussing with them the possibility of specifically entrenching in the Constitution the aboriginal right of native or aboriginal self-government.

Just after the new Constitution was adopted, the Government of the day set up a special committee on Indian self-government to look into all aspects of Indian self-government, but the principle could apply as well to aboriginal self-government. The committee was set up in December of 1982 under the chairmanship of the Hon. Member for Cochrane—Superior (Mr. Penner) who spoke earlier today. I had the honour to sit on that committee, as did the Hon. Member for Cowichan—Malahat—The Islands (Mr. Manly), the present Minister of State for Science and Technology (Mr. Oberle), and a few other Members who are still in the House. I might say that when we started the exercise, there were several of us on the committee who not only did not understand what was meant by Indian self-government but who were not ready to accept it. After a year of hearings and of intense work on the subject we came out at the end with a unanimous report. The

committee was made up of Liberals, Conservatives and NDP Members. The committee recommended that the federal Government establish a new relationship with Indian First Nations and that an essential element of this relationship be the recognition of Indian self-government.

The second recommendation was that the right of Indian peoples to self-government be explicitly stated and entrenched in the Constitution of Canada. It was stated in the report that the surest way to achieve permanent and fundamental change in the relationship between Indian peoples and the federal Government is by means of a constitutional amendment. Further, we recommended that the Indian First Nation Governments form a distinct order of government in Canada with their jurisdictions defined.

It is very clearly and precisely set out in the report. It is that recommendation of the Committee on Indian Self-Government which is still before Parliament, the Government of Canada and the provincial Governments, since it has not yet been accomplished.

Many Canadians ask what aboriginal rights are and how one defines them. Aboriginal rights are all those rights that the aboriginal peoples on this continent had before the Europeans came here in the 15th and 16th centuries. Their aboriginal rights were everything that dealt with their way of life, including language, culture, religion, and self-government. If these rights were never given up and never bargained away, they still possess them.

• (1620)

During the Second World War the Government of Nazi Germany overran certain parts of Europe. If it continued to occupy The Netherlands, Belgium, Poland, France and so on, we would not recognize that the occupation of that territory by the Nazi Government would have terminated the rights of those people who live in those countries. By the same principle of justice, we can never recognize that the rights of aboriginal people were terminated simply because the Europeans came to this country and occupied it for some 200 years. The aboriginal peoples never gave up certain rights, they simply disappeared because we occupied land that they previously had. It would be contrary to the principles we hold and for which we fought a war. A right that has never been relinquished still exists.

Let us consider who holds these aboriginal rights in Canada. There are over 300,000 status Indians in Canada and over 700,000 non-status and Métis people. Many non-status Indians are becoming status Indians as a result of new legislation. There are more than 50,000 Inuit living in Canada's North. Aboriginal rights affect one million out of 25 million people in Canada. Those one million people make up about 500 communities or nations.

If self-government is one of the aboriginal rights, what does self-government encompass? The report of the Special Committee on Indian Self-Government set out in great detail what Indian self-government would encompass and how it would be implemented. I recommend that report. Although it was published four years ago we can still learn a great deal from it.

The best way to describe Indian self-government is to refer Members of Parliament to the example in northern Quebec where the Grand Council of the Cree and the Inuit form two separate regional aboriginal Governments. I was the Minister responsible for introducing and passing the legislation with respect to those two aboriginal Governments. While the structure and the provisions for those types of self-government are not perfect and much more could be done, they are an outstanding example of a type of aboriginal self-government in Canada. The Cree Regional Government in the north of Quebec includes some eight communities of Cree. It has a system of government whereby they run their own education system, health and welfare system, economic development programs, local government, and justice system. As a result of the agreement that was passed by this Parliament and the National Assembly in Quebec, they are taking greater control over the operations of government from the provincial and federal Governments. It is an outstanding example of Indian self-government.

Today the Minister of Justice (Mr. Hnatyshyn) criticized the Leader of the Opposition (Mr. Turner) for stating in the resolution before the House that aboriginal self-government was an inherent right that had not be extinguished. He said that he was surprised by that position of the Leader of the Opposition because in 1983 or 1984, the Liberal Government of the day had not gone that far. That might be correct.

When I first came to this Parliament, very few Members of Parliament from any Party recognized aboriginal rights let alone self-government. That recognition has increased significantly over the years because we have been educated on the subject by aboriginal people and their organizations. I admit that if it was not indifference, I had great suspicion and doubt with respect to aboriginal rights and Indian self-government. However, the more I was informed and educated on the subject as a Member of Parliament, the more I recognized the justice in their argument.

Similarly, I believe that the process which members on the Special Committee for Indian Self-Government followed in studying the matter for over a year led us to an improved position at its conclusion. We need not apologize if the Liberal Party has a better position today than it did in 1983. It certainly has a better position than it did in 1965 when I first came here and there was no position at all. In fact, many Parties had no position on aboriginal rights. I must say to the Minister of Justice that I respect his good faith in this matter, and if his position is improved I will certainly not criticize him but simply suggest he is going through the same process as we all are in recognizing a right we should have recognized long ago.

I believe the Hon. Member who spoke before me would readily admit that the position of the Conservative Party today

is much better than their position and that of the Liberal Party a number of years ago. We would regret seeing any slippage in the progress that has already been made. It is the opinion of many aboriginal organizations that there has been some backtracking in the federal Government's position. That is not my statement as an opposition Member, but the opinion of many aboriginal organizations.

The constitutional entrenchment of aboriginal self-government is necessary because it would prevail over all other federal and provincial laws. If there is any contradiction between an ordinary federal law or a provincial law, the Constitution would prevail. Its entrenchment is also important because no succeeding Government could change that provision recognizing aboriginal self-government without a constitutional amendment. If aboriginal self-government were simply recognized in an ordinary piece of legislation, it could be changed by an amendment in the House of Commons by a political Party with a great majority. That cannot be done if it is entrenched in the Constitution.

• (1630)

Next week, in order to achieve that entrenchment, we will require the consent of the federal Government and of seven provinces representing 50 per cent of the Canadian population. I hope the provincial Governments and their officials, the Ministers of the federal Government, and the Prime Minister (Mr. Mulroney) will recognize some of the points raised in the debate today and move forward with it.

As long as we have the Indian Act and as long as we have the Department of Indian Affairs, we have a system of colonialism. There is no other way to describe it. We may not have recognized that for a long time. However, now we are sensitive and we know that it is a system of colonialism. It is a law which non-Indians passed many years ago to deal, as my colleagues said, with every aspect of the lives of aboriginal people. It is also a system of paternalism. It says that we know what is best for these other people and we will run it through the Department of Indian Affairs and the Indian Act.

As I said earlier, it is strange that we should hold to that view, because over the 100 years or so that the Indian Act has been in effect and the Department of Indian Affairs has operated, there has certainly been no improvement in the position of our aboriginal people. The levels of poverty, sickness, and illiteracy have become much worse rather than better.

Surely they can do it better themselves than we can. Any people can run their lives better than another people a long distance away. People cannot live with justice and dignity without self-government.

I know my colleague referred to the Leo Tolstoy quotation used in Mayo, Yukon by Indian people before the Special Committee on Indian Self-Government. It ended up by saying that we must get off the backs of these people who we have been trying to govern for 100 years and let them do it themselves. Hopefully that will be done next week.

Mr. McDermid: Madam Speaker, I listened with great interest to the speech of my hon. friend. The comments I want to make will be delivered in a non-partisan way, and I know that he will understand that.

I know his genuine interest, being a former Minister, and that he has maintained it over the years. In his remarks he said that the Cree-Naskapi Act is "what we have in mind for self-government". To whom was he referring when he said that phrase? Is he not in fact dictating to our native peoples what we have in mind for Indian self-government as opposed to what they have in mind for Indian self-government?

I will ask two questions if I might, Madam Speaker. I am a little concerned about the Hon. Member's closing comments when he said that Indian or native people are far worse off today than they were in years gone by.

In my experience I do not find that to be so. I agree entirely with his remarks about the Department of Indian Affairs and the method of handling problems over the years. If one's hindsight were 20-20, one would see that it has been disastrous. I agree with him whole-heartedly.

However, I think he is being somewhat an alarmist in saying that health on the reserves is worse. I know we still have monumental problems on a number of reserves, but I also know, for example, that we have some 7,000 native peoples in universities now, whereas a very few short years ago we only had 100 or 200. There has been some improvement, albeit not as much as any of us as Canadians would like to see. It is not a record of which we can be proud, that is for sure. The Hon. Member may wish to comment on my two questions.

Mr. Allmand: Madam Speaker, in respect of the Hon. Member's first question, if I stated it as it was put by him, I certainly apologize. I did not mean to refer to the Cree Regional Government in northern Quebec as an absolute model for everyone else. I was simply saying that it was an example, for Canadians who are not familiar with Indian self-government, of the type of thing that has been put into place.

Some people are very vague about Indian self-government. Unfortunately, or perhaps fortunately, a great percentage of Canadians who live in cities have never been to Indian communities. When we talk about Indian self-government, they really do not know what we are talking about.

I used that regional Government in northern Quebec as an example. When I said "we", I did not use it in the possessive sense; I was speaking extemporaneously. Perhaps I sometimes do not use the exact word, but it is an example of regional Government run by Indian people. I would not say for one minute that it should be the model accepted by other Indian people in Canada. They have their own particularities, cultures, and so on. They may want to do it in a completely different way. However, to non-Indians in Canada we can say that it is something that is being done. They are running their

justice, educational, and health systems, and it is working. Things are improving.

Turning to the second point raised by the Hon. Member, he may be quite correct in that there are individual Indians and Inuit today who are doing very well. There are certain communities, bands, or nations that are doing very well. However, as an entire people, as aboriginal nations, before contact or at the time of contact, when Europeans first came to this country they were self-sufficient, strong nations or communities.

Since that time and under the Indian Act and the Department of Indian Affairs, they have been subject to a terrible shock treatment by the overwhelming number of Europeans who came to this continent. We took away their best lands in many cases. We took away their rights. We did not respect many of their ways of doing things.

As nations I think they are worse off today than they were then, even though, as the Hon. Member pointed out, there may be 7,000 individuals in universities and so on.

I do not suggest for a minute that the Hon. Member was making the following comparison. However, we often hear from the South African Government, when it is attacked for its apartheid policies, that we must compare the blacks in South Africa who have better educational systems and health care with the people in neighbouring countries. Sometimes that is true, but they do not have the right to govern their own affairs. They do not have the right to make their own mistakes. They do not have the dignity and justice of being in complete control of their own destiny. The fact that some of them in South Africa may have better educational and health care systems never compensates for the lack of the other freedoms. I guess that is what is important to people who are struggling for self-government in Canada and in many other places in the world.

Mr. Manly: Madam Speaker, when the Minister of Justice (Mr. Hnatyshyn) spoke he said that the position of the Government was to recognize the right to aboriginal self-government as a contingent right rather than an inherent right. He said that to recognize it as an inherent right would open the way to all kinds of court actions, which I think all of us wish to avoid; we wish to see some kind of negotiated settlement.

Not being a lawyer myself, I would really like to have a second opinion on it. Would the Hon. Member who is the lawyer give us his opinion whether or not the recognition of an inherent right would lead to a great number of court cases?

• (1640)

Mr. Allmand: I do not think so, Madam Speaker. I do not see how the recognition of Indian self-government as an inherent right, or aboriginal self-government as an inherent right of the aboriginal people, will lead to more litigation. If anything, it will lead to more negotiation. We have had and have now too much litigation between Indians and provincial and federal Governments. We have cases in the courts all over the place. We have some even now. I have a press release today where the Cree of Quebec, to whom I have just referred, are taking legal action against the federal Government, and I think the Quebec Government as well, because there have been certain breakdowns in that agreement between them and these Governments. I personally believe the Member's colleague, the Hon. Member for Vancouver East (Ms. Mitchell), pointed out very well that when we entrenched language rights, equality rights and women's' rights in the Constitution we did not spell them out in detail. We recognized these things in general terms. That was important. We are asking that the same thing be done with aboriginal self-government, and I think it will lead to negotiation, not to a lot of litigation.

Mr. Hicks: Madam Speaker, during the Hon. Member's comments he alluded to an inherent right. He made reference also to remarks by the Right Hon. Leader of the Opposition (Mr. Turner) who earlier today made reference to an inherent right. To see if we are all on the same wavelength, would the Hon. Member attempt to define an inherent right for us?

Mr. Allmand: Madam Speaker, by that I mean, and I believe the Right Hon. Leader of the Opposition and the aboriginal people themselves mean, that they existed as nations with languages, culture et cetera on this continent before the Europeans ever came. They had their own economies and institutions. Among those institutions were systems of self-government. We know they differ from one nation to another. The Iroquois, who are close to me, had one system of the long house which was different from those of the Objibway and the Cree. The Prairie Indians had other ways of doing things, but they had self-government and systems of self-government which they possessed as nations. Since they possessed them, we feel that this is a right they had that cannot be taken away.

I have tried to give an example of the fact that we fought in the Second World War because we did not believe that the Nazi Government of Germany had the right to overrun other countries and impose the Nazi way of living or government. Those countries, whether Belgium, Holland, France or Poland, have the inherent right to govern themselves in their own way as they had done for generations and generations and had the right to change it in their own way as they wished. That is what I mean and what others mean is an inherent right to Indian self-government.

Mr. Lorne Nystrom (Yorkton—Melville): Madam Speaker, I think we have had a very positive debate in the House this afternoon on a most important issue to Canada and to our original Canadians, the aboriginal peoples. As the Hon. Member for Notre-Dame-de-Grâce—Lachine Est (Mr. Allmand), the former Minister of Indian Affairs, said, the Indian people were in this country many years before the Europeans came along. There are many different Indian nations from one part of Canada to the other.

I want to say a few words this afternoon as someone who represents many Prairie Indian people. My riding has eight

different Indian reserves. There are many Indian reserves in Saskatchewan and there are many urban Indian people in my province as well. We must never forget that the Indian people were the first people of Canada. We often talk of two founding peoples or two founding nations, but the Indian people were the pre-founding nations, if you want to use that term, of Canada. There were many nations, languages and cultures from one part of what we know is Canada today to the other part of this great country. I believe very strongly, and our Party passed a resolution in 1973, that Indian self-government, Indian rights, must be enshrined in a positive way in the Constitution of Canada. I want to support as strongly as possible that position on behalf of my constituents and our Party in this debate today. That argument was put forth very forcefully and positively by the Hon. Member for Cowichan—Malahat—The Islands (Mr. Manly). It is also important that those rights be enshrined in such a way as to protect the traditions of the Indian people across Canada.

I want to quote one passage from a book entitled *Pathways to Self-Determination--The Canadian Indian and the Canadian State*. This book is edited by Leroy Little Bear, Meenno Boldt and Anthony Long. In talking about the Indian people we read:

> They do not want merely a European-western model of Government that is run by Indians; rather, they want an Indian Government that operates in accordance with traditional principles and customs, one that rests on a spiritual base and emphasizes group, not individual, rights. They want a Government that will restore the relationship with the natural environment rather than trying to assimilate them into a dominant society.

It is a way of life that Indians should have the right to have enshrined in the Constitution of Canada. We will do whatever we can in this House in our Party, and I am sure other Parties will as well make sure that that happens very shortly. The constitutional conference comes next week, and I call upon the Premiers of every province to co-operate fully in recognizing the rights of the Indian people of Canada.

I do admit, for reasons I have already mentioned but also because I think we have treated Indian people in a very disgraceful way as a Canadian society over the past 100 years of our history, that Indian people have been discriminated against in very overt ways, economically, scholastically and in almost any way you can possibly think of.

Let me outline a few things and perhaps personalize it to my own province. I have eight Indian reserves in my riding, the Coté Reserve, the Keeseekoose Reserve, the Key Reserve, the Fishing Lake Reserve, the Peepeekisis Reserve, the Okanese Reserve, the Little Black Bear Reserve and the Starblanket Reserve. As I travel around these reserves I see a tremendous amount of poverty and a large number of children who do not get proper education and who are going hungry, I see a lot of young people dying, I see violence, crime, alcohol and drug use. As I travel into the City of Regina where many Indian people live, I see the same kind of thing. Many young people do not have jobs, are tied to alcohol, drugs and prostitution. They are involved in breaking and entering because they do not have opportunities and are leading a pretty listless life. We are to blame as a white society for not giving these people the proper opportunities from one generation to the other.

Let us look at some of the facts of being an Indian in Canada to understand why the problems are so grave. For example, let us consider child welfare. The proportion of Indian children in care has risen five times the national average. Five times more Indian children are in care than the national average. In education, one in five Indian children graduates from high school, or 20 per cent. The national average is 75 per cent. On income, the average income of Indian people is one-half to two-thirds of the national average. Unemployment averages 35 per cent of the working age population of native people, compared with about 9 per cent or 10 per cent for the country as a whole. In some areas it goes as high or higher than 90 per cent. In my own riding there are some reserves where 75 per cent to 80 per cent of the people are unemployed and on welfare. They have nothing to do. On some other reserves, of course, in my riding the unemployment rate is much lower than that.

• (1650)

A meaningful statistic for me is that of housing. Nearly 19 per cent of on-reserve Indian homes have two or more families living in them. Most of those homes are very small. Indian families are on average a lot larger than the average non-Indian family. In many cases you have 10 or more people living in a very small house. That is not conducive to proper rest for children who attend school and so on. Back in 1977, only 10 years ago, fewer than 40 per cent of Indian homes had running water and sewage disposal. At that time, over 90 per cent of Canadian homes had indoor plumbing. If you look at violent crime, the violent death rate is three times higher for native people than the national average. Infant mortality, for infants up to four weeks of age, is 60 per cent higher than the national average. Life expectancy among Indian people is much lower. If, for example, an Indian infant survives its first year, it can expect to live 10 years less than a non-Indian. Putting it the other way around, the Canadian average is 10 years longer than the Indian average. The average length of life for an Indian woman is 66 years. For an non-Indian women it is 76 to 77 years. There is a tremendous difference in life expectancy. Hospital admissions for Indian people are more than double that of the non-Indian population.

I have given you just a few of the statistics covering the tremendous hardships faced by Indian people. We as a society must do whatever we can to try to right these wrongs. I realize that history has left us with many wrongs. This has happened over generation after generation after generation. We are not going to snap our fingers and write those wrongs in a single day, single year or single decade. However, I remind the House that a journey of a thousand miles begins with a single step. I hope that next week this Parliament will see the First Ministers come back from their conference with a positive decision to enshrine in the Constitution self-government for the Indian people of this country. If that happens, we will be

taking another step towards the completion of that journey of a thousand miles.

I do not want to go on very much longer. I have mentioned the disgraceful treatment of Indian people over generations. I mentioned the economic situation of Indian people across this country, including my province and my riding. In addition to enshrining self-government for Indian people, we must make sure that we give them the tools with which to do the work, in other words, money for economic development. When they have that, I hope we devise a system where decisions can be made by Indian people themselves so they have local control over projects in their communities and on their reserves. That is very important.

I remember an experience in my own riding on the Coté Indian reserve. When I was first elected in 1968, over 90 per cent of the people there were unemployed and on welfare. The crime rate was one of the highest in Saskatchewan. There was a very high rate of violent crime, drug abuse and alcoholism. After a few years, probably about 1970 or 1971, a newer and younger chief was elected. His name was Tony Coté. He believed, with some of the newer councillors on that reserve, that there should be more self-government and more of an effort of Indian people to look after their own lives and destiny. He campaigned to that effect. After a while that reserve became one of two in the province to get the chance to administer its own welfare. It made its own decisions. After a while it had an Indian policeman. It started to drive its own school buses, opened up its own laundromat, grocery stores and service station. It ran these places itself and put a few people to work.

I worked on many of these projects with them. I remember one project in particular. It was called the Coté fence post project. They would manufacture fence posts. Saskatchewan has a lot of ranches and farms in need of fence posts. Nothing was more logical than having such a project on this reserve near Kamsack, which is near the forest area of Saskatchewan. The province is not all flat; it has forests as well. They sent many of their men into the forests, cut the trees, brought them back, cut them into fence posts, treated them, stored them and sold them. That provided jobs for Indian people on that reserve. I also remember being involved in helping them set up a band farm. I remember Albert Coté, one of the elders on the reserve, who ran that farm. He gave leadership in having Indians run the farm themselves rather than renting the land out to white farmers. That provided more jobs for Indian people. I remember the arenas and community centres which were built so that young people had a place to go for recreational activities on the reserve rather than going five or six miles to the Town of Kamsack and hanging around poolrooms, getting beer from the pub and getting drunk in a back alley or somewhere else.

Those were positive contributions made at that time by a council and chief who wanted to take their destiny into their own hands. I think they were able to do that in this case without a great deal of help from white society, the Government of Canada, or the Department of Indian Affairs and Northern Development. Of course the officials in that Department in most cases co-operated as much as they could within the parameters and restrictions they faced.

I believe we can do a lot of things if we trust people to look after themselves and make the decisions affecting their own lives. I know that they, like us, will make mistakes. Look at the mistakes made by white politicians and white Governments of all three political Parties across this country. There is not a single political Party which has not made mistakes, suffered scandals, or had embarrassing things happen to them. Of course Indian people will make mistakes. You only learn by doing something for yourself.

I do not think there are any greater experts in this country than those living in a community with the right to make the decisions affecting that community itself. It is the worker in a plant who knows how to run the plant and make a product. It is an Indian on a reserve who knows what to do on the reserve. It is the farmer on the land who knows how to farm the land. This country must move more and more towards decentralization of the economy. Local people must have control over the local economy and the kind of jobs they want to produce. That is the direction in which we have to go. If we do this, I really believe we will have a much better society.

In conclusion I want to say that it is very important that we respect the treaty signed between the Indian nations and the Queen's representative many years ago. I remember in my riding once again, on the Keeseekoose Indian reserve, talking to a former chief. He told me a short time before he died how important it was for white politicians never to forget the treaties we signed with the Indian nations many years ago. We must never forget how important they are to Indian people and their future.

I see you are about to rise, Madam Speaker. I just want to say one more thing. This has been a good debate. I hope this positive attitude will be carried into the constitutional conference next week. We should remember, the Prime Minister (Mr. Mulroney) should remember, and the Premiers should remember, that in the long run a society and country is judged on how it treats minorities. In the final analysis, when history is written, there can be no better way of judging Canada than by how we treat our aboriginal people.

Some Hon. Members: Hear, hear!

[*Translation*]

The Acting Speaker (Mrs. Champagne): It being 5 p.m., it is my duty to inform the House that pursuant to Standing Order 82(12) the proceedings on the motion have now expired.

The House stands adjourned until Monday at 11 a.m., pursuant to Standing Order 3(1).

The House adjourned at 5 p.m.

HOUSE OF COMMONS

Monday, March 23, 1987

The House met at 11 a.m.

Prayers

ROUTINE PROCEEDINGS

[*Translation*]

CULTURAL PROPERTY EXPORT AND IMPORT ACT

PRESENTATION OF 1985-86 ANNUAL REPORT

Mrs. Claudy Mailly (Parliamentary Secretary to Minister of Communications): Pursuant to Standing Order 67(2), I have the honour of tabling the 1985-86 Annual Report as provided under the Cultural Property Export and Import Act.

Furthermore, Mr. Speaker, pursuant to Standing Order 67(4), this report is to be referred to the Standing Committee on Communications and Culture.

* * *

[*English*]

PETITIONS

GOVERNMENT RESPONSE

Mr. Doug Lewis (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, pursuant to Standing Order 106(8), I have the honour to table, in both official languages, the Government's response to petitions nos. 332-882, 332-884 to 332-892 inclusive, 332-917, 332-921, 332-922, 332-984, 332-985, 332-994, 332-996, 332-1017 to 332-1055 inclusive, 332-1105 to 332-1109 inclusive, 332-1128, 332-1186 to 332-1194 inclusive, 332-1209 to 332-1211 inclusive, and 332-1215 to 332-1223 inclusive.

* * *

GOVERNMENT OPERATIONS

PRESENTATION OF SECOND REPORT OF STANDING COMMITTEE

Mr. Felix Holtmann (Selkirk—Interlake): Mr. Speaker, pursuant to Standing 96(2) I have the honour to present the second report of the Standing Committee on Government Operations, in both official languages.

The report addresses itself to concerns regarding Canada Post's future plans for small rural post offices. The committee is of a strong view that Canada Post will not solve its fiscal problems by closing rural post offices or changing rural postal service.

Some Hon. Members: Hear, hear!

Mr. Holtmann: Canada Post should look elsewhere for savings in its operating budget. No closures of rural post offices or change in postal service should be undertaken without meaningful consultation or consent of the community affected.

Some Hon. Members: Hear, hear!

Mr. Holtmann: The local Member of Parliament must have the option of being an integral part of the consultation process and must be informed immediately of any closures or changes in rural post office services.

The committee intends to continue to exercise its mandate under Standing Order 96(2) to review and to report to the House from time to time on the operational plans of Canada Post.

A government response is requested under Standing 99(2).

On behalf of the committee I wish to express my appreciation for the co-operation of the Minister responsible for Canada Post who met with the committee. I also wish to acknowledge the contribution of the witnesses who appeared before it.

I also take this opportunity to thank the representatives of all three Parties for their efforts in drafting this unanimous report in the true spirit of parliamentary reform.

Some Hon. Members: Hear, hear!

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

* * *

PETITIONS

OPPOSITION TO PROPOSED CHANGES TO PATENT ACT

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, I have two petitions which I would like to present today. The first deals with the amendments to the Patent Act. The

petitioners from my riding of Winnipeg North Centre point out that the changes in the Patent Act relating to prescription drugs will increase drug prices for Canadian consumers and severely restrict the ability of average Canadians to buy necessary prescription drugs. The petition concludes by calling upon the Government to withdraw the legislation that is before the House.

OPPOSITION TO CANADA POST CORPORATE PLAN

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, the second petition I have to present has to do with postal service. The petition points out that the federal Government's proposal to seek financial self-sufficiency by 1988 for Canada Post Corporation will result in cut-backs and deterioration in service of the Post Office at the expense of the Canadian consumer. The petition states that the proposed measures have already resulted in the closure of many rural post offices and the cancellation of rural routes. The petitioners protest the postal rate increases and call upon the Government and Canada Post to pursue revenue-generating services such as electronic mail and parcel delivery to obtain financial self-sufficiency.

* * *

NATIONAL DEFENCE ACT

MEASURE TO AMEND

Mr. John Nunziata (York South—Weston) moved for leave to introduce Bill C-252, an Act to amend the National Defence Act (death penalty).

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

Some Hon. Members: Agreed.

• (1110)

Mr. Nunziata: Mr. Speaker, I am pleased to sponsor today a Bill which is entitled "An Act to amend the National Defence Act". The purpose of the Bill is to amend the National Defence Act in order to remove all references to the death penalty for offences committed under the Act. A sentence of life imprisonment would replace all references to the death penalty.

As you know, Mr. Speaker, in 1976 this Parliament abolished the death penalty as far as the Criminal Code of Canada was concerned. The death penalty continues to exist in the National Defence Act and, as I indicated, the purpose of this Bill is to make the National Defence Act consistent with the Criminal Code of Canada. Capital punishment is wrong, whether it is in the Criminal Code of Canada or in the National Defence Act. Capital punishment is morally wrong whether it is done by hanging or by firing squad under the provisions of the National Defence Act.

Capital punishment is the mark of an indecent, uncivilized and immoral society. I regret very much that the Government is embarking upon a very divisive and emotionally charged debate on the issue of capital punishment with regard to the Criminal Code of Canada.

In closing I wish to indicate that the last time an individual was executed under the provisions of the National Defence Act was in 1945 during the Second World War. In the First World War 26 Canadian soldiers were executed by a firing squad for breaches of the provisions of the National Defence Act. This Bill will eliminate that possibility in future.

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

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

Mr. Doug Lewis (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I ask that all questions be allowed to stand.

Mr. Speaker: Is that agreed?

Some Hon. Members: Agreed.

* * *

[*English*]

POINT OF ORDER

METHOD OF PRESENTATION OF PETITIONS

Mr. Doug Lewis (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I gave notice of a point of order on Friday which I wish to pursue now. I did not feel it was appropriate to pursue it on Friday since it was a Liberal opposition day. This point of order specifically deals with the practice of the New Democratic Party during this session with respect to petitions. Petitions are being certified by the Clerk of Petitions and then formally presented in the House of Commons some weeks or months later as part of a deliberate practice on the part of the New Democratic Party.

I point out, Mr. Speaker, that on Tuesday, March 17, 1987, I requested the data of certification of a petition being submitted by the Hon. Member for Kamloops—Shuswap (Mr. Riis). He replied that the petition in question had been certified on October 1, 1986. That would be some five months earlier. On March 19, I asked the Hon. Member for Churchill (Mr. Murphy) as to the date of the certification of a petition presented on March 19. It was certified on January 6 of this year. Both of these petitions, I might add, were with respect to the Patent Act changes.

If the Chair were to review Petition No. 332-1271, the Chair would find it was approved on June 12, 1986, and presented on March 9, 1987. If the Chair were to review Petition No. 332-1276, presented by the Hon. Member for Winnipeg North (Mr. Orlikow) with respect to the Patent Act, the Chair would find it was approved on November 7, 1986, and presented on March 10, 1987.

This practice is continuing. In fact, on Friday, March 20, the Hon. Member for Vancouver East (Ms. Mitchell) presented three petitions. The petitioners were supposed to be very concerned about the Patent Act changes. Those three petitions were certified by the Clerk of Petitions on November 26, 1986, four months earlier, and then presented last Friday. I suggest to you, Mr. Speaker, that members of the New Democratic Party are bringing the House into disrepute by this abuse of one of the fundamental principles of our democratic system for blatant political purposes.

Citation 666 of Beauchesne's Fifth Edition, states:

> The right of petitioning the Crown and Parliament for redress of grievances is acknowledged as a fundamental principle of the constitution and has been exercised without interruption since 1867.

I suggest to you, Mr. Speaker, that by certifying petitions and holding them for formal presentation in the House on a daily basis, the New Democratic Party seeks to create the impression that there is a continuing ground swell of public opinion with respect to a certain issue which is continuing for a long period of time. I submit this is an abuse of a long-standing parliamentary tradition. This abuse denies Canadians who have petitioned the Crown and Parliament for redress of their grievances speedy access to that redress. It brings Parliament into disrepute. It unfairly creates the impression of a long-standing issue and denies the Government of the day the right to reply promptly either to the petition or to the individuals who signed the petition.

You will know from the former occupation you and I both share, Mr. Speaker, that there is an expression that justice delayed is justice denied. Canadians who petition the Crown and Government have every right to expect that the Crown will receive their petitions quickly if they entrust them to a Member of Parliament and that the Crown will take the petitions into account. If a Member of Parliament has a petition certified and then delays the presentation of that petition for political purposes, that hearing and redress are unfairly delayed.

I suggest to you, Mr. Speaker, that Members of Parliament have a responsibility to present petitions as soon as possible after certification. If they cannot do it in person, there is a practice in the rules of procedure whereby the petition can be filed with the Table and have the same force and effect. I suggest that this practice brings Parliament into disrepute. The distortion of the petition process brings this entire Chamber and its Members into disrepute.

I have no difficulty whatsoever with the formal presentation of petitions. That is part of our tradition and should continue. However, Canadians who signed these petitions trust their Members of Parliament to present them promptly. If they are delayed for political purposes, then I suggest that Canadians are going to view the petition process with great skepticism. I suggest that petitions are a legitimate gauge of public opinion if they are fairly worded and presented promptly. While the delay in the presentation of a petition does not diminish how the signatories feel about the issue, if they are delayed in order to create the impression of a long-standing grievance, then that distorts the situation.

• (1120)

Your Honour will also know that under Standing Order 106(8) the Government is required to reply to a petition within 45 days. Today I tabled some 83 replies of the Government. We have respected that deadline. We have also gone further and in some cases written to individual petitioners.

I have here for examination, if Your Honour cares to review it, a letter which is being sent to all petitioners in the case of the Patent Act by the Hon. Minister of Consumer and Corporate Affairs (Mr. Andre), in which he states very fully the Government's case in respect of changes to the Patent Act.

While I would not suggest that the petitions are being tampered with, I would suggest that there are examples of letters in reply which read as follows: "I never corresponded with anybody on this subject and I have no interest in the matter"; "I suspect that somebody has wrongly used my name for political purposes"; "The reason for my mystification is that I have never corresponded with the Prime Minister on this or any other subject"; and "I have never written to you concerning the hassle over generic drugs, nor have I signed any petition". I do not want to pursue that aspect of this point of order any further. I just raise the question.

The second abuse of the petition process is that Members of Parliament from the New Democratic Party are misleading Parliament when they present petitions certified by other members in a deliberate attempt to create the impression that an issue has widespread concern.

On Friday, March 20, the Hon. Member for Spadina (Mr. Heap) distributed petitions to his colleagues in the NDP for presentation in the House. The Hon. Member for Yorkton—Melville (Mr. Nystrom), the Hon. Member for Humboldt—Lake Centre (Mr. Althouse), the Hon. Member for Prince Albert (Mr. Hovdebo), and the Hon. Member for Cowichan—Malahat—The Islands (Mr. Manly) participated in this charade. All those petitions—and I have them here—were certified by the Hon. Member for Spadina on Thursday, March 19. On Friday, the Hon. Member came into the House and distributed them to his colleagues for presentation. All the addresses on those petitions were from Metropolitan Toronto and area.

By having these petitions presented by Members from Saskatchewan and British Columbia, the Hon. Member for Spadina sought to have Parliament believe that Canadians in different parts of the country were petitioning Parliament for

redress. If that is not deliberately misleading the House, it comes as close to deliberately misleading the House as anything in my experience.

Mr. Speaker: I heard very carefully the words of the Hon. Parliamentary Secretary, which were "if that is not deliberately misleading the House", it comes very close to it. The Hon. Parliamentary Secretary is also as close to getting out of order as he can be. I will take account of the very careful wording he used, but I would ask that he be extremely careful as he continues his remarks.

Mr. Lewis: Thank you very much, Mr. Speaker. I take your admonition.

As I said earlier, we have no difficulty with the legitimate presentation of petitions. However, I would point out that in the month of February an hour and a half of the time of the House was spent on the presentation of petitions. Since the opening of this Parliament on October 1, almost seven hours of House time have been given to this procedure. The Hon. House Leader of the New Democratic Party can hardly complain about the lack of time for debate when we find that it is being wasted in this manner.

I suggest that the delaying of the presentation of petitions in order to pretend that a long-standing issue exists is a cheap political trick. It is a complete fabrication and a charade. It is an attempt to mislead the House and the Canadian public.

I further suggest that the practice of distributing petitions to other MPs by the member who certified them, in order to pretend that there is an issue of widespread concern, is also a cheap political trick, a complete fabrication and charade, and an attempt to mislead the House and the Canadian public.

The holier than thou New Democratic Party will stop at nothing for partisan political purposes. The rights of petitioners mean nothing to them. The rights of Parliament mean nothing to them. The reputation of their fellow Members of Parliament who present petitions are completely disregarded. I call upon the Chair to examine this practice and to stop what I consider to be a complete abuse of the House.

I suggest the Chair rule that in the future petitions must be presented in a timely fashion by the Member of Parliament who certified them. In the alternative, I suggest that Your Honour might want the Standing Committee on Elections, Privileges and Procedure to review the matter to safeguard the rights of petitioners to timely presentation of their petitions to the Crown and Parliament, rather than subject them to cheap partisan political tactics by members of the New Democratic Party.

Mr. Rod Murphy (Churchill): Mr. Speaker, in summing up, the Parliamentary Secretary to the Government House Leader said that since October 1 members of all three Parties have used a total of seven hours to present petitions. He has made it sound like they have taken a large amount of time. If the Government were so concerned about the amount of time it needs for government business, it could have called the House back in September. Seven hours over as many months is not a large proportion of time. I do not think the Parliamentary Secretary has a legitimate point in that area.

Opposition Members have complaints with regard to the Government, and I should like to refer to one example. Sometimes we wait a very long time to get answers from the Parliamentary Secretary to questions we have placed on the Order Paper. Yet, we have avoided the tactic of getting up every day and asking when a question will be answered. We have not wasted House time on that. It is a legitimate right of opposition Members to rise and ask when the Parliamentary Secretary will finally answer a particular question.

With regard to the substance of the matter raised by the Parliamentary Secretary, and in that he mentioned that I have risen on a number of occasions, in my particular case one of my petitions was certified in January and it took me approximately two months to present it. He should also realize that I have had from a very small population riding over a thousand people who have written on this particular item. They do not come on one piece of paper. They come in on pieces of paper with two or three names or five or ten names.

This means that it was not a petition which I circulated on November 1 and brought into the House on November 6. In truth, people are still writing in to me, signing petitions, and expressing their grievances with regard to the Government. If we used the Gallup polls, I would suspect that there is an increasing dissatisfaction with the Government over the passage of time. People who used to vote Conservative and are concerned about issues are people who are now supporting us and writing to us.

I understand the Government's concern that we do not present petitions right away. It is a legitimate concern of the Government. However, I think our petitioners would want us to make as effective a use of the presentation of petitions as possible. The people who sign petitions would understand if—and today I could have done so on behalf of Churchill, Pikwitonei, Flin Flon, and The Pas, Manitoba—I rose a week or two later, or perhaps even later, to present petitions on behalf of people in some of those same communities and in other communities expressing their particular grievance with the Government.

In the case of the patent drug legislation, over 1,200 people from my riding alone have signed petitions. They did so on November 6, December 15 and in January. Obviously some people are still signing petitions today and I will continue to present them in the House. This issue is still before the House. Legislation will soon be studied at report stage and then we will have third reading. It is an active issue and an issue on which we have a right to present petitions.

• (1130)

The other matter raised by the Parliamentary Secretary to the President of the Privy Council (Mr. Lewis) has to do with the habit, practised by some members, of circulating petitions.

If a petition is received by one member, he or she takes on the responsibility of having it certified but may ask another Member to present it in the House. I have taken part in that process, Mr. Speaker, and I consider that honourable. I have taken petitions that do not come from my riding but come from New Brunswick, Prince Edward Island, places where we do not have New Democratic Members of Parliament at present—

Mr. Lewis: Spadina?

Mr. Murphy: I have had them certified. I believe people send petitions to the New Democratic Party wanting their petitions raised in the House of Commons. It matters not to them whether it is the Hon. Member for Churchill (Mr. Murphy), Brant (Mr. Blackburn), Yorkton—Melville (Mr. Nystrom) or Humboldt—Lake Centre (Mr. Althouse) that presents the petition. The petitions were not sent to me as an individual but to our caucus and people expect a member of our caucus to present them.

I have looked at *Beauchesne* and our Standing Orders since the Parliamentary Secretary indicated his concern on this issue, and I thank him for giving notice of it. I see nothing in the rules to say that the same Member who received a petition, often from people in other ridings, must have it certified and that he or she must present it in the House. It may seem cleaner or more efficient, but if I receive a petition, as I used the example before, from people in New Brunswick and I have received it because it came into my office as caucus whip, I do not feel it is my obligation to present that petition in the House. I will, however, get it certified so that it is ready to be presented and I will make sure it is given to the Clerk of Petitions. It may be appropriate when the time comes for some other Member to present the petition, perhaps someone who has been in the locale in the last little while or perhaps someone whose critic area is more directly concerned with the topic being presented.

It seems to me the Government is concerned that we are making this a political issue, that by holding off petitions and not presenting them all on the date they are certified, by presenting them over a number of days or in the case of having a number of petitions presented on the same day by a number of people, that this is political. God help us, Mr. Speaker, if we are ever political in the House of Commons. How dreadful it would be if we tried to make a Government Bill into a political issue that would not be within the rules of the House of Commons. God help us, Mr. Speaker, if we have the situation with the Government not liking a petition and harassing us day after day in one fashion or another. We had the spectre last fall of the Government House Leader (Mr. Mazankowski) wanting to see our petitions before we presented them. He found that they were in the proper form and we were allowed to continue presenting them.

In the last couple of weeks the Parliamentary Secretary to the House Leader saw the Hon. Member for Kamloops—Shuswap (Mr. Riis) pass a petition to the Hon. Member for Comox—Powell River (Mr. Skelly). The Parliamentary Secretary rose and said that that was not fair, that the petition obviously belonged to the Hon. Member for Kamloops—Shuswap. Unfortunately for the Parliamentary Secretary someone had asked the Member from Kamloops—Shuswap to give the petition to the Member for Comox—Powell River because the petitioners were from the riding of Comox—Powell River. This again was part of a pattern of harassment by the Government. To be fair to the Parliamentary Secretary, he did apologize on that occasion.

I do not think the point of order that has been raised today is legitimate. It may be something that concerns the Government in its political role. But if we have had only seven hours taken up by petitions since October, some of which have been presented by Government Members and some by Liberal Members, I would say that some Government Members are not doing their jobs. Lots of people would like members to present petitions. Obviously we are not spending very much time in the House with legitimate complaints, beefs and concerns of people who live in Government ridings.

With respect, Mr. Speaker, I do not believe that this is a serious issue. The Government is in a situation to know when petitions are certified. The Government is in the position, as the Parliamentary Secretary has said, of responding on an individual basis to petitions. The Government may not like our political agenda, but we do not like the Government's either.

Hon. Herb Gray (Windsor West): Mr. Speaker, on listening to the point of order raised by the Parliamentary Secretary to the President of the Privy Council (Mr. Lewis) and to the reply by the spokesman for the New Democratic Party, I was at first tempted to allow this matter to pass by as just another indication of the ongoing battle between the Conservatives and New Democrats for third place. However, after reflecting somewhat on the arguments presented, I think there is a point here about which comment has to be made.

It is a matter of concern that the Parliamentary Secretary to the President of the Privy Council finds it necessary on a day when there is an Opposition motion before the House to raise this point of order and to ask the Speaker to take it seriously. The Parliamentary Secretary said that you should rule that petitions can only be presented to this House immediately by those who have received them and who have had them certified. I invite you to look at the rules of order of this House, Mr. Speaker, Standing Order 106(3) which reads:

> A petition to the House may be presented by a Member at any time during the sitting of the House by filing the same with the Clerk of the House.

I draw your attention to some of the words "may be presented by a member at any time during the sitting of the House". Also, if you look at Standing Order 106(4), it reads:

> Any Member desiring to present a petition, in his or her place in the House, may do so on "Presenting Petitions" during the ordinary daily routine of business.

Nowhere in the very precise language used by the Standing Order does it say that a petition has to be presented to this

House as soon as it is received by a Member. Nowhere does it say that the member who presents the petition has to be the one who receives it in the first instance. I think it is quite clear, Mr. Speaker, that you do not have the authority to make a ruling which clashes with the clear words of the Standing Orders of this House.

Some months ago when members attempted to present to the House all the petitions they had received on a subject on the same day, Government spokesmen got to their feet and raised a point of order saying that this was of questionable validity because it unduly ate up the time of the House that otherwise would be available for Government business and other proceedings. Today, however, the Parliamentary Secretary to the Government House Leader is saying that there is something wrong if instead of trying to present all your petitions on the same day you do a few at a time so as to take up less time on any particular day.

• (1140)

Just what is the Government after? I hate to suggest this, but I wonder if the Government is not trying to choke off an elementary right of Canadians and an elementary right of opposition Parties on their behalf to petition Government through Parliament. Why else would the Deputy House Leader raise this rather strange point of order which flies in the face of the clear language of the Standing Orders and also flies in the face of the position taken by the Government months ago when members attempted to present petitions to the House as soon as they were received, no matter how much time it took on any particular day? The Hon. Member cannot have it both ways. I say that Hon. Members do not have to do this, but if the Deputy House Leader wants members to present petitions as soon as they receive them, the Government cannot complain about the time being taken up on any particular day when time is being used for that purpose.

The Deputy House Leader for the Government is saying that somehow or other, people who present petitions to the House through Members of Parliament are aggrieved if those petitions are not presented very soon after they are signed and sent here. Quite apart from the fact that the Standing Orders do not require that this approach be taken, if there is any complaint about when a petition is presented, it is a complaint of the person or persons signing the petition, not of the Government to whom that petition is addressed. The Parliamentary Secretary to the Government House Leader certainly has no mandate to raise this point allegedly on behalf of those presenting petitions. As I have said, the complaint, if there is any complaint, is solely that of those who have signed the petition.

It might be argued that the rules also indicate that members can simply table petitions and file them with the Clerk, but that is an option to be used at the discretion of the member who wishes to present the petition. It is not something that can be imposed upon any member by the Government. To suggest that, is a total distortion of what the rules say and a total distortion of the right of petitioning Parliament. It is certainly a total distortion of the role of Government and Opposition in a democratic Parliament.

I have said before that since members of the present Government came into office they have through various means attempted to operate as if this were some type of one-Party state. That was not the case after the election and it is not the case now. Certainly this is confirmed every day by public opinion polls. It is not proper for the Government to try to tell members that, rather than using their own judgment or the judgment of those signing petitions about presenting petitions in open sessions of the House, they must instead file them with the Clerk. That is the choice primarily of the Member of Parliament who wishes to present the petition.

The Parliamentary Secretary has complained that since last fall seven hours have allegedly been used for presenting petitions. As has been pointed out, this is not a lot of time compared to the total number of sitting hours since then. But what concerns me is that he implied that using this time to present petitions is somehow wasting the time of the House. Yet, at the beginning of his remarks, he was ready to admit that one of the most fundamental rights of people in Canada is the right to petition the Government through Parliament about their concerns. It cannot be both a waste of time and a fundamental right to be exercised according to our rules.

I conclude by saying that not only do the rules clearly permit what the Hon. Member is complaining of, but also that if you accept as well founded the point of order of the Hon. Member, Mr. Speaker, the result will be to choke off the rights of Canadians to petition the Government and the rights of opposition Members to speak on behalf of people who wish to petition the Government.

Why is the member who is speaking on behalf of the Government so sensitive about this issue at this time? One can only conclude that government Members fear the voices of the Canadian people. They want to choke off the voices of ordinary Canadians. We in the Official Opposition do not intend to let them do that. We want to make sure that those voices can be heard through petitions and through Members of Parliament until the time comes when the voices of Canadians are heard during an election and this thoroughly bad Government is thrown out of office.

[*Translation*]

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I would like to add a few comments because the matter is of some interest to me. As Hon. Members are aware, I am one of those members who present a considerable number of petitions in this House, petitions that are often taken up by people in my riding. I will not name the various subjects they deal with, but I think a look at the record will show that I have presented petitions on many occasions.

Mr. Speaker, to find a statement on the right of petitioning, we must refer to *Parliamentary Rules and Forms*, Beauchesne's 5th edition.

The right of petitioning the Crown and Parliament for redress of grievances is acknowledged as a fundamental principle of the constitution and has been exercised without interruption since 1867.

I am referring to Citation 666, on page 209. In fact, while my colleagues were speaking, I read a little further and something caught my eye. There are a number of details concerning who may present a petition and how one is to proceed. After discussing remonstrances, signatures and the substance of the petition, Beauchesne raises a question that deals precisely with the point raised by the Hon. Member, namely that if we have a petition prepared in the riding and we present it in the House, is there any provision in the Standing Orders that obliges us to do so with celerity, in other words, as soon as possible, and is it mandatory that petitions taken up in our ridings for any number of reasons be presented by the member for the riding in which they were taken up?

Mr. Speaker, I would like to raise two points which I think are of some interest and I will start with Citation 689 on page 212 in Beauchesne's, appearing under the title:

PRESENTATION OF PETITIONS

689. As the Speaker does not take part in debates, and may be called to give decisions on the regularity of petitions, he does not present petitions to the House. When asked by his constituents to do so, he must avail himself of the services of another Member—

There is a reference to Bourinot, page 231, and May, page 817. And reading further:

690. A member may petition the House but his petition should be presented by another Member—

In other words, I may be included among the petitioners, but in that case another Member has to present the petition for me.

This deals with the objection raised by the Parliamentary Secretary to the Deputy Prime Minister and President of the Privy Council, namely that the Standing Orders, and I am referring to Standing Order 106(4), do not indicate it must be the same member. I may be another member, and all the NDP Members have to do, if they are accused of "packing in" petitions will be to sign the petitions and say: I am not qualified because I signed the petition so would you present the petition for me.

[*English*]

Except for very clear dispositions adopted on February 24, 1986, to get rid of a lot of grey areas, there is nothing in the Standing Orders to state that a member is limited to presenting only petitions that he has gathered or, for that matter, petitions that he has had certified. I have taken perhaps 35 or 40 petitions to the Clerk of Petitions on one morning. It was physically impossible for her to certify all those petitions that day because there were a great many others to be certified. I was patient and waited for her to call back. When the petitions came in we tabled them as fast as we could. However, it was sometimes impossible for me to table all the petitions on the same day because of some difficulty in getting them certified, and at other times because of their great number.

• (1150)

What happens when a member is absent? Is the Parliamentary Secretary telling us that when a petition is presented as certified this day, it must be presented, in his words, immediately or in a timely fashion? Does that mean they have to be tabled that day? I think that would be difficult for some members who have things to do other than be sitting in this House. They have committee work or they may be outside the House doing other parliamentary work. It would be kind of difficult to demand that members table the petition on the day it was certified.

The Government must now present a reply to the petition within 45 days, and that is good. However, the Government's argument concerning time is superfluous and possibly not very timely because the Government wastes more time than anyone else in telling us very little about its legislation. As a matter of fact, many Canadians anticipate government legislation and present their petitions to us before the legislation is brought in. This happens even to government Members. On the list of petitions answered today by the Government there is one from a government Member. He could have received that petition from his constituents or from others within his sphere of interest. It does happen that groups of people, not necessarily from one riding, petition Parliament, as is their right. For example, God knows, we have presented several petitions here from senior citizens and they were not always from the riding of Ottawa—Vanier. They may have been from Ottawa Centre, Ottawa—Carleton, or anywhere else. The argument that a member must table a petition in a timely fashion is fine as long as we accept that the Member is not obligated to table only petitions from his riding. Mind you, the person tabling the petition must sign it. I do not think it would be proper for a Member of this House to table a petition signed by another member. That is wrong. If you asked me to table a petition in your name, Mr. Speaker, I would sign it but it would be constituents of yours who want to petition the House over a grievance in an attempt to rectify a situation about which they feel strongly.

[*Translation*]

Mr. Speaker: I have listened very carefully to what was said by the Hon. Member for Ottawa—Vanier (Mr. Gauthier), the Hon. Member for Windsor West (Mr. Gray) and the Hon. Member for Churchill (Mr. Murphy), and of course to the intervention by the Parliamentary Secretary.

[*English*]

I think there is one essential issue emerging from the exchange, that perhaps there is some concern that when a citizen signs a petition he perhaps ought to know how much time elapses from the time he signed the petition to the time it is presented in the House. That presentation triggers the obligation on the part of the Government to reply within 45 days. That is a matter which the Chair will consider.

I will look with some care at the documentation and procedure and I may be able to make some comment which is

helpful at a later time. Certainly the right to present petitions is an undoubted right of a free people. It is our constitutional tradition. I did not take anything said today, intentionally anyway, to be a suggestion that that right ought to be infringed. The Hon. Member for Ottawa—Vanier pointed out that there is an obligation upon the Chair to ask another Hon. Member to present petitions presented to me. I should advise Hon. Members that I do receive petitions regularly and I have to ask the indulgence of other Hon. Members to present them.

I think the essential thing coming out of this debate is that people who sign petitions have a fair certainty that the Government is responding with due diligence as soon as possible after the petition is received. Perhaps the Chair can assist Hon. Members by examining the response the Government makes in its reply to petitions within 45 days of the petition coming to the attention of the House, as it is obligated to do.

For Hon. Members who may not be as fully aware of past practices, and also for the benefit of the public who is watching and listening, it should be pointed out that the obligation on the Government to reply to petitions within 45 days is part of parliamentary reform. While there certainly was an ancient and undoubted right to present petitions, there was no corresponding obligation on the part of the Government to respond to them.

I find that the interventions are of interest. I can assure all Hon. Members that the Chair will be diligent at all times to ensure that any Canadian who presents a petition to this Chamber will have every opportunity to have it responded to by the Government. I will consider some of the paperwork and address the question of whether or not a citizen may be under the apprehension that the Government is not replying rapidly enough to a petition which may have been signed many weeks or months previously. I think that is probably a matter that can properly be discussed.

I thank all Hon. Members, including the Parliamentary Secretary, the Hon. Member for Windsor West, the Hon. Member for Churchill, and of course the Hon. Member for Ottawa—Vanier.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S. O. 82—WESTERN CANADA ECONOMIC DEVELOPMENT STRATEGY

Mr. Lorne Nystrom (Yorkton—Melville) moved:

That this House condemns the government for its lack of a long term economic development strategy for Western Canada that would, among other things,

(1) address the severe hardships being faced by the agricultural sector, especially as it relates to depressed grain prices, which have devastated the farm community;

(2) deal effectively with the problems of the forest industry and in particular, the need to conserve and manage the forest resource for future generations;

(3) come to terms with the need for realistic and pragmatic policies to revive the energy sector, whose decline has created such hardships for average Albertans;

(4) commit the government to pursuing policies that would assist in the economic diversification of the economy and the growth of secondary manufacturing;

and that the lack of such commitments by the government to Western Canada will result in a continuation of the unacceptably high levels of unemployment and economic hardship suffered by the people of Western Canada.

• (1200)

He said: Mr. Speaker, I rise to present a motion to the House today on the economic problems of western Canada. I do so because those problems are now very serious and I think the House must spend some time addressing itself to the western Canadian case. There are very, very serious western economic problems. There are very serious problems in terms of manufacturing and agriculture and in the energy and forestry sectors. All of those problems have led and will continue to lead, unless there is some change, to very high regional unemployment throughout western Canada.

Two and one-half years ago in September, 1984, when the Conservative Government was elected in Canada, there was a great wave of optimism and hope throughout the West. Finally, for the first time in many years, the political Parties which had been supported by a large number of western Canadians was in power in Ottawa with a large number of western MPs and a large number of important cabinet Ministers, such as the Member for Vegreville (Mr. Mazankowski). Western Canadians had hopes and were optimistic that there would be fundamental changes in the country. Two and one-half years later those hopes have been dashed, the optimism has turned to pessimism, the hopes have turned to despair, and the excitement that people, particularly farmers, felt two and one-half years ago has turned to fear. Even more important, many western Canadians feel betrayed, they believe that the Party they had voted for and members they had supported for many decades have let them down.

I noticed a headline in *The Globe and Mail* this morning which summarizes this. It reads: PC support in Edmonton crumbles, poll finds, NDP, Liberals, Tories equally popular". The results were 24 for the Liberals, 24 for the NDP, and 23 for the Conservative Party putting it third in the City of Edmonton. I do not make that as a partisan comment, Madam Speaker, but only to show you how many people in western Canada feel frustrated and betrayed by the federal Government.

All we need do is look around in the west to see why people are not happy with the way things are going. Wherever you look you find high unemployment. The Minister of Finance (Mr. Wilson) speaks of the fantastic increase in the number of jobs in Canada and how great are the economic policies of the Government. He speaks of renewal and all these great and wonderful things, but that is not the case in western Canada.

In fact, from January, 1986, to January, 1987, only 5,000 of the 137,000 jobs created in Canada were created outside of Ontario. I am glad that the economy of southern Ontario is doing well, but there is a real problem of unemployment in northern Ontario, Quebec, the Atlantic Provinces and western Canada.

In my part of the country the situation is now much worse than it was in the 1970s or in the early 1980s. In February the unemployment rate in British Columbia was 13.4 per cent, in Alberta it was 10.9 per cent, in Saskatchewan it was 7.2 per cent, and in Manitoba it was 6.7 per cent.

Those figures tell only part of the story. Looking at regional unemployment rates in Canada we see that many parts of the west have unemployment rates which are exceptionally high. In the Kamloops, British Columbia, area the unemployment rate is 19.1 per cent; in the Kimberley-Cranbrook area it is 17.4 per cent; in the City of Edmonton and area it is 12.8 per cent; in the City of Vancouver it is 14.2 per cent, in northern Saskatchewan it is over 10 per cent; in the City of Saskatoon it is 10.4 per cent; in the City of Winnipeg it is about 7.8 per cent; and in Dauphin and northern Manitoba it is about 9.3 per cent. Therefore, in many parts of western Canada there are extremely high unemployment rates. That, Madam Speaker, is not good enough.

What has that done to western Canadians? What has that done to hospital boards, municipalities, and school boards? When I go to my riding every couple of weeks I see nothing but concern and despair about the future economy of western Canada. I find that all four western provinces are having serious economic problems. Deficits are being run up. Provincial governments are being forced to increase the taxes of the citizens of the provinces. In my Province of Saskatchewan the matching grants of two municipalities have been frozen for two years. There will be increases in the mill rates in municipal taxes. The costs of school boards and hospitals will be passed on to local municipalities.

A new Budget was recently brought down in British Columbia with major tax increases for British Columbians. There is a tremendous deficit in Alberta for the first time in many years. A new Budget was brought in there with major increases in taxation for Albertans. There are economic problems in terms of a deficit in Manitoba and massive economic problems in terms of a deficit in Saskatchewan.

I would like to spend a minute speaking about my own province because that is the one I know best. I would like to draw to the attention of the House something which I think is scandalous in a province of only one million people, that is, that we have a deficit in our province this year of $1.2 billion. A province with one million people has a deficit of $1.2 billion. I have a chart which shows that in 1983 the deficit was $227 million, in 1984 it was $331 million, in 1985 it was $395 million, in 1986 it was $584 million, and in 1987 the deficit in Saskatchewan is $1.2 billion. All throughout the 1940s, 1950s, 1960s and 1970s Saskatchewan had a surplus and a balanced Budget, almost all the time. Under the governments of Tommy Douglas, Woodroffe Lloyd, Ross Thatcher and Allan Blakeney we did not have deficits in Saskatchewan. Although it is not entirely the fault of Grant Devine, we now have a deficit for which future generations will have to pay. It is massive, indeed.

I would like to refer to one or two sentences from an article in the business section of the *Leader Post* which talks about the massive deficit back home. It states that this deficit is three times larger than predicted by the Minister of Finance in his last Budget. That shows the severity of the problem facing western Canadians. The article goes on to state that it marks the fifth time in as many years the Progressive Conservative Government has missed its deficit target. This time the deficit has taken a quantum leap into the stratosphere. That is from the business pages of the Regina *Leader Post* of Friday, March 6.

We have very serious economic problems right across western Canada. I will speak about the farm economy and the energy economy later. I think we are all quite aware of what are some of those problems. My colleague, the Member for New Westminster—Coquitlam (Ms. Jewett) will be speaking about forestry this afternoon.

What is the Government's record with regard to western Canada? In the last Budget we saw the continuation of a cut of $3 billion a year from regional economic development spending in Canada. I noticed a Canadian Press article in the *Toronto Sun* this morning which said that the industry Minister has given strong indications that major changes including cut-backs are coming in the way the federal Government dispenses regional assistance. I would like the Minister to tell us in the House today what his plans are for regional development. This sends fear through the hearts of western Canadians who are already suffering from previous cut-backs and problems in the world economy which affect resources, agriculture, and other economic problems of western Canada.

Another problem is the insensitive way in which the Government is treating some western issues. I need only remind the House of the controversy in Manitoba over the CF-18 contract which was not awarded to the City of Winnipeg.

With regard to agriculture, the Government speaks of the $1 billion for grain farmers. I want to remind the House that even with the $1 billion our farmers get a lot less than the American and European farmers because of support prices in those countries. The farmers need more assistance as well if they are going to survive in western Canada.

• (1210)

The history of western Canada shows that there have been many grievances about the way the country has developed. One of those grievances concerns western Canada as a source of raw materials which are shipped to central Canada and other parts of the world with very little processing and development. The transportation system has discriminated against development in western Canada. These grievances and

others have existed for many years, but people thought they might be very positively addressed after September, 1984.

In the past, federal Governments have been insensitive to the problems of western Canada. The Liberal Party was almost decimated in western Canada for some 20 years because of its insensitivity to the problems of the West. We have seen the development of the CCF and the NDP, the Social Credit Party and other parties in the west because of the failure of federal governments to address western Canadian problems. That failure continues today.

One of my concerns is that once again in western Canada there are some signals that certain people are turning, in frustration, to western separatist groups like Western Canada Concept and the Confederation of Regions Party. One need only look at the riding of Lisgar in southern Manitoba and areas like that to see what I mean. I do not want to exaggerate that sentiment, but only want to point out that if we do not address some legitimate concerns soon more and more western Canadians will be extremely frustrated with the system.

I want to suggest a number of steps that we should be taking. The most important long-term step is to create a western economic development strategy that will have as its objective the diversification of the economy of western Canada. There have been many half-hearted attempts in the past to address that particular issue. I remember well the minority Parliament between 1972 and 1974 when Prime Minister Trudeau held a conference in Calgary called "WEOC", the Western Economic Opportunities Conference. There was great optimism again that a federal government, because of a minority Parliament, would perhaps listen to western Canada and do something substantive. In July, 1984, Mr. Trudeau was elected with a majority government and suddenly the priorities of western Canada were once again put on the back burner.

A few years later the Western Development Fund was announced. Once again there was a great deal of fanfare about this fund, but it never got off the ground and did nothing to help diversify the economy of western Canada. Although the Deputy Prime Minister has not announced this publicly, he has established with his colleagues a group in the City of Winnipeg to look at diversifying the economy of western Canada. This group was called the Western Initiatives Office in Winnipeg.

Mr. Mazankowski: Why don't you check your sources?

Mr. Nystrom: It is a group of people who are supposed to be looking at problems in western Canada. Perhaps he could tell us more about it.

Mr. Mazankowski: Why don't you stick to the facts?

Mr. Nystrom: I have spoken to the people involved in the group, so I know of what I speak.

There should be a western economic development strategy. I know the Minister agrees with me in principle. Such a strategy should be based on three points. First, it should be based on diversifying western Canada and building on the resource base and the agricultural base that already exist. I believe we can all agree that we have tremendous resources throughout the west, including great oil and gas resources in British Columbia, Saskatchewan and Alberta. Saskatchewan has immense potash reserves which represent about 30 per cent of the potash reserves in the world. There are tremendous forest resources throughout the Province of British Columbia and elsewhere in western Canada, and there are other resources in Manitoba and throughout the west. We need an economic strategy that will build on that particular foundation throughout western Canada and diversify the economy so there are jobs for western Canadians.

Second, we must build on agriculture in the west because of its great importance to our economy and the supply of food to the entire world.

Third, we need a change in transportation policy so that transportation will assist the western Canadian population rather than hinder it as it has done for so many years.

In addition to a western economic development strategy, I believe we must quickly take action to do more for agriculture if we want to save the family farm across the west. Let me put a couple of statistics on the record. We have heard about the real possibility of a drop in the initial price of wheat by some 20 per cent, after a drop in the price of wheat last year of about 19 per cent. If that happens, the price of wheat in this country for top quality grain will be some $2.83 a bushel. When one takes transportation to the Lakehead or the West Coast into account, top quality grains will produce some $2.37 a bushel. Let us compare that with the American farmer who receives $6.10 Canadian a bushel and the European farmer who receives $7 Canadian a bushel. How long can a farmer stay on the land at $2.37 a bushel in this country when the American farmer receives $6.10 and the European farmer receives $7? That is not good enough.

I have a study by the Saskatchewan Department of Agriculture which gives a breakdown of the cost of producing grain on a per acre basis. Again, the Department is talking about the impossibility of being able to even meet production costs in western Canada. The Saskatchewan Department of Agriculture says the farmer would have to produce an average of 58 bushels per acre of the top quality grain just to break even in the production of that grain, let alone meet the living costs of farmers and their families across western Canada today. When it comes to barley, it will be necessary to produce 135 bushels per acre if there is a drop of some 20 per cent in the price of barley, which everyone is predicting. Such production figures for the Prairies are absolutely unrealistic and impossible to meet. There are extremely serious problems in the grain economy, I suggest more serious than anything we saw in the 1930s. Farmers are receiving prices as low as $2.37 a bushel for the top quality grain and the price drops considerably for grades two, three, four and lower.

There are a number of ways to address the situation. First, we know that a major part of the problem is external because

we export most of our grain. The Government must continue to fight for an international grains agreement so that there is a pricing formula between the five major exporting and consuming nations of the world that is based on production costs of farmers around the world and the ability of consuming nations to pay.

Second, in the short term, we need another deficiency payment for western Canadian grain farmers. Even to guarantee last year's prices, we probably need a minimum of $2 billion for western Canadian grain farmers. It is incumbent on the House to come to the assistance of the farmers of the Prairies when they have a problem that is beyond their control, namely, the price wars and subsidy wars between the Americans and the European Economic Community. I believe we will have to give greater consideration to the necessity of providing a much greater deficiency payment than was provided last year.

We need a parity pricing system in which a farmer receives his cost of production and a decent profit for his products. We should be producing generic farm chemicals at cost in this country so that farmers can have chemicals at cost. The high price of fertilizer must be reduced in Canada to give farmers additional help.

Let me deal with energy. Our Party believes that there should be a floor price in energy so that there is a minimum price below which it will not be allowed to fall.

An Hon. Member: Who is going to pay?

Mr. Nystrom: The Canadian consumer would pay the price. There would be a two-price system like there is with wheat today. The consumer is protected when there are excessively high world oil prices and a floor price so that workers maintain their jobs and petroleum industries are protected when the price falls to an artifically low level. That is our Party's policy, which I think would be a great asset to western Canada.

I ask the House to develop some leadership and a vision for a western economic program that will make western Canada a very strong partner in Confederation. If we have strong partners in Confederation we will have a strong Canada. That will be good, not just for the West, but good for Ontario, Quebec, Atlantic and northern Canada as well.

• (1220)

Some Hon. Members: Hear hear!

Mr. Kilgour: Madam Speaker, I have a question for the Hon. Member. Does he think that a western diversification package should have in it a 2 per cent payroll tax such as is in place in the Province of Manitoba? Does he think that a diversification package should have in it a 2 per cent tax on the capitalization of any company doing business in the Province of Manitoba, a measure his Party just introduced in Manitoba? Does he think it should have succession duties?

I remind the Hon. Member that the Province of Saskatchewan and East Germany were the only two states in the world that experienced a decline in population between the years 1945 and about 1965, a time at which the Hon. Member's Party was in office in that province.

Mr. Nystrom: Madam Speaker, I can see my hon. friend from Edmonton is very sensitive to the feeling in his city where the Conservative Party is now running third, and rightfully so.

The Hon. Member asked me about succession duties. Saskatchewan was one of the first provinces in Canada to make an exemption for farmers in terms of capital gains when they sold their farms. I know that my friend from Vegreville knows that. That measure was brought in during the days of Allan Blakeney when he was the Premier of our province. The reason for such a measure is that farmers do not have pension plans. When they sell their farms they have to use the capital gains they receive to get them over their retirement years. I certainly support that.

As I said before, our Party also supports the exemption on capital gains for farmers and fishermen which is being proposed today. I do not think that that is a very controversial issue.

In terms of the taxes in Manitoba, it is up to the Premier and the Legislature of Manitoba to decide what they will do about those particular taxes. As I said, the main item for me in terms of western diversification is that we build a resourcing and processing industry in western Canada based on agriculture and based on our natural resources. We also need changes in transportation so that we do not have discrimination against western Canada in terms of freight rates, like we have had up until now.

I warn the House once again. If we do not do something concrete for the farmers in western Canada we will have many more thousands of them leave the land. They expect something to be done. They see things being done for other sectors in the country and they expect more help and more assistance as well.

Mr. Hovdebo: Madam Speaker, I ask the Hon. Member to enlarge on the suggestion he made that an energy program must be developed, a program which will allow the provinces to increase their takes from the energy in their provinces and also increase the number of people who can work in the energy sector.

Mr. Nystrom: Madam Speaker, in terms of energy I think all one has to do is look at the Government of Allan Blakeney in Saskatchewan in the 1970s to see the type of royalties that were imposed on the large multinational companies and to see how the people of Saskatchewan benefited from a resource that is theirs. The potash and the oil that is in the ground should not be for the benefit of only big multinational but for the people of Saskatchewan, the people of Alberta and the people of Canada. I think that is very important.

When our Party was in power in Saskatchewan we collected a great many revenues from gas and oil, from uranium and other natural resources. That is one of the reasons there was not a deficit during the Blakeney years in Saskatchewan. It is only because of the fiscal irresponsibility of Grant Devine in terms of mismanaging resources and not taxing the resource companies in that province high enough that there is a deficit higher than it should be. Of course, some of it is caused by falling world oil prices and falling grain prices. But part of it is because the Government is not taxing some of the multinational companies at a high enough rate.

The other point I want to mention is that it is important to have some public ownership of these industries. In Saskatchewan we have SaskOil, a company that has been maintained by the Progressive Conservative Government. We also have the Potash Corporation of Saskatchewan which is publicly owned. When the Minister of Finance was in a previous job in Toronto he helped to obtain some of the funding needed to establish the Potash Corporation in Saskatchewan. I think those matters are very important. They are measures which are being kept in place by the present Conservative Government of Saskatchewan because it realizes that the people of our province are very much attracted to the idea of some public ownership in the resource industry.

What we also need is a change in transportation policy so that we will have a freight rate structure in western Canada that does not discriminate against processing and manufacturing in the Prairies in favour of other parts of Canada.

Mr. Clark (Brandon—Souris): Madam Speaker, I certainly have no difficulty in agreeing with the objectives to which the Hon. Member refers. However, I am puzzled by some of the policies adopted by the Hon. Member's colleagues in the Province of Manitoba. When the Hon. Member speaks of diversification, which is a historic objective in western Canada, and the development of some sort of manufacturing component greater than what exists now, would he not agree that the regrettable increase in the payroll tax announced last week in the Province of Manitoba will negate the growth of such diversification and make it more difficult for the manufacturing sector to expand and for jobs to be created, something which the Hon. Member seeks in western Canada?

Mr. Nystrom: Madam Speaker, in terms of the payroll tax in Manitoba, perhaps later on today one of my Manitoba colleagues who will speak will talk about this subject and provide more details with respect to it. I do not have all the details. I also wish to caution the Hon. Member for Brandon—Souris (Mr. Clark) that it is sometimes very misleading to look at certain taxes in isolation. He should look at the over-all tax burden on corporations in Manitoba and on Manitobans to see whether or not there is a fair taxation system in place. I suspect that in Manitoba there is a fair taxation system.

In terms of jobs in western Canada, I notice that Manitoba is number one in terms of having the lowest unemployment rate, by far. So something must be working in Manitoba. There has been more diversification in the province, which I think is largely because of the leadership of Premier Pawley. We do not see the same type of leadership being exhibited by Premier Getty, Premier Devine or Premier Vander Zalm. In the provinces of those Premiers the unemployment rates are much higher. Manitoba does not have the same type of resource base as the other three western provinces. I think the province has done exceptionally well.

If the Hon. Member would look at the taxation base in general he would find that it is more fair than what is in place in the other three western provinces which are governed by Conservative Governments. If the Hon. Member wants to look at something that was unfair in terms of jobs in the Province of Manitoba, then he should look at the issue of the CF-18 contract. I am interested to know what the Hon. Member thinks about the federal Government's decision on the CF-18 issue.

Mr. Mazankowski: What is your policy?

Mr. Nystrom: These are important issues in western Canada. Perhaps when the Deputy Prime Minister speaks he will give us some ideas with respect to the solution of the Conservative Party.

Mr. Clark (Brandon—Souris): Madam Speaker, the Hon. Member has introduced the question of the CF-18 contract. In the account of the New Democratic Party convention which was held in Montreal I missed reading about how it resolved this issue. I missed reading about how the Manitoba Government brought this to the attention of the convention in Montreal. I wonder if the Hon. Member could fill me in with respect to what I obviously missed in the newspaper.

Mr. Nystrom: Madam Speaker, the burden of government is that you have to make some tough decisions. One of the reasons the Conservative Party is so unpopular in western Canada, and why there has been a revival of popularity for both opposition Parties, is because of the CF-18 issue. Here is a Government which tendered for a contract and Bristol and Canadair bid on it. Bristol, in Manitoba, came in with a lower bid, as well as a scientifically and technically superior bid. Despite that, the Government gave the contract to Canadair.

Mr. Mazankowski: Are you opposed to that?

Mr. Nystrom: Madam Speaker, if I could just make my point in the final one minute of questions and comments. If the decision had already been made to give the contract to Canadair, and there are arguments for an aerospace industry in Montreal, then why go through the fuss of holding a tendering process in the first place? That is the important issue. All the Government did in this case was mislead western Canadians, and Canadians in general. If one's mind has been made up ahead of time, then why go through the farce of a tendering process, if no one is planning to listen to the results? That is one of the major reasons the Government is seen by western Canadians as a Government that has betrayed them. I

know that members of the Conservative Party in Manitoba feel exactly the same way that I do about this issue.

• (1230)

Mr. Maurice Foster (Algoma): Mr. Speaker, I am just delighted to have a chance to speak on the supply motion debate today because it really builds on the motion we put before the House last Wednesday. On that day we saw Her Majesty's Government and back-benchers stand up and vote against our motion which called on the Government to make a commitment with regard to the agriculture situation in western Canada. We called upon the Government at that time to ensure that the returns for grain produced this coming year will be at least as good as they were in 1986-87, to maintain the freeze on freight rates in a new crop year, to take action to reduce farm input costs through the reduction in chemical prices, such as generic chemicals, and generally deal with the farm debt crisis. I would like to go into that in some detail today. All 125 government back-benchers voted against our motion and I am sure the constituents in western Canada would be very concerned if they realized that their Members of Parliament had voted against those things.

The motion before us today deals not only with agriculture, which is one of our primary industries, but with the forest industry, the energy sector and economic diversification. I am glad the Deputy Prime Minister (Mr. Mazankowski) is in the House today. I hope he will join in the debate. I know he is feeling extremely uncomfortable these days and we only have to read the report in *The Globe and Mail* on March 21 to find out why. The Premier of Alberta, the Deputy Prime Minister's home province, has indicated he plans a separation of the Alberta Conservative Party from its federal counterpart if the Prime Minister (Mr. Mulroney) does not come up with help soon for the province's ailing economy. The report in *The Globe and Mail* states:

> In the strongest language he has used yet in a continuing fight with Ottawa over the oil-industry aid, Mr. Getty said: "Our provincial party might have to separate in some way from an over-all federal party." In an interview, Mr. Getty emphasized his impatience with the federal Government's refusal to help. "I'm stressing to them time is running out. We're (being hurt) too badly and they don't seem to appreciate it. They must respond in some way. It has to be this year I'd say before summer."

If the Deputy Prime Minister, who lives very close to Edmonton, were to read *The Globe and Mail* report this morning, March 23, he would see that in several ridings of Edmonton the Tories are running in third place. This is after literally decades of a first-place position. Obviously the Government is not responding to the demands as proposed in the motion before the House today dealing with agriculture, energy, rural diversification in Alberta and the other western provinces, as well as the forestry sector.

Nothing typifies the quandary and concern of Premier Getty of Alberta more than the Syncrude project. Back in the late or mid-1970s, the Syncrude project was foundering even though it was sponsored by several large oil companies. The Liberal federal Government at the time came in with a pretty extensive investment of, I believe, some $200 million to get that project going. Last November we received a presentation from the Syncrude people which called upon the federal Government to provide a guarantee agreement of assistance from the federal Government, I believe in the order of $175 million. It was not actual cash. It was not even a loan guarantee. It was simply a guarantee agreement that if the world price of oil fell below $15 a barrel, and it is currently running at $18 or $19 a barrel, the federal Government would provide a loan guarantee at that time. It was unbelievable that the federal Government, which is concerned with energy issues, would not have provided that guarantee agreement. I thought it was really chintzy.

The Hon. Member for Athabasca (Mr. Shields), who is a Parliamentary Secretary to the Minister of Energy, Mines and Resources (Mr. Masse), announced it was his responsibility that the Government had not provided that guarantee agreement. It was simply unbelievable that the Parliamentary Secretary should take the rap for a Government which has the Deputy Prime Minister, the Secretary of State for External Affairs (Mr. Clark) and the Minister of Consumer and Corporate Affairs (Mr. Andre) all from Alberta. It is unbelievable that he should be the goat and say he had not really impressed upon the Minister of Energy, Mines and Resources the importance of this project. How could those other three members of the federal Cabinet from Alberta sit there and let that project be turned down? The Premier was furious—and he had every right to be so—that the Government would not even provide that guarantee agreement. Of course, the Alberta Government in the end provided the guarantee itself.

That was a signal to people in Alberta, and when our western caucus visited Alberta, during the mid-term break in February, we were told the story that the federal Government had no interest. It was not a case of the cash so much, or that the project would not go ahead, because the Alberta Government went ahead and provided the guarantee, it was the signal that the federal Government was not really committed to the diversification that tar sands programs provide. We are not only talking about the $350 million to expand the capacity by about 20,000 barrels a day, from, I believe it is 125,000 barrels or 130,000 barrels a day to 150,000 barrels a day. The Alberta Government had already put in another $85 million for a doubling of the capacity of Syncrude. That project, provided that world prices do come back, will get underway about 1989 or 1990.

Here we have the federal Government refusing to provide for the interim expansion of the Syncrude projects by some 20,000 barrels a day, which is very important in itself, but also it was going to nix the doubling of capacity, and the provincial Government has had to provide some $85 million to carry out that study. We are talking about a massive expansion which is going to be hobbled because of the federal Government's lack

of commitment to the long-term strategy. I think the upgrading of tar sands plants and heavy oil plants should go ahead. That is very important in the Deputy Prime Minister's riding in terms of jobs. But instead of the cabinet Ministers, the Deputy Prime Minister, the Secretary of State for External Affairs or even the Minister of Consumer and Corporate Affairs, who comes from Calgary and has a great stake and interest in the whole energy field, taking the blame for the Government's decision to say no to the oil patch and no to Alberta, the Parliamentary Secretary, the Hon. Member for Athabasca, says it is all his fault, that he did not impress upon the Minister of Energy, Mines and Resources its full importance.

• (1240)

In Edmonton today the Tories are running third in the latest opinion polls because they are not prepared to make such a commitment. When our western caucus held hearings in Edmonton, Alberta in mid-February, a second aspect of the Tory energy policy was tremendously rapped by groups such as the Independent Petroleum Association of Canada. I am referring to their decision not to provide assistance under an earned depletion allowance. The Independent Petroleum Association of Canada pointed out before our task force hearings in Edmonton that the Government should have provided in the Budget—and there was nothing to speak of in the Budget; it was really an economic statement—for an earned depletion allowance. In that event we could have seen, for a net cost of some $60 million, a gross allowance of $350 million. It would have been a tax expenditure, but much of it would have been recovered in income taxes and in a reduction in unemployment insurance benefits and welfare costs. We could also have seen an extra 2,000 oil wells being drilled in Alberta and in the western sedimentary basin this summer, as well as the creation of 20,000 jobs. Can we imagine the creation of 20,000 jobs for a net cost of $60 million to the federal Government? It is simply incredible that a Government concerned and interested about unemployment would have turned down such a proposal, not only put to it by IPAC but by CPA and the association representing small drillers.

This week a group representing small drillers was in my office and said that the situation would be absolutely devastating if it continued. As IPAC said in its presentation, it is expected that investment this year will be some $3 billion. Let us compare that with $5.3 billion last year and with $9.5 billion in 1985. The number of oil wells drilled this year in Alberta and in the western sedimentary basin will drop from the 12,564 in 1985 to less than 5,400.

With the simple provision of an earned depletion allowance, the number of wells being drilled would increase to 7,000 this year. Investment would increase to over $4 billion and the cash flow would be $6.6 billion. The loss of reserves would also be held to 48 per cent. Under the present regime, the regime the Government is adopting for the coming year, as indicated in the Budget of the Minister of Finance (Mr. Wilson), only 34 per cent of those reserves will be replaced.

What did the Government promise in the last election? It promised jobs, jobs, jobs. The then Minister of Energy glibly talked about hundreds of thousands of jobs. It was never possible to pin her down to whether it would be 100,000, 200,000, or 300,000 jobs. However, what have we seen? We have seen thousands of people being put out of work and no commitment in the Budget to provide jobs in the coming year.

A whole new regime has been put before us by the new Minister of Energy, Mines and Resources, compared with what the Government promised in the last election. Self-sufficiency was an important aspect, but the new Minister said that self-sufficiency was not a realistic goal at this time. He also indicated last fall that job creation was not an important factor in the energy policy and that no questions would be asked if small Canadian companies in trouble were bought out by large U.S. multinational oil companies. The situation is extremely serious in the oil industry, and the motion before the House calls for attention to this situation as well as to agriculture.

I want to talk about the situation in agriculture. At present the circumstances are the most devastating and most uncertain we have seen certainly since the 1930s. About two and a half weeks ago we learned that the price of grain would be about 20 per cent less than it was last year. When that was reported at the Canadian Federation of Agriculture meeting in Hull, Quebec, the Minister of State for the Canadian Wheat Board (Mr. Mayer) was present and said that he did not know anything about it. It was amazing that the Canadian Wheat Board would have indicated that to members of the advisory committee and to the public, but that the Minister did not know anything about the 20 per cent reduction in initial prices of grains. It was cleared up that afternoon because the Minister of Agriculture (Mr. Wise) met with farmers from the Ontario Federation of Agriculture and indicated clearly that the Canadian Wheat Board was calling for a 20 per cent reduction in initial prices.

Let us put it into perspective. This indicates a reduction from $130 per tonne for No. 1 wheat in the current crop year to $110 or perhaps even $105 per tonne. The real prices for No. 2 and No. 3 feed grains would be much lower.

In my motion last week we called upon the Government to provide at least the same returns as those of last year. Taking into account that perhaps the initial price would be 20 per cent less, we called upon the Government to provide returns, along with stabilization or efficiency payments, of at least $130 per tonne. What the Minister had to say last week in that debate was very interesting. He quoted his statement of March 5 when he met with grain producers and refused to give a commitment. He quoted as if farmers were saying that they did not want to know what support would be provided. He spent all his time talking about resource neutral payments and so on, but he gave no commitment on what financial assistance would be provided.

Last Friday I had a chance to meet with a number of wheat producers in Manitoba. I told them that the Minister said in

the debate last week that the Government would spare no effort. I asked them what would happen if they went to their banks and said that the Minister had given them a commitment that he would spare no effort in providing assistance. One farmer said that if he went to his banker and said that the Minister would spare no effort and gave him 65 cents, his banker would give him a cup of coffee but not a production loan based upon the Minister's comment.

The Minister went into great contortions about how farmers want to base their plantings on market signals and such. In a press release on March 13, the Minister responsible for the Canadian Wheat Board said that things did not look very promising this year for price, that he thought we would see most farmers planting, and that it would have to be an individual decision by each farmer. It is blatantly obvious that it must be an individual decision, but we do not know what is the initial price or what will be the financial support.

• (1250)

In the same press report Jack Penner, President of the Keystone Agricultural Producers said, "There is an awful lot of discussion out there whether or not farmers should even seed a crop. We are facing a situation worse than the 1930s if we do not address this. Why should producers go out and seed if they are going to only lose money? Wise has told farmers the decision on the federal aid is not likely before seeding".

We can see that the Government is giving no commitment to the farm sector; no commitment to the energy sector. Obviously it is making no commitment at all to western agriculture or to the western energy sector. It is about time for the Government to come clean and make a clear-cut commitment.

The Acting Speaker (Mrs. Champagne): Are there any questions or comments? If not, we shall resume debate. The Hon. Deputy Prime Minister (Mr. Mazankowski).

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Madam Speaker, I welcome the opportunity to debate this very important motion and I appreciate the tenor with which the Hon. Member for Yorkton—Melville (Mr. Nystrom) introduced it. I welcome the opportunity for a number of reasons. First, it gives us an opportunity to outline what has been done, what is in the process of being done, what must be done and what will be done in the future. For starters, recognizing that the debate has centred around agriculture to a great extent, I thought the Hon. Member for Yorkton—Melville might be interested in the following quotation from a representative of the Alberta Wheat Pool which appeared in *The Winnipeg Free Press* on Thursday, December 18, 1986. Under the heading "Pool Praises PM" we find:

> The Alberta Wheat Pool has praised the Government of Prime Minister Brian Mulroney for its handling of problems in the agriculture industry.
>
> Spokesman Bruno Friesen said yesterday agriculture is facing some of its toughest times ever and Ottawa has been quick to respond.
>
> "It's really quite an extraordinary hard time in agriculture right now and we feel that so far the present Government has responded well".

What better vote of confidence could one have than that, Madam Speaker, having regard to the fact that the pools have traditionally not been noted for exposing any political allegiance to either Party? That is rather significant and we welcome it, as I am sure the Hon. Member does too.

Mr. Nystrom: What date was that?

Mr. Mazankowski: December 18, 1986, page 59.

We recognize, as do all Hon. Members, the very difficult circumstances the west is undergoing with the collapse in commodity prices in agriculture, forestry, mining and energy. Unfortunately, we have heard very little from either the Liberal spokesman or the Hon. Member for Yorkton—Melville concerning solutions. The Member for Yorkton—Melville outlined in a general way what he considered to be a reasonable approach toward economic diversification, the principles upon which I agree.

In brief, we have to remember that we are faced with worldwide oversupply, fierce international competition, export subsidy wars and protectionist measures around the globe, all of which combined have imposed serious pressure on the resource- based industry of western Canada. Commodity prices have fallen. Western Canada has not enjoyed the same robust economic activity experienced in other parts of Canada, particularly in Ontario. Many of these problems first emerged during the previous recession when, combined with the 1981-82 interest rate spiral, Canadian farmers found themselves in very serious difficulty. That also had a major bearing upon the resource-based industry in western Canada which was in the process of expanding and building. It too got lodged into some very high interest rates.

I am somewhat surprised, and I have a tremendous amount of respect for the Hon. Member from Yorkton—Melville, that his leader, given the importance of this issue, would not have introduced the motion. Is he so preoccupied with gaining political support in Quebec that he finds it a little awkward to support the initiatives and concerns of western Canada?

I noted that the Hon. Member touched on the CF-18 issue. In *The Winnipeg Free Press* for March 20, 1987, a journalist by the name of Fred Cleverley made the point that the CF-18 issue did not cause much of a discussion at the annual meeting of the New Democratic Party in Montreal. He asked:

> Why would Howard Pawley say one thing in Manitoba and another in Montreal? Has he been persuaded that the theft of the CF-18 maintenance contract is less an outrage to Manitoba than he first stated? Would an NDP federal Government act differently from the Liberals and the Conservatives in matters affecting Quebec?
>
> On the contract, the premier's message differs, depending on where he is. New Democrats can count. The figures are Quebec 75, Manitoba 14.

The upshot, Madam Speaker, is that a couple of resolutions were introduced condemning the awarding of the CF-18 contract to Canadair, but neither saw the light of day. While New Democrats are critical of the CF-18 contract, they do not clearly state a position. Certainly that is part of the challenge of being a national Party. What we are seeing now, I suppose,

is a certain maturing of the New Democratic Party. It is now looking for support in the Province of Quebec.

The Leader of the NDP (Mr. Broadbent) on a number of occasions has tried to raise the profile of agriculture and its difficulties. He has been proposing in Question Period that we should have guaranteed grain prices equal to this year's prices. We are not satisfied with the prices being paid to Canadian farmers today. Certainly we must do better. We have cushioned the difficult problem farmers face through deficiency payments, the reduction of input costs and by the removal of fuel taxes. Interest rates have come down.

As well, we have been tackling this issue on the international front. The Prime Minister (Mr. Mulroney), the Secretary of State for External Affairs (Mr. Clark), the Minister of State for the Wheat Board (Mr. Mayer) and the Minister of Agriculture (Mr. Wise) have been working very closely with farmers both here in Canada and in the international community. Progress is being made, Madam Speaker. But when the Hon. Leader of the New Democratic Party suggests that the federal Government should force the Canadian Wheat Board to establish artificially high prices, on reflection, I think Hon. Members across the way should consider what they are proposing. They are really proposing a policy of obstruction and interference in the affairs of the Canadian Wheat Board. The Canadian Wheat Board Act is pretty specific. It says this in terms of establishing initial prices:

> The Board shall—

Not may.

> —with the approval of the Governor-in-Council, determine and fix the amounts to which producers are entitled per tonne according to grade and the certificates issued pursuant to this Part—

It does not say that the Governor-in-Council shall with the approval of the Board. It says "The Board shall with the approval of the Governor-in-Council". That is a very important difference. I am surprised that the New Democratic Party would engage in this vicious attack upon the principles and the orderly marketing concept of the Canadian Wheat Board.

Mr. Althouse: We are not.

Mr. Mazankowski: The New Democrats say they are not but by implication they are. They should stop it right now.

May I call it one o'clock, Madam Speaker?

The Acting Speaker (Mrs. Champagne): I would like to advise the Deputy Prime Minister that when we resume debate he will have 12 minutes remaining.

It being one o'clock, I do now leave the Chair until 2 p.m. this day.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S. O. 21

[*Translation*]

CANADA POST CORPORATION

POSTAL RATES INCREASE—CONSEQUENCES FOR SMALL AND MEDIUM-SIZED BUSINESSES

Mr. Alfonso Gagliano (Saint-Léonard—Anjou): Last week, Mr. Speaker, the Conservative Government approved a first class letter 2-cent postage increase.

I quote the Canada Post press release:

> Most additional revenues will come from higher rates on market competing commercial services. Only 30 per cent of Canada Post revenues originate from basic rate letters, the remaining 70 per cent being accounted for by its commercial sector clients.

Mr. Speaker, these 150,000 small and medium-sized businesses operate in Canada and are Canada Post service main users. This is a vital and essential postal service, and such businesses are again hard hit by the Canadian Government.

Ever since the Progressive Conservatives came into office, Mr. Speaker, they have never advocated a small business policy nor any program to boost the expansion of this very important sector which creates most new jobs in this country. Once again faced with higher postal rates, small business will end up paying for this $122 million increase.

* * *

[*English*]

AGRICULTURE

GRAIN OVER-PRODUCTION—CALL FOR CONVERSION TO ETHANOL

Mr. Elliott Hardey (Kent): Mr. Speaker, no one disputes that a global over-production brought about by government subsidy programs has resulted in the low grain prices which are devastating Canadian grain and oil-seed producers. Even though the Canadian Government has shown a commitment to see farmers through this crisis, every effort must be made to provide a long-term solution to global over-production of grain.

One answer is becoming more and more obvious. We could put surplus grain directly into our gasoline tanks in the form of ethanol alcohol blended with gasoline. As well as consuming excess grain, it would improve the environment because clean burning alcohol can successfully replace lead as an octane enhancer.

U.S.-Vice President George Bush has initiated a thrust of increasing the use of ethanol in U.S. gas blends by 2.5 billion gallons. This would consume an additional one billion bushels of surplus corn over what is already in ethanol production. If Canada followed that lead and in turn helped convince other grain producing nations to do the same, we would provide the solution to the woes of the Canadian grain farmer at the least cost to the taxpayer.

AGRICULTURE

NATIONAL SUGAR POLICY

Mr. Vic Althouse (Humboldt—Lake Centre): Mr. Speaker, the federal Government has been playing with the future of western Canadian sugar beet producers by delaying yet again a decision on a national sugar policy. In 1985, in return for $2.9 million from Manitoba to the province's producers, the Minister responsible for the Wheat Board who has been charged with developing sugar policy said in a telegram that "the federal Government—will not require any further financial participation beyond the 1985 crop". Then, without consultation, he and the Minister of Agriculture (Mr. Wise) unilaterally announced a tripartite stabilization plan requiring the provinces to pay one-third of the premiums and to be liable for one-half of the deficit.

Neither the producers nor the provinces have asked for such a plan. What they wanted was a clear national sugar and sweetener policy that would provide long-term viability. What they have is continued delay and lack of direction.

* * *

REVENUE CANADA

INVESTMENT TAX CREDIT AUDIT—VALUATION OF TRADED-IN AGRICULTURAL EQUIPMENT

Mr. Geoff Wilson (Swift Current—Maple Creek): Mr. Speaker, Revenue Canada is going as far back as 1983 to review the tax returns of hundreds of Canadian farmers who, in good faith, utilized the business investment tax credit on purchases of new farm machinery. When making a deal most farmers are interested only in the cash difference between the new item and the trade-in. They do not care how the paperwork is done. It is the cash difference that matters.

In cases where the dealer has exceeded the list or manufacturer's suggested retail price, there may be abuse and few would argue with that. However, the normal trade plus cash deal where the list price is not exceeded ought not to be the topic of a departmental witch-hunt. Yet it appears that Revenue Canada is questioning the valuation of equipment traded in ordinary, every-day, bona fide, arm's-length transactions, and substituting instead its own opinions. I suggest that in doing so Revenue Canada is treading on very thin ice. I urge the Minister to instruct his officials to cease and desist from this arbitrary and dangerous departure from practices in the market-place and from previous policy.

S. O. 21

ENVIRONMENTAL AFFAIRS

ACID RAIN—NEED FOR UNITED STATES PROGRAM

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, it is unfortunate that the Prime Minister (Mr. Mulroney) would praise President Reagan for promising this year to do something next year to keep a promise he made last year on acid rain. Now is the time for the Prime Minister to speak frankly and to say that what Canadians want from the United States Government is a program designed to cut acid rain by a certain date, by a certain percentage, and in a manner that is meaningful to Canada.

• (1405)

Washington showed political will when it got Mexico to cut acid rain damaging the U.S. That political will must be generated again with respect to Canada which is downwind from U.S. emissions. The summit is less than two weeks away. We urge the Prime Minister to get off his knees and stand up for Canada.

* * *

POLITICAL PARTIES

CANADA-UNITED STATES TRADE NEGOTIATIONS—POSITION OF LIBERAL PARTY

Mr. Lawrence I. O'Neil (Cape Breton Highlands—Canso): Mr. Speaker, I urge the Government of Canada to continue aggressively pressing ahead with its efforts to effect a trade agreement with the U.S. Atlantic Canada, one of Canada's disadvantaged regions, stands to gain jobs from a trade agreement. The Prime Minister (Mr. Mulroney) has made his determination to improve economic opportunities for Atlantic Canadians well known. In last week's debate the importance of a trade agreement was well expressed by the Prime Minister.

However, the Liberal Leader is against a trade agreement which will bring jobs to Atlantic Canada. He wants the Canadian economy to remain controlled by Bay Street. He says a trade agreement is not important as an instrument for solving the problems of regional underdevelopment. In that respect he cannot even get the support of his Party or caucus. The Hon. Member for Saint Henri—Westmount (Mr. Johnston), the Liberal critic on external affairs, does not agree. Just last week he wrote his fellow Liberal Members of Parliament arguing that the Prime Minister was right, a trade agreement will mean jobs for Atlantic Canadians and western Canadians. That says it all.

Neither does former Liberal cabinet Minister Donald Macdonald agree with the Liberal Leader. Nor does the current President of the Liberal Party of Canada, Mr. Robert, agree with his Leader. These—

Mr. Speaker: I am sorry, the Hon. Member's time has expired.

S. O. 21

EXTERNAL AFFAIRS

USE OF FORMER CANADIAN MILITARY AIRCRAFT BY TURKISH AIR FORCE

Mr. Derek Blackburn (Brant): Mr. Speaker, last year the Government assured me that giving CF-104 fighter aircraft to Turkey would not affect the delicate political situation in the eastern Mediterranean. However, on March 5 Canadian Press reported that 100 Kurdish rebels were killed by Turkish F-104s on bombing raids into neighbouring Iraq. The Minister of National Defence (Mr. Beatty) could not answer my questions about this incident in committee that day. He later sent a letter which said, "It is impossible to confirm whether or not former Canadian aircraft were used by the Turkish Air Force". The Turkish Government would say only that the F-104s were not used in a way which would violate the transfer agreement. That is not good enough.

Those fighter planes would not be in Turkey if it was not for the help of the Conservative Government. Canada has a responsibility to see that those planes are not used for air strikes into neighbouring states. I call on the Secretary of State for External Affairs (Mr. Clark) to investigate the incident and report to this House. Canadians must be assured that we are not contributing to violence and instability in the Middle East.

* * *

NATIONAL PAROLE BOARD

CALL FOR REVIEW OF PROCEDURES

Mr. John Oostrom (Willowdale): Mr. Speaker, something is drastically wrong with our National Parole Board and the entire parole system. Recent Parole Board decisions have cast serious doubts on its ability to protect Canadians. In the past month two very dangerous individuals were released. It was only after a public outcry that their paroles were revoked.

The latest Parole Board mistake was the release of an individual who was sentenced to nine years for the attempted murder of a Toronto police officer. During sentencing the judge called the act "deliberate, clearly motivated, callous and cold-blooded". Yet the Parole Board released him after he had served only three and a half years. Have these people lost all sense of justice? The Parole Board is in place to protect innocent Canadians, not side with criminals. Individuals who commit severe acts must pay, otherwise our entire justice system will become a joke.

I call on the Government to initiate a thorough review of the criteria and procedures used by the NPB in order that justice be served.

[*Translation*]

PROGRESSIVE CONSERVATIVE PARTY

LEADERSHIP EVALUATION

Mr. Jean-Robert Gauthier (Ottawa—Vanier): On several occasions, Mr. Speaker, I told the House that as a result of its inaction the Conservative Government sows discontent in all levels of society. The latest examples have to do with the Royal Canadian Mounted Police, the official languages, the linguistic training programs, and the various Public Service dismantling projects.

As reported by the media, inaptitude at its worst can be seen in the fact that discontent now reaches into Government ranks. The Conservative caucus is divided. This morning we learned that certain members had made unpleasant remarks. Ministers publicly say that members are minor chronic complainers. Newspaper reports indicate that the series of ministerial resignations might be followed by more resignations by members. Next in line to go after the Member for Terrebonne (Mr. Toupin) might be the Member for Mégantic—Compton—Stanstead (Mr. Gérin), the Member for Richelieu (Mr. Plamondon), or the Member for Charlevoix (Mr. Hamelin). They too know as we do that this Government is unable to provide leadership, and they have lost faith in this Government. They want to exercise their democratic rights as members and representatives of the people, but Ministers tell them to shut up, that they are nothing but minor chronic complainers. It takes a minor boss to know a minor chronic complainer!

* * *

• (1410)

[*English*]

ETHNIC AFFAIRS

GREEK COMMUNITY—MESSAGE TO POLITICIANS

Mr. Alan Redway (York East): Mr. Speaker, this past weekend Metro Toronto's more than 100,000 Canadians of Greek origin celebrated the 166th anniversary of Greek independence with a magnificent banquet and a huge parade along Danforth Avenue. At the banquet on Saturday night Professor Steve Triantis of the University of Toronto delivered a message for all politicians to heed. He said:

> Governments in Canada have underestimated and treated with affront the intelligence and power of the so-called ethnic communities, two-fifths of the population of this country. We shall demand full and equal participation in the political, social, cultural and economic life of this country. We have indications that the federal Government has realized the problem and is taking steps to correct it. We shall be looking for action in particular with regards to appointments to boards and agencies.
>
> The leaders of all political parties should be advised that no ethnic group in Canada holds a monopoly of excellence in brains and education and that political parties that wish to find any excuse for being a charmed circle of the select, rubbing shoulders with each other and taking care of each other, will remain parties of the few.

[*Translation*]

ABORIGINAL RIGHTS

RIGHT TO SELF-GOVERNMENT

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, it is unfortunate that Quebec Premier Robert Bourassa has decided not to attend the meetings of First Ministers and Native People to establish aboriginal rights.

The former Premier of Quebec, Mr. Lévesque, attended those meetings, despite the fact that the Constitution did not recognize the special character and needs of Quebec.

Mr. Lévesque recognized his responsibility for 35,000 Indians, 6,000 Inuit and a large number of Métis in his province.

The native peoples want what the people of Quebec want: to be masters of their own fate. Mr. Bourassa should recognize their needs and his responsibility.

* * *

ACID RAIN

CREATION OF SULPHURIC ACID AT ROUYN-NORANDA

Mr. Gabriel Desjardins (Témiscamingue): Mr. Speaker, the Ottawa-Quebec agreement on acid rain signed in Montreal last Friday is of course a major event for this country, but even more so for Rouyn-Noranda and the Abitibi-Témiscamingue area.

On March 20, this Government signed an agreement with the Government of Quebec and Noranda Mines to help build a sulphuric acid plant in Rouyn-Noranda at an estimated cost of $125 million, a plant that will help Noranda Mines to reduce its SO2 emissions by 50 per cent.

The economic impact will also be quite considerable. Within the next three years 265 jobs will be created, and 55 permanent jobs by 1990.

Mr. Speaker, this is a great victory for the people of my area, because it is the culmination of plans that have been in the works for quite some time. I am proud of the way the Government has discharged its responsibilities in a project that is aimed at improving the quality of life of my fellow citizens.

* * *

[*English*]

POLITICAL PARTIES

POSITION OF PROGRESSIVE CONSERVATIVE PARTY IN ALBERTA

Ms. Sheila Copps (Hamilton East): Mr. Speaker, the Progressive Conservative Party is in a panic. The situation is so bad that in the Province of Alberta the P.C. Leader thinks one of the ways of getting out of their problem is separating from the federal Party. Further exacerbating the anxiety of the Conservatives is the new poll which shows that the people of Edmonton are split across all three party lines. That means that for the first time in a very long time the Liberal Party has a chance of winning seats in Edmonton. The reason for that is that we have been working very closely with the Liberal caucus in Alberta, the finest of the three caucuses there.

With regard to a situation like C-14, who has been speaking for the people of Alberta? Has the Minister of National Health and Welfare (Mr. Epp) spoken out and said that he will not allow services to be taken out of the health care plan in Alberta? No, he has sat back and taken a hands-off position as universal accessibility to medicare for the people of Alberta continues to be threatened.

We in the Liberal Opposition here will be fighting. We will be working closely with our colleagues in the provincial Legislature. We will not only roll back Bill C-14, we will ensure that such an assault on medicare occurs in no other province in the country.

* * *

• (1415)

ENVIRONMENTAL AFFAIRS

ACID RAIN—NEW NORANDA PLANT TO REDUCE SULPHUR DIOXIDE EMISSIONS

Mr. John A. MacDougall (Timiskaming): Mr. Speaker, our Government realizes the serious threat of acid rain but it is also committed to assisting the industry in its move to correct this international problem. An example of this commitment was seen Friday with the announcement of a $125 million agreement with Noranda at the Rouyn-Noranda copper smelter. The announced new plant is designed to remove 96 per cent of sulphur dioxide contained in the production gases from the smelter's reactor.

The $41.6 million loan by the federal Government will go a long way to help the company meet the goal of 50 per cent reduction in sulphur dioxide emissions by 1990. Just as important though, this agreement provides stability to the future of the industry and the assurance of 6,000 jobs within this region.

This latest announcement is very good news for the people of northern Ontario and Quebec. It is a fine example of how the Government is meeting the challenge of reducing acid rain emissions while strengthening the industry.

Oral Questions

ORAL QUESTION PERIOD

[*English*]

SOVEREIGNTY

THE ARCTIC—GOVERNMENT POSITION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. We know that the Prime Minister and the Government have caved in on fish, energy, foreign investment, drug prices and softwood lumber. Last week they backtracked on acid rain. Is this week's cave-in the Canadian Arctic?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the cave-in in the Canadian Arctic occurred years before, under a Liberal Government. This Progressive Conservative Government has acted to assert Canada's control and sovereignty over the Arctic.

There were false news reports emanating from a story by Mr. Peter Newman. Those reports were corrected by some conscientious journalists and correct reports appeared in *The Ottawa Citizen* and *The Toronto Star* last night. The CBC ran false reports again this morning. I am not sure why the CBC would choose to run those false reports.

UNITED STATES RECOGNITION OF CANADIAN SOVEREIGNTY

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, will the Secretary of State for External Affairs confirm that the Canadian Government is not negotiating our sovereignty over the Canadian Arctic? Will he confirm that the price for having the Americans recognize our waters as Canadian waters in our Arctic, not international waters, the price for American recognition of that sovereignty is not an agreement from the Americans not to respect it?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I think the Right Hon. Leader of the Opposition became a little twisted in the expression of his second question. Perhaps he was trying to get unanimity in his whole Party by being confusing as to what he was saying. Here are the facts.

In September, 1985, when we announced the dramatic action to assert Canada's sovereignty over our north, I also indicated that we would be entering into discussions with the United States to see if there was some way we could have an arrangement that would serve their legitimate security interests and respect our sovereignty. Those discussions have been going on since that time and are continuing. I want to make the point that if there is a failure in those discussions, or if we are not satisfied that Canadian sovereignty will be respected, we are prepared to defend our claims to our north before the International Court of Justice, as the former Liberal Government was afraid to do.

[*Translation*]

Mr. Turner (Vancouver Quadra): Mr. Speaker, the Minister invariably seeks to rewrite Canada's history, but I suggest that Canadians will not be fooled.

REQUEST THAT TEXT OF AGREEMENT BE SUBMITTED TO HOUSE OR TO A COMMITTEE

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, can the Minister guarantee that, before making any kind of Arctic sovereignty agreement with the United States, he will table in the House the text of the agreement so that the House or a committee of the House can make a thorough study to assure Canadians that our waters, our sovereignty, and the full extent of Canadian nationhood in the Great North are protected?

Right Hon. Joe Clark (Secretary of State for External Affairs): Unfortunately, Mr. Speaker, the Right Hon. the Leader of the Opposition is unaware of the issues which are already before the House committee.

There have been conversations. My officials have given evidence concerning conversations with the Americans. But as usual, if an agreement is acceptable to us, I intend to consult not only with Members of the House of Commons but also, for instance, with the leaders of the Yukon and Northwest Territories Governments. I am already involved in serious consultations with the Government leaders of the two great North Territories with respect to the controversy which Americans call the 1002 question.

• (1420)

[*English*]

NORTHWEST PASSAGE—CONSTRUCTION OF CANADIAN ICE-BREAKER

Hon. Donald J. Johnston (Saint-Henri—Westmount): Mr. Speaker, you will recall at the time of the so-called Arctic ice-breaker contract award that the Secretary of State for External Affairs said it was an assertion of Canadian sovereignty over the Northwest Passage. It now appears that this may be part of a deal to prevent American ships access to the Passage. Can the Minister allay our fears in this regard and confirm that the construction of this ice-breaker was never discussed with the United States administration?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the construction of the ice-breaker was a Canadian decision—let me say that it was a Progressive Conservative decision since, for years, the Liberal Government refused to face the need to assert our sovereignty in our North.

Some Hon. Members: Hear, hear!

Mr. Clark (Yellowhead): If the Hon. Member is asking me if we received or sought permission from the United States to build our ice-breaker—

Ms. Copps: Did you discuss it with them?

Mr. Clark (Yellowhead): —to defend our sovereignty, no, we did not. That is a Liberal habit, one of several which we got rid of.

[*Translation*]

CANADIAN SOVEREIGNTY—AMERICANS' ATTITUDE—GOVERNMENT POSITION

Hon. Donald J. Johnston (Saint-Henri—Westmount): Mr. Speaker, he cleverly managed to evade the issue. We have also been advised that affirming our sovereignty over the Northwest passage now depends on the goodwill of President Reagan during his visit in April. Doesn't the Secretary of State, as such, and as a Canadian, find it somewhat insulting that the President should want to negotiate sovereignty over our passage during the Summit?

[*English*]

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, just to be very clear about a point the Hon. Member for Hamilton West shouted from her seat with respect to whether or not I discussed the matter with the United States—

Ms. Copps: You've got the wrong riding.

Mr. Clark (Yellowhead): Hamilton East. I told the Americans what we were doing. I did not ask their permission but I told them we were building an ice-breaker to establish our sovereignty in our north.

[*Translation*]

There is no connection between the decision to build a Canadian ice-breaker to protect our sovereignty and Mr. Reagan's visit. Our sovereignty is not negotiable. What we have said is that if necessary, the Canadian Government is prepared to go before the International Court of Justice to defend its position. The Liberal Party was not. They were afraid to put the Canadian position and Canadian sovereignty before the International Court of Justice. As far as we are concerned, the age of fear has come to an end.

[*English*]

CANADA-UNITED STATES DISCUSSIONS

Ms. Pauline Jewett (New Westminster—Coquitlam): Mr. Speaker, will the Secretary of State for External Affairs quite explicitly assure the House that in the negotiations he is having with the United States there are not any discussions or negotiations on the question of Canadian sovereignty, that that is accepted and that the United States has not in fact and will not in fact be given full and free access to Canadian Arctic waters?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, as I have just said in the House, we have declared our sovereignty over the north, as former Governments declined to do. As I indicated in my statement in the House in September of 1985, we are discussing with the United States the possibility of some arrangement that would respect our sovereignty and meet its legitimate security interests. As I said in September of 1985 and as I said again a moment ago in response to the question of the Right Hon. Leader of the Opposition, if we do not secure an agreement respecting our sovereignty, that is satisfactory to Canada, then those discussions will stop and we will be prepared to defend our sovereignty before the International Court of Justice, as the previous Liberal Government was afraid to do.

Mr. Blackburn (Brant): Some threat. They don't even recognize it.

• (1425)

NATURE OF DISCUSSIONS

Ms. Pauline Jewett (New Westminster—Coquitlam): Mr. Speaker, what I would like the Minister to reassure us about in this matter is that the kind of discussions taking place do not in fact include full and free access to Canadian Arctic waters, a free passage, by the United States. We simply want the assurance that in no way do those discussions include that possibility.

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I presume what the Hon. Member is asking is whether or not, as a result of the discussions, that the United States—I trust she would have the same interest in Soviet passage—that other countries would not be able to pass through our sovereign waters without our permission or agreement. That is the purpose of the negotiations.

SECRET AGREEMENT QUERY

Ms. Pauline Jewett (New Westminster—Coquitlam): Well, Mr. Speaker, the Minister still has not answered our question. I wonder, therefore, if he will assure us that there will be no secretly negotiated agreement sprung on the Canadian people at the time of the March 5 and March 6 meeting between President Reagan and the Prime Minister? Can we have the assurance that some secretly negotiated agreement will not be sprung on the Canadian public at that time?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the date is April, not March. However, the assurance is categoric. There will be no secret agreement sprung upon anybody. I take very seriously, if I may say so, the obligation on these matters with respect to the North, to be involved in very close consultation with the leaders of northern Governments as well as others. I am involved now in discussions regarding Canada's position, a joint position supported by the territorial Governments, with respect to the 1002 issue in Alaska.

I am hopeful we might be able to get agreement soon from the two territorial Governments to proceed with the ratification of a treaty which has been initialled with respect to the movement of northern caribou across the border between

Alaska and Yukon Territory. It is the practice of this Government, which has asserted northern sovereignty, to consult extensively with all those Canadians who are interested.

* * *

AIR TRANSPORT

TRANSPORTATION OF PLUTONIUM THROUGH CANADIAN AIRSPACE—UNITED STATES-JAPAN AGREEMENT

Hon. Douglas C. Frith (Sudbury): Mr. Speaker, my question is also directed to the Secretary of State for External Affairs. An agreement has been signed, but not ratified, between the United States and Japan concerning the transport of nuclear fuel using Canadian airspace. There are grave concerns about whether a container safe enough to transport these large amounts of plutonium which are being contemplated can ever be built.

In light of those concerns, will the Secretary of State for External Affairs ensure that both those countries know before they ratify that agreement that Canadians and the Government of Canada do not want our airspace to be used for the transport of nuclear fuel?

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, the hon. gentleman might have noticed from the newspaper story he obviously read this morning that it is a draft agreement not ratified by either country. In any event, transportation of radioactive material by air is subject to an international convention as well as to Canadian legislation. It is subject to the Transportation of Dangerous Goods Act and regulations thereunder to the Atomic Energy Control Act and regulations thereunder and to Annex 18 of the Convention on International Civil Aviation, so we would have several options if such overflights were proposed. First, we can request that pre-notification be given and that approval be received prior to an overflight, or we can deny an overflight by filing a state difference with ICAO. In either case, of course, we would insist on stringent requirements for packaging and adequate inspection and that everything be observed which is necessary for the transportation of radioactive materials. The hon. gentleman can rest assured that these are all matters which will be insisted upon.

Mr. Frith: I am sure Canadians will insist that their airspace not be used to transport nuclear fuel.

[*Translation*]

TRANSPORTATION OF DANGEROUS GOODS ACT—AIR SPACE—CANADIAN POSITION

Hon. Douglas C. Frith (Sudbury): I have a supplementary, Mr. Speaker. Is the Government prepared to make the requisite changes in the Transportation of Dangerous Goods Act to ensure that our air space will not be used for the transportation of dangerous materials?

• (1430)

[*English*]

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, I thought I had explained the situation. Obviously the hon. gentleman was not listening to me; he was reading over his supplementary question.

Mr. Frith: Obviously you did not hear my question.

Mr. Crosbie: We already have an adequate legislative framework, and we also have the international convention under which we can act in the manner I indicated. We have several options. In addition, the Secretary of State for External Affairs will be as vigilant as ever in ensuring that we receive pre-notification and that our views in the matter are known by the countries involved.

REQUEST THAT GOVERNMENT TAKE ACTION THROUGH ICAO

Mr. Jim Fulton (Skeena): Mr. Speaker, my question is directed to the Right Hon. Secretary of State for External Affairs, and it is on the plutonium matter. As the Minister is aware, the U.S.-Japan proposal to endanger Canadian airspace for the routing of 1,000 pounds of plutonium per month is an exercise designed to cut transportation costs, which in turn risks the safety of Canadians. Would the Minister assure the House that Canadian airspace will not be violated by any flying Chernobyls and file a stop order under Article 35, paragraph (b), of the 1944 Chicago Convention of ICAO? The step is quite in order, as I confirmed less than an hour ago with Dr. Michael Milde, Director of the Legal Bureau at ICAO.

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the Minister of Transport has set out the facts, but the Hon. Member asks for an affirmation. Canadian airspace will not be violated.

ENVIRONMENTAL IMPACT ISSUE

Mr. Jim Fulton (Skeena): Mr. Speaker, my supplementary question is for the same Minister. I would like him to answer whether or not Article 35, paragraph (b), will be used in that stop order. Since the plutonium spillover in Greenland in the 1960s cost over $500 million to clean up, the Palmares, Spain, plutonium clean-up cost over $300 million, and even the Cosmos 954 clean-up cost $10 million, will the Minister request as a bare minimum that an environmental impact statement be prepared and put on file before the Japan-U.S. agreement goes through to ratification?

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, I am glad the hon. gentleman finally pointed out at the end of his question that this is an agreement not yet even ratified. Therefore, much of the alarm he is now expressing is certainly premature, to say the best. I have already outlined that under the international convention in question we have several options including denying overflights by filing a state difference with ICAO. We can request, by filing with ICAO,

that pre-notification be given and that approval be received prior to such overflights. If and when the agreement is ever ratified, and if and when there is ever a suggestion that there be such an overflight of Canada with such a cargo, we would ensure that these steps are taken, as the Hon. Secretary of State for External Affairs has already stated.

* * *

[*Translation*]

ACID RAIN

IMPACT OF ESTABLISHMENT OF SULPHURIC ACID PLANT AT ROUYN-NORANDA

Mr. Gabriel Desjardins (Témiscamingue): Mr. Speaker, my question is directed to the Minister of the Environment.

Following the historic agreement on acid rain signed with Quebec last Friday in Montreal, I would like to ask the Minister what impact building a sulphuric acid plant in Rouyn-Noranda will have on the objectives being pursued by Quebec and Canada in terms of reducing air pollution?

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, the plant mentioned by the Hon. Member for Témiscamingue is of great importance for the environment. In fact, the federal Government is contributing one third of the cost of financing the project, in other words, nearly $42 million. The plant will make it possible for Noranda Mines to reduce its sulphuric acid emissions by 50 per cent by 1990.

This proves the Government of Canada is prepared to put up funds toward meeting its commitment to reduce acid rain.

The Hon. Member is to be commended for his co-operation. I appreciate this very much.

* * *

[*English*]

FISHERIES

CANADA-FRANCE DISCUSSIONS

Mr. George Baker (Gander—Twillingate): Mr. Speaker, the Minister of Fisheries said in a November 24, 1986, press release: "We are under no legal obligation to give the French any fish in Canadian waters". Despite no legal obligation, talks will start tomorrow morning, Tuesday morning, with the French Government, in Ottawa, to figure out how much fish to give away to the French for the four-year period from 1988 to 1991. Since the Prime Minister said that no fish would be given to the French unless Newfoundland agrees and Newfoundland has said "no", and since the Minister of Transport has said "not one fish, not one tail, not one head, not one fillet", what is northern cod doing on the agenda of the talks with the French Government which start Tuesday morning in Ottawa? We are being gutted again by the Government.

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, the hon. gentleman has already been gutted head on according to his question. He partially quoted the Minister of Fisheries. On November 26 the Minister of Fisheries said:

> We have told the French that under the 1972 treaty we have no obligation to provide them with any fish—

And I go on to complete the quotation:

> —to replace what they have been catching in the Gulf and, specifically, no obligation to provide them with any northern cod, over and above allocations made under the Fisheries Agreement with the EEC, which expires at the end of 1987.

Our only obligations to the French to give them fish at all were caused by the treaty of 1972, entered into by the Liberal Government of the day, and by the treaty of 1982 entered into with the EEC. I hope the hon. gentleman will apologize when he next gets to his feet.

In addition, at these discussions tomorrow, the hon. gentleman will be happy to know that the Hon. Member for Bonavista—Trinity—Conception and the Hon. Member for Burin—St. George's will be present. There will be a strong Newfoundland delegation. I will have a representative there, and I can assure him that we will be well represented in those discussions.

NORTHERN COD—NEGOTIATION OF QUOTA

Mr. George Baker (Gander—Twillingate): Mr. Speaker, the Department of External Affairs said today that a quota will be negotiated. The Canadian Embassy in Paris said that a quota will be negotiated. The federal Department of Fisheries said that a quota will be negotiated. Does the Minister really expect Canadian fishermen to believe a Minister who closes Canadian ports after the French have gone home? Can he guarantee us now that the first thing he will do tomorrow morning, during these negotiations, is to remove northern cod from that menu? Let them eat cake.

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, this is a matter which has been on the menu with the French since 1972 when the Liberal Government, which was supported by the hon. gentleman, put it on the menu in a treaty that has no termination date. It is on the menu every year from now on, indefinitely. It is a Liberal menu put there by the Liberals. That is why it is on the menu.

The hon. gentleman asked about closing the ports. Our Liberal predecessors never closed the ports to French fishing vessels, nor did they ever close Burgeo Bank to French fishing. The next time the hon. gentleman rises to his feet, will he explain to Canadians why in 1982 they signed away 47,500 tonnes of prime northern cod to France and other nations in the European Economic Community? Let us hear no more from the hon. gentleman.

HUNTING OF MATURE SEALS

Mr. Morrissey Johnson (Bonavista—Trinity—Conception): Mr. Speaker, last week two East Coast Canadian companies announced that they would be sending ships to the front off the East Coast of Newfoundland and Labrador to hunt mature seals. On Saturday the Department of Fisheries and Oceans notified these companies to suspend their operations until further notice. Will the Acting Minister of Fisheries assure these companies and the House today that the Government of Canada will not impede their legitimate operations to harvest a renewable resource? Will he also assure us that we will not see those sealers harassed by so-called anti-seal protesters?

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, it is a pleasure to answer a question from a mariner who knows what he is talking about, not a baker who does not know what he is talking about.

An Hon. Member: Let him bake cake.

Mr. Crosbie: I hope he gets a rise out of that one.

The Fisheries Minister is announcing today that strict controls are being placed on all companies with large vessels participating in the seal harvest this year. They will be permitted to participate. The seal hunt is not illegal in Canada. The Minister is asking for and obtaining a written undertaking that they will take no white coats. In other words, they will not take any baby seals or seals of that age. The Minister is announcing that this is entirely consistent with the recommendations of the Malouf Royal Commission on seals and the sealing industry which found sealing to be a humane and economically significant industry that posed no threat to the seal population. Two inspectors will be placed in each vessel to ensure that the seal hunt is humane and that all regulations are observed. I hope that satisfies the Hon. Member's query.

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• (1440)

ENVIRONMENTAL AFFAIRS

ACID RAIN—STATEMENT ATTRIBUTED TO U.S. SECRETARY OF ENERGY

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, my question is for the Minister of the Environment. Is he aware that U.S. Energy Secretary John Herrington predicted today that Canada would settle for a downpayment on American action on acid rain that would constitute going ahead with previously selected projects already deemed by the Government of Canada, the EPA and others, to be not in accord with the Envoys' recommendations? Was the Minister aware of this statement by the U.S. Secretary of Energy and is the Prime Minister aware of it? If he is, why did the PM insist on saying today in Quebec that he still regarded what President Reagan committed himself to do last week as a significant commitment when, in fact, it is not, even by the Minister's own previous analysis?

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, the short answer is that I am not familiar with the particular quotation from Secretary of Energy John Herrington to which the Hon. Member has referred. All I can do is take at face value what commitment has been given to me directly by the Secretary of Energy that there would be an amendment to the 1988 budget as proposed by President Reagan to Congress, to honour the commitment by the President when he endorsed the Envoys' Report.

CANADIAN POSITION

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, will the Minister look into the Secretary's comments? It appears the American administration is still intent on pulling a fast one on the Government. With that in mind, given the overwhelming evidence, which became even more significant this weekend with the statements by Congressman Gerry Sikorski of the United States, that the enthusiasm which the Government is showing for what President Reagan has done to date is actually harming the cause of those in the U.S. Congress who are seeking real acid rain abatement and not circuses such as we have had to date, will the Prime Minister and the Minister of the Environment reconsider the message which they are sending to Americans and to Congress that Canada is somehow satisfied with what is going on when no Canadian should be satisfied with what is going on?

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, the Hon. Member bases his question on a statement made by a Minnesota Democrat, a highly partisan adversary of the President, attacking the President of the United States by way of the Prime Minister of Canada. There are 435 members of the House of Representatives in the United States. They are as capable of regurgitating partisan tripe as are some of the members of the N.D.P., the Hon. Member's own Party. I do not think we should give any more credence to what they say than this House often gives to what they in the NDP say.

U.S. CONGRESSMAN'S STATEMENT

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, I have a question for the Deputy Prime Minister who probably knows that one of the key activists on acid rain in the United States Congress is Representative Sikorski. By the way he is also one of Canada's strongest allies and he is quoted as having said over the weekend: "Each time the Prime Minister of Canada sidles up to President Reagan on acid rain, he confuses the American public and diminishes the effective pressure from Congress—"

Will the Deputy Prime Minister have the courage to tell the Prime Minister that it is time to repair the damage which the Prime Minister has done to the cause of acid rain reduction in Canada? Will the Deputy Prime Minister do that?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, we hear the same rhetoric from the Hon. Member who was a Minister of the Environment and who did nothing to deal with this very important issue. I would suggest to the Hon. Member that saddling up is better than saddling away as the Liberals did when they were in office.

Mr. Caccia: Mr. Speaker, unfortunately the Deputy Prime Minister is trying to rewrite history, but the record is very clear as to what the Government of Canada achieved before September, 1984. We certainly do not subscribe to that threat.

Mr. Wilson (Etobicoke Centre): Tell us.

Mr. Caccia: Any time.

Mr. Wilson (Etobicoke Centre): Right now.

PRIME MINISTER'S POSITION

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, my supplementary question is for the Minister of the Environment. Will he now urge the Prime Minister to stop taking these backward steps, as indicated by Congressman Sikorski, stop undercutting Congress, which is a very serious development, stop accepting research instead of action, and demand at last a program of acid rain cuts which are meaningful to Canada, at the next summit? Will he do that?

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, I honestly do not think that there is a big gulf between what the Government is seeking from the Americans and what the Hon. Member is calling for. In Quebec City a few moments ago the Prime Minister of Canada completed a major speech to a very large audience of Americans, on which occasion he articulated with great precision what our position is. We are seeking nothing less than a 50 per cent reduction in the transboundary flow of acid rain from the United States into Canada by 1994, in concert with similar reductions that we are achieving ourselves within Canada through bilateral accords with the provinces.

I do not think it becomes the Hon. Member to stand in this House and quote some partisan tripe from an individual Member of the House of Representatives whose objective is not to add to the sum of knowledge on the subject but rather to subtract from it.

* * *

THE ECONOMY

WESTERN ECONOMIC DEVELOPMENT

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, my question is for the Deputy Prime Minister. It concerns the tremendous economic difficulties now evident in western Canada. In mid-February I invited the Deputy Prime Minister to confirm the existence of the Western Initiatives Office which is now known as the Western Diversification Office. Since at that time he did not acknowledge the existence of the office, will he now tell western Canadians about the Western Initiatives Office, what its budget is and what its mandate is? It is important to western Canada. Can the Deputy Prime Minister now tell us what his plans are and reveal the mandate for that office?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, the so-called Western Diversification Office in Winnipeg to which the Hon. Member refers is a figment of the Hon. Member's imagination. If he sticks around in the House this afternoon, I will attempt to outline some of the principles and objectives that we see important in putting together a western economic development and diversification strategy.

Mr. Keeper: There is an office.

MANDATE OF ALLEGED OFFICE

Mr. Lorne Nystrom (Yorkton—Melville): Maybe I will give the Minister a second chance, Mr. Speaker. I have here a list of 15 people who work in the Western Diversification Office in Winnipeg on Ellis Avenue. I have their office numbers, their phone numbers from the co-chairman right down to the clerical staff. In light of that—and I will send the Deputy Prime Minister a copy of this list if I may get a Page—will he now confirm that such an office exists and will he tell the House what its mandate is and whether or not it will have independent spending authority for projects in western Canada?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, the Hon. Member would do well to subscribe to the code outlined by the Leader of the Liberal Party: First, before you ask a question, make sure you know the facts.

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BANKS AND BANKING

CHARTERED BANKS—INTEREST RATES CHARGED TO FARMERS

Mr. Maurice Foster (Algoma): Mr. Speaker, my question is for the Minister of Finance. He knows that thousands of farmers are facing the loss of their farms this year through foreclosure, many due to the chartered banks illegally charging high interest rates by switching promissory notes that were a fixed rate to a floating rate, as in the case of the Allen Wilford—Royal Bank case last year, who was charged some $300,000 extra. Is the Minister prepared to require that farmers who have been overcharged be repaid these funds?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, if the Hon. Member wishes to give me any specific information relating to this practice, I would be happy to look into it.

REQUEST FOR INVESTIGATION BY INSPECTOR GENERAL OF BANKS

Mr. Maurice Foster (Algoma): Mr. Speaker, this is a very important issue. Thousands of farmers have been charged millions of dollars and I am surprised that the Minister would not know about it because the practice has been widely carried out. The Minister of Agriculture in Alberta indicated that he would be glad to intervene. I am surprised that the Minister would not. I wonder if the Minister would direct the Inspector General of Banks to order a full investigation and audit of these practices of the banks and require that the banks repay the farmers and small businessmen who have been over-charged when the banks have illegally switched a promissory note at a fixed rate to a promissory note at a floating rate.

• (1450)

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, if there are practices that are illegal under the Bank Act, the Inspector General of Banks will be taking every action needed to remedy that. As I indicated in my first response, if the Hon. Member has something that indicates illegal practices are being carried out, I would be very appreciative if he would bring it to my attention.

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SCIENCE AND TECHNOLOGY

CLOSURE OF ALGONQUIN RADIO OBSERVATORY

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, my question is directed to the Minister of State for Science and Technology. Several weeks ago the Prime Minister boasted at the University of Waterloo about his Government making us leaders in world technology. However, actions speak louder than words. Why has the Government permitted the closure of the Algonquin Radio Observatory, resulting in the destruction of a first-class scientific team here in Canada? How can this make sense?

Hon. Frank Oberle (Minister of State for Science and Technology): Mr. Speaker, Question Period simply is not long enough for me to point out to the Hon. Member the actions we have taken to make sure that Canada stays with world leaders on the new frontier of science. It was on the recommendation of the scientific community that we will participate in an international effort to establish a telescope in Hawaii where the atmospheric environment is the most ideal in the world and cannot be matched elsewhere. The project is of the size that one country simply cannot afford it by itself.

GOVERNMENT POLICY

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, the Minister must know from the NRC memo of October that scientists are in fact deeply opposed to what is being suggested. I ask as a supplementary question why the Government continues to hack away at scientific research in Canada, turning us into what in fact is a scientific tenant in Hawaii.

Hon. Frank Oberle (Minister of State for Science and Technology): Mr. Speaker, the interpretation the Hon. Member puts on this initiative simply does not coincide with the facts. The council has recommended that we enter into negotiations with several other countries that have embarked on this major international effort to establish the best possible facility on earth to observe the skies. The council has obviously decided that Canada wants to be among the best in the world and that this particular project offers the best chance for that.

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IMMIGRATION

PROSPECTIVE LEBANESE IMMIGRANTS

Mr. Sergio Marchi (York West): Mr. Speaker, my question is directed to the Minister of Employment and Immigration and concerns a group of Lebanese individuals who were in the process of being sponsored by Canadian family members in Ottawa. Because of an indifferent and uncaring Minister, these individuals had to be stranded for four days at airports in both Madrid and Athens and are now reportedly in a jail cell in Cyprus.

Why has the Minister refused to negotiate for these people a temporary status in either Spain or Greece? Why has he also refused to issue a ministerial permit allowing these people who are family members of Canadian citizens to enter Canada so that their papers can be processed in safety, rather than risking their lives on a return flight to Lebanon?

[*Translation*]

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, I already explained to the Hon. Member for York West a number of times how we proceeded in the case of persons applying for status inside this country. The 17 Lebanese who left Damascus last week were arrested in Madrid because they did not have the documents required to enter Canada. That being the case, we applied the rules that were introduced on February 20. There is absolutely no reason for us to change those rules. Again, I wish to point out to the Hon. Member that according to Canadian policy, certain documents are required before people can have access to the laws by which we are governed. I said so last Friday, and nothing has changed since then.

[*English*]

Mr. Marchi: Mr. Speaker, the Minister has shamelessly washed his hands of the entire affair and is placing technicalities before the safety of human lives.

[*Translation*]

REQUEST THAT GOVERNMENT GIVE IMMEDIATE HELP TO GROUP OF PERSONS INVOLVED

Mr. Sergio Marchi (York West): Mr. Speaker, again, I want to ask the Minister: Why did he feel so little interest in and compassion for their Canadian relatives, in such critical circumstances that demand passion? Will he agree to provide immediate assistance to this group, and at least keep their Canadian relatives informed of present and future developments?

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, last week I told the Hon. Member about the status for which these people applied. Eight applied for immigrant status and did not wait for a reply before leaving Syria. Six applied for visitor status, which was immediately denied. These people did not ask Canada for refugee status, and the Hon. Member wants me to give them a status they did not apply for. Mr. Speaker, when will the Hon. Member understand that this country has certain immigration policies and that they are going to be applied, whether he likes it or not!

* * *

[*English*]

AIRPORTS

PROVISION OF FIRE RESCUE SERVICES

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, my question to the Minister of Transport is about airport fire-fighters. I am sure the Minister is aware that while 42 flights landed at Pearson International Airport between 10 p.m. last night and 1.30 a.m. this morning, 14 in one half hour alone, there were only five active fire-fighters on duty to respond in the event of a major emergency and this would not help in the evacuation or rescue of passengers. What will the Government do about this deplorable situation regarding safety in the air industry?

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, there is no deplorable situation in connection with safety in the air industry and there certainly is not in connection with the crash fire rescue service at Pearson or at any other airport where all the rules and regulations laid down by ICAO are being met to the fullest. As a matter of fact, across Canada, not only do we meet the standards at the larger airports but we also exceed them at the smaller airports.

It is not understood properly that the job of the crash fire service is to secure a route from a damaged or crashed aircraft so that passengers inside can get out. That is their primary and main job and, in addition to that, there are other forces available at the airport and there are plans designed to go into effect to help evacuate passengers. The job of the CFR service is to maintain the foam, get to the aircraft and form a passageway for the passengers to get out. That is their particular job and the regulations and rules are being met in full.

NIGHT OPERATIONS AT REGINA AIRPORT

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, how can the Minister expect Canadians to believe that the Government has safety on its mind when he has allowed the Regina airport to operate from midnight until 8 a.m. while very large planes are arriving with no fire-fighters based at the site? How can he expect us to believe that he has safety uppermost in his mind?

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, neither Regina airport nor any other is operating without meeting ICAO requirements at least. I would have to investigate the particular situation the hon. gentleman has mentioned but there are airports that do not have full service for a complete 24-hour period. The pilots and airlines are so instructed and know about that. It is then up to them to choose to land after midnight or whenever the service is reduced during the time from midnight onward. That is what I think the situation is, but this has been so for many years and it is so now. Unless some impartial authority can assure me that this is not a safe practice, it will continue. If an impartial, outside authority will report to me that this is not a safe practice, then of course changes will be necessary.

* * *

CHILD CARE

DAY CARE FACILITIES

Ms. Sheila Copps (Hamilton East): Mr. Speaker, my question is for the Deputy Prime Minister who should know that the real crisis in day care means that nine out of 10 children in care are being looked after in unlicensed and sometimes unsafe surroundings. Yet we now know from leaked press reports that the Conservative Government's day care plan does not include national standards for day care facilities. In the words of one advocate, if this goes through, they may find themselves presiding over a day care system which most of us would not touch with a barge pole.

• (1500)

Will the Minister agree today with the Liberal Party that any national day care strategy must include national standards so every Canadian child can be guaranteed a safe and healthy day care experience?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I hope the Hon. Member will wait for the report to be tabled. At that time it can be considered to its fullest extent.

The Hon. Member asks us to endorse the Liberal Party position. I am not sure what that is. The London *Free Press* of March 20 said that "child care is not a top priority to Turner". Is that the official policy? Or, is it another policy that the Hon. Member might want to impart to me?

Mr. Turner (Vancouver Quadra): Read the whole quote.

[*Translation*]

NEED FOR NATIONAL DAY CARE POLICY

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I am not surprised the Deputy Prime Minister doesn't want to answer the question, because the report in the press which refers to the Conservative day care plan is shamefull, and it is felt as such by all Canadian parents who would like to have a place where their children are looked after.

I would like to ask him once more if he agrees with the Liberal Party that a national day care policy must set national standards to protect our children. If it does not set such standards, all the reports will be absolutely meaningless.

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, the position of the Right Hon. Prime Minister on this issue is not shameful. The position of the Hon. Minister of National Health and Welfare is not shameful. The position of the Minister responsible for the Status of Women is not shameful. In the spirit of parliamentary reform, I invite the Hon. Member to await the work of the parliamentary committee. The committee is composed of all Parties in the House of Commons. Surely that is the way Parliament should function. I know the Hon. Member has not been around here very long. She is learning fast, but she needs to learn a lot faster.

* * *

BANKS AND BANKING

CHARTERED BANKS—INTEREST RATES CHARGED TO FARMERS

Mr. Vic Althouse (Humboldt—Lake Centre): Mr. Speaker, my question is directed to the Minister of Finance. In response to a question from the Hon. Member for Algoma today, he indicated that he knew nothing of the activities of the banks regarding floating interest rates and farm loans. I wonder whether he has had a briefing from his staff concerning the Allan Wilford case of some five months ago where Mr. Justice Galligan ruled something in the order of $300,000 more was collected by the bank than it had the power to collect. Similar situations are surfacing in a great number of provinces. Will the Minister follow up on the promise of his Minister of State for Finance on Friday to look into this and give a full report to the House?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I understand the Hon. Member has to get up a second time on this for his own reasons. However, he was told specifically by the Minister of State for Finance that he would be given an answer. I believe he was also spoken to outside the House. It was promised an answer would be forthcoming in the very near future.

MINISTER'S POSITION

Mr. Vic Althouse (Humboldt—Lake Centre): Mr. Speaker, since this has been an issue for some five months, does the Minister not have an answer and a briefing of his own to decide whether or not the Bank Act is being adhered to as was intended during its writing in 1980?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, as the Hon. Member knows, there has been a court decision on this matter. It is being reviewed by the Department. My colleague, the Minister of State for Finance, is directly responsible. As I indicated, the answer will be forthcoming as was twice promised to the Hon. Member by the Minister of State for Finance last Friday.

[*Translation*]

Mr. Speaker: The Hon. Member for Saint-Léonard—Anjou. Just one question, please!

* * *

FEDERAL DEVELOPMENT BANK

ROLE AND MANDATE—INQUIRY WHEN GOVERNMENT WILL ANNOUNCE POLICY

Mr. Alfonso Gagliano (Saint-Léonard—Anjou): Mr. Speaker, my question is directed to the Minister of Regional Industrial Expansion.

Ever since the Conservative Government came to power, it promised to look at the role and mandate of the Federal Development Bank. We had national consultations conducted by the former Minister of State (Small Busineses), the Nielsen task force study, and today, we still don't know what the Government's policy is.

Could the Minister inform the House when he is going to announce his policy on financing assistance for small businesses, and could he let us know why his department is hiding a consultation report that was printed in the fall of 1985?

Hon. Michel Côté (Minister of Regional Industrial Expansion): Mr. Speaker, we will make the announcement when we are ready to do so.

[*English*]

Mr. Speaker: The Hon. Member for Swift Current—Maple Creek. This will be the last question.

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REVENUE CANADA

INVESTMENT TAX CREDIT AUDITS—TRADE-IN VALUE OF FARM EQUIPMENT

Mr. Geoff Wilson (Swift Current—Maple Creek): Mr. Speaker, my question is directed to the Minister of National Revenue and concerns the business investment tax credit audits in western Canada. The Minister will be aware that his Department is questioning the value of farm equipment traded in. These values were fairly determined in the market-place by individuals dealing at arm's length. The Department has been substituting its own arbitrary opinion. Will the Minister instruct his officials to abandon this arbitrary and dangerous departure from the previously established practice of not investigating bona fide market-place values between individuals dealing at arm's length?

Hon. Elmer M. MacKay (Minister of National Revenue): Mr. Speaker, I appreciate the question from my colleague and indeed from others in this House who have expressed concern about the investment tax credit and capital cost audit. We have been looking at the situation across the country, not just in western Canada. As a result of representations such as this from my colleagues, we have instructed our Department to pause in this audit activity to make certain a fair and reasonable approach is being taken. We will then reassess the situation at that time.

* * *

THE LATE HON. WALTER GORDON

Mr. Speaker: It is my unhappy responsibility to draw to the attention of all Hon. Members the death of the Hon. Walter Gordon, a distinguished former Member of this House and member of the Privy Council. It would be appropriate to hear comments and I call upon the Right Hon. Leader of the Opposition (Mr. Turner).

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, when I walked into the House at 2.15, I learned of the death of Walter Gordon on Saturday. He was well known to several Members of this House of Commons having sat as the Hon. Member for Davenport from 1962 to 1968, and having served as Minister of Finance from 1962 to 1965 in the Government of the late Right Hon. Lester B. Pearson.

Prior to his election to the House of Commons he had a very distinguished career. He was one of our country's leading chartered accountants and one of its first management consultants, first with the firm of Clarkson Gordon, and then Woods Gordon. He was perhaps best noted prior to his election to this House as Chairman of the Royal Commission on Canada's Economic Prospects, 1955. That was an immense piece of work which influenced economic thinking in this country for the following generation.

Since his retirement from public life he has had a very remarkable career. He was Chancellor of York University, one of the founders of the Committee for an Independent Canada, President of Canadian Corporate Management, a hugely successful Canadian-owned company. Among his major interests he was a Director of *The Toronto Star*. He was an author. Most of us have read some or all of his books such as, *Troubled Canada*, *A Choice for Canada*, *Storm Signals*, *A Political Memoir*, *What is Happening to Canada*.

Mr. Gordon was among those people who considered public service to be the highest calling in a free country. I think I can say that he has been the most influential of our Canadian economic nationalists. He was a pioneer in seeking an economically independent Canada. I can tell you that he was deeply concerned by the current free trade negotiations. An open letter he wrote to me on the pages of *The Toronto Star* last October had this paragraph:

> I have long been convinced that a large majority of Canadians wants our country to remain free and independent, or as free and independent as is practicable in this interdependent world. Certainly we do not wish ever to become part of the United States or to agree to policies that could lead in that direction such as the proposed free trade deal.

He cared passionately as well for the dispossessed and disadvantaged of this country and, although born to relatively easy circumstances, devoted a good deal of his professional and political life to re-establishing a better equality in our country. We knew him as a man of tremendous ability, of sensitive manners, warm personality and infectious sense of humour. Perhaps the words which might characterize him superbly would be "a civilized man".

• (1510)

Liberals remember him as one of the seminal influences of the renewal of this Party from 1958 to 1968. He was among our best loved figures. Denis Smith qualified him in his biography of Mr. Gordon as "that gentle patriot". He loved this Canada he served so well and with such altruistic distinction.

In personal terms, Mr. Speaker, I was proud to have known him well, to have counted him as a friend and a counsellor. On my own behalf, on behalf of the Party I lead, and on behalf of a legion of friends across Party boundaries, I offer to his widow Liz and their three children our heartfelt condolences and our total admiration.

Some Hon. Members: Hear, hear!

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, one did not have to agree with all of the works and attitudes of Walter Gordon to share a profound

respect for his contribution to his country, his Party, and this Parliament. He was a man of outstanding accomplishment in both public and private life. On behalf of the Government, my Party, and my Prime Minister (Mr. Mulroney) I want to associate myself with the words uttered by the Right Hon. Leader of the Opposition (Mr. Turner).

We all felt a great sadness when we learned of the death of Walter Gordon. He combined outstanding careers in both the public and private sectors. As the Right Hon. Leader of the Opposition said, he was one of Canada's leading chartered accountants and then became one of our leading management consultants.

However, it was really in the public sector, in the service of the country, that Walter Gordon most distinguished himself; first as a Royal commissioner of a vast, often controversial, but highly imaginative and wholly Canadian commission into the economic future of our country; then as a cabinet Minister; and then not simply as an architect of the rebirth of the Liberal Party in the early days of the 1960s but, more than that, as the force around whom the reformers who wanted to bring new life and new perspective to that Party gathered, the active force which gave it direction. He was, of course, a committed and persuasive Canadian nationalist.

I think of Walter Gordon as a reformer, a man who was prepared to challenge old ideas and also prepared to work to change them. I think of him as a man of honour who was prepared to follow the highest dictates of Canadian parliamentary life, even when they were difficult for him to follow. Throughout his life he was a thorough gentleman, a model for others in public life, a model for Canadians through time. On the Prime Minister's behalf and on behalf of all those in my Party, I want to express our condolences to his widow and family and our respect for the example he has given this country.

Some Hon. Members: Hear, hear!

Ms. Pauline Jewett (New Westminster—Coquitlam): Mr. Speaker, I would like to join the Right Hon. Leader of the Opposition (Mr. Turner) and the Right Hon. Secretary of State for External Affairs (Mr. Clark) on this very sad day in this tribute to the Hon. Walter Gordon. Everything that has been said about him is so true. If I may, for just a moment I would like to put a personal perspective on what has been said.

The Right Hon. Secretary of State for External Affairs referred to the way in which Walter Gordon gave direction and courage to the reforming element in the Liberal Party. I was in the Party at that time and he was certainly the beacon for me as well as for many others who joined the Party then. It began for me at the Kingston Conference and continued right through our common period in the House of Commons.

For example, when I was a back-bencher in the fifth row on the far side I sat almost directly behind Walter Gordon. Walter would bring together an interested group of young Turks, as we were sometimes called, who were interested in genuine social and economic reform in Canada. He would have meetings with us at regular intervals and include us in discussions on any Bills he was going to bring into Parliament. I can remember Bills on the establishment of the Economic Council of Canada and many other measures while he was Minister of Finance. He made us feel very much a part of the system. I am speaking of many years ago; 1963, 1964, and 1965.

It was during this period also that he encouraged us to really think, some of us for the very first time, about what Canada really meant, about our slide into continentalism, about our need for an independent economic strategy, our need for Canadian ownership of resources and secondary manufacturing, and our need for an independent Canadian foreign policy. There were touches of this, of course, in the Royal Commission on Canada's Economic Prospects in the late 1950s and again at the Kingston Conference, but they came to full bloom during his period as Minister of Finance and after that in the House of Commons in the 1960s.

Indeed he was "a gentle patriot" as Professor Denis Smith called him in his biography. I guess that is one reason why even those who disagreed with him loved him. He was really universally loved in this country; perhaps not always as loved south of the border from time to time, but always respected. His leadership in forming and developing the Committee for an Independent Canada, of which I and many other Members here today were early or founding members, was incredibly strong. He did alert the Canadian public to the need for a genuine independent Canadian economic strategy and as complete as possible Canadian ownership of the economy.

He was as concerned also with the disadvantaged. His appeals for social progress were as strong as his appeals for economic independence and an independent foreign policy. He had an enormous impact on so many of us. It was really a shock, since I was talking to him not long ago, to learn that he died on Saturday. It is a great loss to Canada and, indeed, to all members of all Parties, not only in Canada but in many other parts of the world.

On behalf of all New Democrats, who, I may say, in the 1960s thought very highly of Walter Gordon too and tried to urge him to come over, I would like to say how sad we are at his dying and how very much we want to send our compassionate best wishes to his widow Liz and the family.

Some Hon. Members: Hear, hear!

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, as the Right Hon. Leader of the Official Opposition (Mr. Turner) said, Walter Gordon was the Member of Parliament until 1968 for Davenport. He came to Ottawa in 1962 and was instrumental with former Prime Minister Pearson in the return of the Liberal Party to Government in the early 1960s. Walter Gordon fought many battles. He was motivated by a strong sense of justice in providing Canadians a worth-while social security system. He was motivated by a strong dedication to the protection of the less strong in society. He was a strong

player in the movement for strengthening Canadian ownership of our economy. He was an instigator of a broad policy which eventually resulted in the formation of the Canada Development Corporation, the Foreign Investment Review Agency, and was an enthusiastic supporter of the National Energy Program.

• (1520)

Walter Gordon was a man of great integrity, honesty, and dedication to the public interest. He was reserved and even shy, but motivated by a strong passion for Canada which we, as new Canadians in Toronto, readily understood. Walter Gordon leaves a vacuum in the movement for maintaining Canadian independence. He leaves a vacuum in the movement for disarmament and peace. He leaves a vacuum in the movement by Canadians who are dedicated to the protection and strengthening of Canadian sovereignty.

Some Hon. Members: Hear, hear!

Mr. Speaker: I would ask Hon. Members to stand for one minute's silence.

[*Whereupon the House stood in silence for one minute.*]

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S. O. 82—WESTERN CANADA ECONOMIC DEVELOPMENT STRATEGY

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

That this House condemns the government for its lack of a long term economic development strategy for Western Canada that would, among other things,

(1) address the severe hardships being faced by the agricultural sector, especially as it relates to depressed grain prices, which have devastated the farm community;

(2) deal effectively with the problems of the forest industry and in particular, the need to conserve and manage the forest resource for future generations;

(3) come to terms with the need for realistic and pragmatic policies to revive the energy sector, whose decline has created such hardships for average Albertans;

(4) commit the government to pursuing policies that would assist in the economic diversification of the economy and the growth of secondary manufacturing;

and that the lack of such commitments by the government to Western Canada will result in a continuation of the unacceptably high levels of unemployment and economic hardship suffered by the people of Western Canada.

Mr. Speaker: The Deputy Prime Minister (Mr. Mazankowski) had the floor at the time of the recess. I recognize the Deputy Prime Minister.

Mr. Mazankowski: Mr. Speaker, in resuming debate on this very important motion that has been presented by the Member for Yorkton-Melville (Mr. Nystrom), let me say that one of the characteristics of the New Democratic Party that occasionally troubles me is their penchant for doom and gloom and negativism. The House will recall that when we announced the $1 billion grain assistance program it was greeted with derision, if not outright condemnation by the New Democratic Party. Immediately they set out to try to sow the seeds of mistrust and skepticism by suggesting to Canadians and farmers in particular that it would not happen and would only consist of money coming from other agricultural programs, that it would be taken out of the stabilization program, that it would be a loan, or it would be provincial moneys. They wanted to know whether it was new money and where we would find it.

If one looks at *Hansard* beginning with October 3, 1986, one can see that it is filled with these vicious attacks on the Government, particularly on the Prime Minister, for coming to the aid of western Canadian farmers. That sort of misleading conduct is shameful, especially at a time when we are all trying to do our best to deal with these issues.

The fact is that the money is being received in a manner that has been recommended by the producers. Never before in the history of the country have we seen the kind of co-operation and support from the agricultural community about how to deal with this very important issue. That dialogue is continuing in spite of what my good colleague, the Minister of Transport (Mr. Crosbie), refers to as the nattering nabobs of negativism. The work is going on with the agricultural community. After the Minister of Agriculture (Mr. Wise) met with 55 farm representatives representing 35 farm organizations, he issued a press release on March 5 indicating that progress is being made. We must put these things into perspective.

All of us know that the problems facing western Canada are not simple or easy to resolve. It will require a coherent long-term approach involving government, business, labour, and all sectors of the economy. That will have to be balanced with firm and aggressive action on the international front.

Our Party began that process during the recession in 1983, recognizing even then the challenges and obstacles facing the west. Our efforts culminated in the Prince Albert Declaration which contained a broad range of policies which would promote economic development in the key sectors of the western region. Some 52 specific commitments were made at that time. Of 16 commitments made in agriculture, 14 have been fulfilled. There were 12 commitments made in energy and 10 of them were fulfilled. There were nine commitments in forestry, seven of which have been fulfilled. There were six commitments in mining and four have been fulfilled. Of nine commitments in grain transportation, eight have been fulfilled. That represents 43 out of 52 commitments that have been fulfilled.

Since assuming office many other initiatives have been taken to meet urgent questions, such as the drought payments, the question of action on imports of beef from the EEC and others, and the removal of the unfair energy taxes in the energy sector. The removal of the farm fuel tax works out to some 33.75 cents per gallon. I was interested to note that the

Hon. Member for Yorkton—Melville advocated an increase in farm fuel prices because he was talking about a floor price for oil which would have the effect of driving up prices.

Our action on interest rates is another major element. In 1982-83, the interest rates were hovering at 22 per cent to 24 per cent. Today, the Bank of Canada rate is down to 7.14 per cent, the lowest in 14 years. We have provided the capital gains exemption for farmers, introduced interest rate reduction programs and debt review boards. We amended the Western Grain Transportation Act and amended the Grain Stabilization Act. We dismantled the National Energy Program and dismantled FIRA. We removed the confiscatory back-in provision.

There have been many initiatives, none of which singularly and perhaps collectively are a magic panacea, but they do represent a substantial improvement. The Prince Albert Declaration demonstrated our government's commitment to address the challenges facing western Canada. We addressed the issues on the basis of building upon our strengths, and the success in fulfilling those commitments provides us with building blocks on which to take further steps.

Since 1984, many other initiatives have been taken in concert with the Prince Alberta Declaration. As the United States-European Economic Community grain subsidy war escalated, we provided $1 billion worth of relief. We accelerated the removal of the PGRT. We worked out a deal with the U.S. on softwood and lumber. That deal was supported by all western premiers. We launched the historic trade initiative, of crucial significance to western Canada.

We have initiated the new National Transportation Act. Again, the Hon. Member said three or four times that there is a need to address the transportation problems and the discriminatory features of our current transportation system. Once and for all, with the passage of the new National Transportation Act, freight rate discrimination in western Canada will be a thing of the past. Why are the New Democrats against it? The two very fundamental matters we are addressing in western Canada, the trade issue and the transportation issue, are being fought right to the wall by the NDP and they should be ashamed of themselves.

We have embarked upon ways and means to utilize western coal in Ontario to a greater extent. Contracts have been awarded to Microtel Systems in British Columbia for high technology equipment for the North Warning Systems. The CF-5 contract was awarded to Winnipeg, with spin-off benefits to Edmonton. The CF-18 contract had corresponding spin-off benefits to Edmonton. The minting of the new dollar coin was awarded to Sherritt-Gordon in Fort Saskatchewan. These are all important elements in diversifying western Canada's economy.

• (1530)

We have signed federal-provincial agreements in all four provinces covering urban development, irrigation, tourism, agricultural processing, industrial development, science and technology, forestry and small business. Since the new year we have announced that Versatile Pacific will build a new Polar 8 ice-breaker at a cost of something in the order of $350 million, a very major initiative. We have announced $100 million in canola oil purchases for Food Aid. We have facilitated and supported the sale of Versatile Farm Equipment which will re-establish itself on a permanent basis in Winnipeg. It will be good for western Canada and good for the western Canadian farmer.

We have made a number of announcements with respect to forestry. My colleague, the Minister of State for Forestry and Mines (Mr. Merrithew), announced a $13 million program with his B.C. counterpart for the establishment of a Canada-British Columbia forest resource development agreement, as well as a science and technology exchange program. The Minister of the Environment (Mr. McMillan) announced the establishment of a Pacific Rim national park on Vancouver Island.

These are all very important initiatives. Time does not permit me to go on in more detail. Suffice it to say that we will continue to identify and work with the provinces and industry in dealing with these very important issues.

I wish to deal quickly with the issue of energy because it has been raised. I was rather interested in the proposal emanating from the Hon. Member for Yorkton—Melville (Mr. Nystrom) which, as I see it, would drive up the price of fuel, in particular farm fuel. I can advise the House that discussions have been taking place in an intensified way with the Government of the Province of Alberta, and other provincial Governments, as well as with industry, in an attempt to deal with the energy sector and the very difficult period it is going through. We have discussed the need to attract investment capital and the need to stimulate drilling, exploration and development. I can advise the House that these talks are going very well. I am sure that within the not too distant future there will be a major announcement with respect to addressing the needs of the energy sector in western Canada.

With respect to western diversification, over the past two and a half years we have responded to the situation, albeit in very tight financial circumstances. I note that the Hon. Member talked about the difficulties that provinces were having with respect to deficits. Because the Hon. Member played a part in creating the burden of debt that was inflicted upon the Canadian people during the four years he and his Party supported the Government of the day formed by the Liberal Party, he should know that the net public debt increased from $85 billion to $200 billion in those four years. That is scandalous. Now the Hon. Member and his Party sympathize with the provinces, but they are indeed the architects of huge deficits.

It is interesting to note as well that the NDP Budget in Manitoba hits the lower income people the hardest.

Mr. Keeper: That is untrue.

Mr. Mazankowski: Finance Minister Eugene Kostyra's Budget will impose a 21 per cent tax increase on a single mother earning $27,000 per year. I say shame.

Mr. Keeper: That is deliberately untrue.

Mr. Mazankowski: We recognize that more needs to be done to renew and re-energize the economy of western Canada. We intend to build on our previous efforts in a comprehensive and orderly fashion.

Last September's Speech from the Throne committed the federal Government to placing special emphasis on diversifying the economic base of western Canada, a pledge that has since been reaffirmed by the Prime Minister (Mr. Mulroney). Western Canada has a wealth of resources: physical, capital and human. The federal Government is committed to playing a leadership role in harnessing those resources and overcoming the obstacles and the challenges which confront us.

As I have indicated in this Chamber before, the Government will be coming forward shortly with a western economic initiative as a fundamental component of its regional development strategy. This initiative will provide a framework for growth across western Canada. It is being developed consistent with the Government's broad economic agenda as outlined in November, 1984, under the agenda for economic renewal. Our objective will be to continue to seek new opportunities for traditional resource sectors, whether it be through increased value-added and secondary processing in livestock, forestry and mining or crop diversification, aquaculture, market penetration or productivity enhancement. If the resource sectors are to continue to play an important role in our economy we must improve our access to world markets. In that connection it is important to pare down the barriers to trade. At the same time our objective will be to identify those opportunities in newly emerging high technology sectors, and the key secondary and service sectors such as petrochemicals, aerospace, transportation, tourism and financial services.

We believe that western Canada has the potential to become a world leader in technology in the areas of medical research, biotechnology, micro-electronics and others. We must recognize these opportunities and work with the provincial Governments, with industry and our universities to achieve that potential. Specific initiatives contained in the western development package will be announced in due course. It will reflect the following guiding principles. The private sector will be seen as the engine of economic growth. Trade enhancement and the removal of obstacles to growth are indeed an important component of this initiative. We must create a positive climate of investment to attract new investment capital into western Canada. Our emphasis will also be on increasing productivity and technological development. Above all, and consistent with all this, the necessity for federal co-operation will be a must.

These are but a few of the corner-stones which I would like to elaborate upon further. Unfortunately, time does not permit.

Some Hon. Members: Hear, hear!

Mr. Nystrom: Madam Speaker, I will give the Minister a chance to elaborate on his points further. I asked him a question during Question Period today about the Western Diversification Office. I have a memo on the matter here in my hand. The office is located on the fourth floor of the Canadian Institute of Industrial Technology Building at 435 Ellis Avenue, which is the NRC building in Winnipeg. I have a list of the 15 people who are supposedly working in the office, including the chairperson, John Blackwood, and the other co-chairperson, Anthony Reynolds. Mr. Blackwood is the co-chairman for resource industries. Mr. Reynolds is the co-chairman for manufacturing and services. Also on the list I have the names of the support service staff. As I have said, there are 15 names listed here, plus the names of those who work in the data centre and the processing centre. I have their room numbers and their phone numbers.

I would like to ask the Minister whether or not he can elaborate as to what it is these people do. My understanding is that they have been in these facilities for a couple of months. When I asked the Minister about this in February, he did not really confirm or deny their existence. But in Question Period today he said that these people are a figment of my imagination. If they are a figment of my imagination I would like him to explain this great mystery to us. Can the Minister elaborate on what it is these people do and what their mandate is? Are these people working on his western economic initiative, his western development package? If so, for how long? Will they be given any more spending authority and so on? We in western Canada would be very interested to know exactly what the Government is planning.

I understand from talking to key people that they originally planned to used a slick audio-visual presentation to kick this off across western Canada. That was the plan. Has the plan been scuppered? Why is the Minister saying that this is a figment of my imagination? Is this just another snow job with a fancy title? I think these people are doing the same jobs as are currently being done by the people who work in DRIE, which is the Department of Regional Industrial Expansion. Is the work being done by the same people but with a fancy western title for political reasons for the Conservative Party in western Canada? If not, please tell us what they are doing.

Mr. Mazankowski: Madam Speaker, the Hon. Member insists on perpetrating falsehoods and inaccurate statements. First, I did not suggest that the people were a figment of his imagination. I am not sure what people he is talking about. I said that the diversification office was a figment of his imagination. The Minister of State for Science and Technology (Mr. Oberle) suggests that what the Hon. Member is talking about is the Industrial Technology Centre and the fact that these are NRC people. There is absolutely no truth or foundation whatsoever to what the Hon. Member is talking about. There is no diversification office in Winnipeg. I can tell the Hon. Member that right here and now.

The fact of the matter is that there is work going on through the general provisions of the Regional Industrial Expansion office. It is putting together some suggestions and some ideas. There are other groups in PCO putting together some ideas. The Hon. Member's suggestion that we have already put people in place and are planning a slick advertising campaign is the kind of nonsense and balderdash that really confuses people and distorts debate in this House. I wish the Hon. Member would stop doing that.

• (1540)

Mr. Keeper: Madam Speaker, I wonder if the Minister would not check more deeply than just the notes given to him by his researchers. This office is in my riding in Winnipeg. We have received calls from people who work in that office. They have described it as a western initiative or western development department or branch project. So I would call upon the Minister to look deeper into this matter.

At the same time, would he re-examine the statement he made just a few moments ago in which he claimed the Manitoba Budget hit the poorest hardest? That is clearly a distortion and a complete falsehood with regard to the real impact of that Budget.

I think the Minister is basing his comments upon reports in the *Winnipeg Free Press* or *Winnipeg Sun* the day after the Budget, so I can understand how he has been misled. However, he should know that that Budget hits upper income earners hard, while at the same time giving a break to poor Manitobans. I would ask the Minister to check his facts.

Mr. Mazankowski: Madam Speaker, first, I do not have to rely on anyone to make my notes. I make my own notes. My answers are still the same. I do not care who is calling whom or under what name they are calling it. I repeat, there is no Western Diversification Office in Winnipeg, and I will repeat it again and again and again. That sort of question does not really deserve the dignity of any further response.

In terms of the Hon. Member's accusation that I am distorting, I do not know how I could outdo Hon. Members opposite. They are the champions of distortion. I welcome the opportunity to read again into the record from the *Winnipeg Free Press* of March 22. Its headline reads: "NDP budget hits lower income hardest". The article reads in part:

> Finance Minister Eugene Kostyra's budget will impose a 21-per-cent tax increase on a single mother earning $27,600 a year.

Some Hon. Members: Oh, oh!

Mr. Foster: The Deputy Prime Minister has—

Mr. Keeper: That is a distorted report.

The Acting Speaker (Mrs. Champagne): Order. I am sure the House would like to hear what the Hon. Member for Algoma has to say.

Mr. Foster: Madam Speaker, I think the debate so far has indicated that the Deputy Prime Minister (Mr. Mazankowski) does in fact have a task force or team working in the NRC building in Winnipeg. I think it is really sad, when we have a research laboratory set up there, that we have filled it with a bunch of bureaucrats. I do not mind the bureaucrats working to develop a western diversification program. However, to take up the space which is supposed to be filled by NRC researchers, is really a waste of the NRC's ability and capacity. The Minister should get that lab working on high-tech and doing the things for which it was designed rather than have it simply populated by a group of bureaucrats.

When the Minister does announce his western diversification program, which, as he indicated a few weeks ago in *The Western Producer*, he would be announcing some time later this spring, would he restore the full $2 billion which was cut from the DRIE budget per year so that this proper western diversification can take place, as well as diversification in other areas?

I have two quick questions relating to the whole oil industry. Why did the Deputy Prime Minister not provide the loan guarantee which was asked for by Syncrude on a 50-50 basis with the Alberta Government? And can the Deputy Prime Minister tell us why the Minister of Finance (Mr. Wilson) did not provide in the Budget the earned depletion allowance which groups like IPAC indicated would have a net cost of some $60 million, would create some 20,000 jobs, and would provide an extra 2,000 wells of employment and production this year? Could the Deputy Prime Minister clarify to western Canadians and to Members of this House why the Government declined to support those two desperately needed projects?

Mr. Mazankowski: Madam Speaker, I have a lot of respect for the Hon. Member opposite. He and I came to the House at the same time. He is smart enough and a good enough politician not to have to borrow the claptrap from the New Democratic Party to pose a question.

I will tell him again that there is no Western Diversification Office in Winnipeg writing a policy for western economic diversification. I will tell the Hon. Member where the policy is being written. It is being written in my office with the help of DRIE and other officials, and essentially in consultation with western Members of Parliament. Members opposite can continue to talk all they want. Whatever western diversification plan comes forward will certainly not come from that office, I can tell them that right now.

With regard to Syncrude, first, the Hon. Member should know that Syncrude never asked the federal Government to participate. It was the provincial Government which asked the federal Government to participate. There was considerable federal participation in the Syncrude project heretofore. There is another phase of the Syncrude project coming on later and there was a clear indication they would be interested in federal Government assistance on the further phase.

Another reason is the fact that this would have only assisted that particular project, and it was deemed very important, as the Hon. Member indicated in his third question, to address the issues of the conventional oil industry, the need to have further exploration and development and additional equity investment so that that development could go on. It was in that context that we set out to work with the industry and with the provincial Government to try to come up with a package which would serve to revitalize the energy sector both in the interests of Alberta and in the national interests from the standpoint of having adequate supply and security of supply, plus the creation of many jobs, as the Hon. Member has indicated.

Mr. Shields: Madam Speaker, as the Deputy Prime Minister (Mr. Mazankowski) is aware, of course, the national energy policy which was imposed on western Canada and on the resources of western Canada by the Liberal Party, and supported wholeheartedly and up front by the New Democratic Party, created a tragic period of wasted human resources and missed opportunities for harnessing our energy wealth. The Deputy Prime Minister (Mr. Mazankowski) will also know that on January 30 the Minister of Energy, Mines and Resources (Mr. Masse) called together all the Ministers of Energy across the country to sit down and talk. I wonder if the Deputy Prime Minister would like to comment on those two facts?

Mr. Mazankowski: Madam Speaker, I appreciate the opportunity to reiterate the very severe damage which was inflicted upon western Canada at the hands of the Liberals and New Democrats who imposed the National Energy Program. There was not one tax, there were several taxes; the natural gas and gas liquids tax, the incremental oil revenue tax, the petroleum and gas revenue tax, the petroleum compensation charge, the export tax and the Canadian ownership service charge, all of which raided the energy sector of western Canada to the tune of $4.5 billion to $5 billion a year. We are not raiding the industry any more, we are helping it, and we will continue to help it so it will be able to provide the kind of supply necessary for Canadians and generate the kind of jobs which are necessary.

The Western Accord which was put together clearly was put together with the blessing of the producing provinces, and, indeed, the industry. The dramatic decline in prices forces us back to do something more, and we are, we have, and we will.

Ms. Pauline Jewett (New Westminster—Coquitlam): Madam Speaker, I would like to address particularly the neglect of the forest industry by this Government and, of course, since I come from British Columbia, I am particularly concerned about the consequences of that neglect.

• (1550)

The Minister who just spoke said that most of the promises had been carried out, including forestry. I do not know what he had in mind. As I look at the promises, I see that on July 5, 1984 the Prime Minister (Mr. Mulroney) said in Prince Albert that a Conservative Government would "recognize the overwhelming economic importance of the forest industry". In their election handbook and in other speeches which the Prime Minister gave, they promised to "establish a new department of forestry at the federal level". We all cheered that because we thought, considering that this was Canada's largest export and the importance it had for all exports, that the neglect of the forest industry by previous Governments would at last be redressed. One of the most important ways in which it could be redressed would be to have a line department, not just a Minister of State, in Ottawa which would have as its full responsibility the development of the forest industry, silviculture, reforestation, and forest management in Canada.

We have been waiting since 1984 for a full department of forestry to be developed. All we got was a Minister of State for Forestry who has no real clout either in Cabinet, because he does not have a full department, or in the country. Indeed, the role he might have played on behalf of forestry has been even further diminished by the fact that he is also Minister of State for Mines. He has a dual role, and the mining industry is in about as bad a shape as the forest industry and probably needs fuller attention from the federal Government than it has been given. When the Government talks about having carried out its election promises, including the forestry field, I must ask why we still do not have a full-fledged department of forestry at the federal level.

The reports we have been receiving recently on the forest industry particularly in British Columbia are alarming, to put it mildly. I should like to refer to the most recent report a couple of months ago of the forest economics and policy analysis project of the University of British Columbia under Peter Pearse and written by Sten Nilsson. He pointed out in the report that unless immediate steps were taken to revitalize the forest industry, B.C. was 15 years away from an economic disaster. The report warned that there would be few, if any, plywood mills in the province and that the production of lumber, pulp, and newsprint would decline seriously. It also indicated that nearly 7,000 more direct jobs would disappear, that is, on top of the 17,000 or more direct jobs which have already disappeared in the forest industry.

He also pointed out in the study that the annual volume of timber available in B.C., which is now about 75 million cubic metres, would decline to 67 million cubic metres and, even with productivity improvements, it would mean a 5 per cent to 10 per cent decline in pulp and a 5 per cent drop in lumber. The report went on to indicate that the timber volume could dip as low as 44 million cubic metres with catastrophic results.

As I mentioned a moment ago, the report indicated that most plywood plants in B.C. would close by the year 2000, and that a switch from bulk commodity products to greater value added products was necessary. However, we see very little movement in that direction.

Most significant of all is that the report indicates that the industry needs to invest $35 billion by the year 2000 in reforestation and modernization but that it "cannot generate

sufficient capital". This is perhaps the most serious component in the picture of the B.C. forest industry.

I mentioned a moment ago the unemployment which has already taken place in the forest industry and that the UBC report projected that it would continue at an accelerating rate. Returning for a moment to the promises of the Government, it promised jobs, jobs, jobs. I assume that meant jobs in western Canada and in eastern Canada—indeed, in all parts of Canada. It is absolutely incredible that the unemployment rate in British Columbia is now running at 13.3 per cent, seasonally adjusted, as opposed to a national average of 9.6 per cent.

Let us look at some of the areas of the province in detail. We see that unemployment is running at about 18 per cent in the Kootenays; at about 17 per cent to 18 per cent in the interior, in the Okanagan and Kamloops; at over 12 per cent on Vancouver Island; at 14 per cent in Prince George and the northern interior; and, perhaps one of the most amazing statistics of all, at 14 per cent in the lower mainland, greater Vancouver. In fact, in February of this year it was 14.3 per cent, the highest unemployment in any major metropolitan centre. Youth unemployment in British Columbia is running at 22 per cent. There have not been jobs, jobs, jobs.

Some of us at least hoped that as a result of the federal Government's export tax on softwood lumber in the deal worked out with American lumber producers, a deal we questioned very much at the time, the revenue, which in the case of B.C. would amount to between $360 million and $400 million per year, would go into silviculture, reforestation, and the adjustment needs of workers. We hoped that it would be at last a shot in the arm to the forest industry. The Government, in the creation of the Canada-B.C. Forest Resource Development Agreement, will actually pump in $18 million this year, which will be matched by B.C. When we saw what would be the results of the federal export tax on softwood lumber in revenues, it seemed to many of us on this side of the House that at last some genuine effort could be or would be made to see to the redevelopment of the forest industry.

It was extremely disappointing, as I stated on Friday in the House, to discover that the British Columbia Government was putting only $36 million in new money into silviculture, reforestation, and so on. I know that it has been indicated in the Budget and in some of the speeches of the B.C. Minister of Finance that the amount is $54 million. As I mentioned, $18 million of that is the part that would automatically be going into forestry under the Canada-B.C. Forest Resource Development Agreement—that $18 million is not new money that could have come out of the federal export tax—leaving only $36 million. Yet, as I say, the export tax on softwood will bring somewhere between $360 million and $400 million. No wonder the British Columbia Government was able to cut its deficit. It simply put what we firmly believe are federal moneys, it is a federal tax, into general revenues in order to do other things and reduce the deficit. The response to this activity by the Socred Government from the forest industry itself has been extremely critical.

• (1600)

In last Friday's *Vancouver Sun* we find:—

> Spokesmen for both management and labour said they are "disappointed" that more revenue from the $350 million tax on softwood lumber exports to the U.S. is not going directly into silviculture.
>
> The harshest critic of the reforestation plan was International Woodworkers of America Regional President Jack Munro, who said the provincial Government has failed to live up to its responsibility to B.C.'s primary engine of economic growth.
>
> "There could be all kinds of jobs in the forest industry, not just silviculture and reforestation, but secondary industries, manufacturing, products that haven't even been thought of yet," Munro said.
>
> He said the revenues earned from the lumber-export tax should have been invested more heavily in the forest industry.
>
> "We don't have enough nurseries, we don't have enough trees, and in the nurseries we do have they're shutting down," Munro said.
>
> Mike Apsey, president of the Council of Forest Industries of B.C., also expressed regret the provincial Government did not commit more funds from the exports revenue to reforestation.
>
> "If there is a disappointment, that's it," Apsey said. "All of the forestry community in this province has been recommending some sort of fund be set up into which the export tax proceeds would be put."
>
> Art Gruntman, vice-president of the Canadian Paperworkers Union said putting most of the $350 million into general revenue instead of reforestation is "utterly and totally wrong."
>
> I think the people of B.C. have the right to expect that the major part of the export tax money be put into reforestation because it has got to be done. We are running out of trees."

The point in quoting these sources in the forest industry, Madam Speaker, is that they say they expect to see a large part, if not all, of the revenues from the export tax on softwood going into the forest industry. That was certainly the expectation of the Minister for International Trade (Miss Carney) who herself, on February 5, referred to British Columbia as a silvicultural slum. Surely it you want to remedy the situation, if you want to see a development in forestry and if you want to try to curb the growth of unemployment in the forest industry sector, then you, the federal Government, when federal money is going into the province, should have required some performance guarantee. The federal Government should have at least said in a written agreement with the province, and with the other provinces as well that receive revenues from the export tax, that *x* amount of money will go to the forest industry.

The Parliamentary Secretary to the Minister said on Friday that that would be dictating. The federal Government, when it is spending federal moneys, whether in health care or, in the old days, in post-secondary education, sets guidelines for the expenditure by the provinces of those moneys. I do not hear people objecting and saying that this is dictating if it is in the field of health care, which presumably, according to the BNA Act, is a field of provincial jurisdiction. Yet somehow or other the Conservative Party is saying, "You cannot have some kind of performance guarantee on the expenditure of revenues from a federal export tax". That is absolutely ridiculous, Madam Speaker. As I said on Friday, the Prime Minister has been conned, taken, by Premier Vander Zalm who is laughing all the way to the bank as he uses these moneys for other purposes or to cut his deficit.

I am reminded very much of the comparable situation in post-secondary education. Hon. Members well know that until the Liberal Government, supported by the Tory Opposition, changed the rules a decade ago, the moneys sent from the federal Government to the provincial Governments for post-secondary education under the fiscal arrangements Act had to be spent on post-secondary education. Since then the provinces can spend that money any way they please.

Mr. Blenkarn: Not really.

Ms. Jewett: Pretty well. Indeed, in the case of British Columbia—

Mr. Blenkarn: There was an amendment to the statute, remember?

Ms. Jewett: I will come to the amendment in a moment. The amendment simply states that there has to be tabled in the House—

Mr. Blenkarn: Correct.

Ms. Jewett: I was here and voted for the amendment. There has to be a tabling in the House of the ways in which the money is expended, simply a tabling. We had a further amendment which required that the money be spent for the purposes intended. The federal Government is giving up responsibility, except in the field of health and a few others, for ensuring that federal moneys are spent, at least to a substantial extent, for the purposes intended. That is exactly what should have been done. I do not think it is too late yet to do it. There will be further revenues from the export tax before it is converted into stumpage or whatever other arrangements are made, but I do not really see much chance of the federal Government doing that. That and what it would have done to have helped the forest industry would have been extremely significant not only in British Columbia but in Canada. As I said a moment ago, we get more export dollars from this resource than from any other single resource. It would have also helped to diversify the economy, which the Minister says is one of the goals of the federal Government.

All kinds of secondary industries can develop if we have a strong forestry policy. As Jack Munro pointed out himself:

> There could be all kinds of jobs in the forest industry, not just silviculture and reforestation, but secondary industries, manufacturing, products that haven't even been thought of yet.

The Government talks a great deal about diversifying, but in fact it has done nothing that I can see nor frankly does it even claim to have done anything to help both the growth of the basic resource in British Columbia and the diversification of that resource.

• (1610)

I had hoped to have a few minutes to elaborate on other topics. Perhaps I could just mention the way in which the federal Government is handling the Canada Employment Centres. It is cutting back on staffing of those centres at the very time when unemployment itself is growing. I will find a later occasion to discuss that in more detail.

Mr. Crofton: Madam Speaker, I listened with some interest to the comments of the Hon. Member for New Westminster—Coquitlam (Ms. Jewett). She began her remarks by saying that the federal Government had failed to address the needs of the forest industry in British Columbia. She did not bother to include in her opening remarks that her Party aided and abetted the former administration which raped the Treasury of Canada, picked the pockets of all Canadians and left the new Government with an extremely serious financial mess with which to deal. In my mind, it is very regrettable that members of the NDP simply cannot bring themselves to function in the real world.

The Hon. Member observed that we had not established a full forestry ministry. I share her regret that indeed we have not achieved that goal, but we have created the Department of the Minister of State for Forestry, a quantum leap ahead from what we had in the past.

The Government worked very hard at negotiating with the Province of British Columbia a $300 million ERDA agreement on forestry. I do not recall members of her Party saying anything complimentary about that. Again, it was a quantum step ahead in addressing the serious needs of the forest industry in B.C.

In particular, I would like to comment on the 15 per cent export tax which is returning some $600 million a year to Canada, $600 million a year that would not be coming to Canada if members of the NDP had had their way in the debate. They fought the agreement tooth and nail and spoke against it. It would seem that they would have preferred to see the $600 million paid into the treasury of the United States. Is the Hon. Member now saying that it was a good idea? She certainly had a lot to say about how that money should be spent, money that we would not have had, had her Party had its way.

Ms. Jewett: Madam Speaker, is the Hon. Member saying that the money should be spent in any way British Columbia wants to spend it? That is the real question. It is a federal export tax and the Hon. Member apparently thinks that a federal export tax on softwood lumber can or should be used in any way possible except for silviculture and reforestation. He is certainly contradicting the Minister for International Trade (Miss Carney) who said on three separate occasions that it was the full expectation that a large part of the moneys would be spent on silviculture and reforestation. I suppose the Hon. Member is trying to make the argument that this does not really matter, the Tories do not really care how the money is spent, let Premier Vander Zalm do what he wants with it. That seems to me to be what the Hon. Member is saying.

Mr. St. Germain: Madam Speaker, it really surprises me that the Hon. Member for New Westminster—Coquitlam

(Ms. Jewett) wants virtually to usurp the powers and authorities vested in the provinces of Canada. There is no way that anyone would not advocate protecting our forests and maintaining a high level of silviculture and reforestation in British Columbia. However, the Hon. Member has tried to make Canadians believe that they are the protectors of the forest industry. In the COFI report on Bill C-18 and Bill C-19, there is a situation to which I would like the Hon. Member to respond if she can.

On January 29, 1987, the Hon. Member for Winnipeg-Birds Hill (Mr. Blaikie) spoke on joint line rates, something which would be beneficial to all forest companies and would allow them to find much more competitive rates for shipping lumber anywhere in North America. At that time, the Hon. Member quoted the exact words of Mr. R. S. Allison, CP Rail's President, to the 30th Annual Traffic Transportation Conference, virtually speaking against the mandated joint line rates which would reduce the transportation costs to the forest industry considerably. I hope I have made my question quite plain. I would like the Hon. Member to let us know if she is on the side of the forest industry or if she is on the side of giant corporations like CP Rail. I think it is important that Canadians understand where the NDP stand on issues as important as this one is to the forest industry in British Columbia.

Ms. Jewett: Madam Speaker, the Tories are very funny. When they find that we are quoting a union leader, they engage in union bashing and NDP bashing and say that the NDP is being dictated to by the unions. Then when a union leader takes a position different from that of the NDP, as was the case on what we regard as being the sell-out on softwood lumber, then they blast away at us because we in the federal House of Commons are taking a position different from that of union leaders. That defeats their whole argument that we are always in lock-step with the unions. Then when an Hon. Member says that he thought something said in a speech by the President of the CP was worth repeating in the House, we get lambasted because we are supposed to be anti-corporation. I wish the Tories would make up their minds on this and would not engage in such stereotyping.

Mr. St. Germain: Answer the question, Pauline.

Ms. Jewett: You can ask the Hon. Member later today, Gerry. He will be speaking. You ask him why he quoted the President of CP instead of giving us all this garbage because we do not fit into your stereotypes.

Returning to the first part of the Hon. Member's question, perhaps he would rise and explain why it is that Tories allow all kinds of guidelines under the national health Act for the expenditure of federal funds. Why did they not say that that is dictating to the provinces? I do not think they ever said that.

Mr. Crofton: He didn't.

Ms. Jewett: I know, but he prefaced his remark on that. Turning to the ERDA agreement, in response to the Hon. Member for Esquimalt—Saanich (Mr. Crofton), I did mention that agreement and said that it was a good one. It is just that there is hardly any money in it.

Mr. Blenkarn: Madam Speaker, I was wondering if we could hear the New Democratic Party's policy on taxation of provincial resources when those provincial resources are exported. The Hon. Member will know that this particular tax with respect to softwood lumber is collected by the federal Government and, as trustee for the provinces, the federal Government distributes that money back to the provinces from whence the tax came. Is it the policy of the New Democratic Party that the federal Government has the right to levy export taxes on raw resources and to keep that revenue for its own purposes?

Ms. Jewett: Madam Speaker, my position is exactly that of the Minister for International Trade (Miss Carney). She is away right now, but I know that she is absolutely furious and believes that Premier Vander Zalm has acted in bad faith in his handling of these revenues.

• (1620)

Mr. Shields: Madam Speaker, I have three very short and quick questions for the Hon. Member. Did she support the National Energy Program and does she believe it was beneficial to western Canada? Does she believe that Imperial Oil should have been nationalized? Did she agree with the theft involved in the back-in provision of the NEP? Just answer those questions without rhetoric.

Ms. Jewett: You know I am incapable of rhetoric.

On the first question, we voted against the NEP.

Mr. Nystrom: It is on the record, Jack.

Ms. Jewett: It is on the record.

Mr. Shields: Listen to that!

Ms. Jewett: He asked me to answer the question and I answered his first question.

Mr. Shields: Look at the debates.

Ms. Jewett: I will wait until he checks the facts before I answer the rest of his questions.

The Acting Speaker (Mrs. Champagne): The time for questions and comments has now expired. Resuming debate.

Hon. Michel Côté (Minister of Regional Industrial Expansion): Madam Speaker, I am glad to have the opportunity to speak in response to the motion of my friend from Yorkton—Melville. The motion condemns the Government for its lack of what he calls a long-term economic development strategy for western Canada. Perhaps the Hon. Member should consult his constituents as to whether they condemn a Government which dismantled the much hated National

Energy Program of the previous Government, removed the PGRT, and abolished the universally unpopular Foreign Investment Review Act. The Government has launched as well trade negotiations with the U.S. which stand to benefit western Canada. This Government does indeed have in place a long-term economic development strategy for western Canada. That strategy is based on the principle that the economic health of western Canada, as does the rest of the country, depends on private sector led initiatives.

For this Government regional economic development stands at the centre of economic policy. We regard it as part of the process of building a greater, more cohesive pan-Canadian community. It is no less an exercise in nation-building in this century than was the construction of the railways in the last century. We will all remember that only a week ago in this House the Prime Minister (Mr. Mulroney) underscored the role that regional development plays in the economic thinking of this Government. He warned against the danger of building two Canadas, one which is rich and promising and one which is underdeveloped and underemployed. He went on to speak about the need for building one Canada where fairness and equality of opportunity for all would prevail.

The basic principles of that policy were enunciated in the Throne Speech of October, 1986. That speech called for new approaches which would build on the human and natural resources strength of the regions and which would show greater sensitivity to local conditions and opportunities. In a very few words those are the corner-stones of our new directions in regional development policy.

I am pleased to note that the New Democratic Party, in its March, 1987, convention in Montreal seems to have endorsed this approach. It approved a shifting of priority for regional development away from a complete reliance on investment from outside the regions to a more self-reliant approach emphasizing the application of human and physical capital already in less developed regions. I appreciate the NDP support for our policy.

The type of assistance the federal Government provides to assist these aims can take many forms. That is why we provided, for example, $263 million of federal support to Expo 86, for example. That is why as well the Government is providing one-third support to the $50 million Yellowhead Highway upgrading program. Let us talk now about specifics and the instruments we have available to deliver these regional programs.

First, the Government has in place a very effective instrument for economic development in the western provinces in our ERDA agreements which we negotiate with the provincial Governments. The ERDAs allow for agreed approaches to priority areas pertaining to the provinces. Each ERDA outlines a broad development strategy and priorities for action. The agreement forms the framework for the development of specific subsidiary agreements tailored to the needs of each region. Since September, 1984, my Department has committed $308 million under 16 subsidiary agreements with the western provinces, and a further $93 million under agreements that were part of the previous agreement system.

[*Translation*]

In Manitoba for example, Madam Speaker, subsidiary agreements have been concluded with respect to the development of an urban bus transit system, the launching of a tourism initiative, an another project for downtown Winnipeg, as my colleague would know. Similar agreements with Saskatchewan will pave the way for new technological industries and their rapid expansion. By the same token, Madam Speaker, this will promote the tourism industry in the province and boost economic development in northern Saskatchewan.

In addition, last year in Alberta for instance, we signed a few agreements concerning science and technology, native people, economic development, and transport. The Department shares the cost of a number of tourism, farm technology, and northern development subsidiary agreements. In British Columbia, several such agreements are aimed at promoting tourism, industry and small business. Regional and economic development agreements are the key to future growth. But, Madam Speaker, they are not the only program designed to improve western diversification and economic expansion. The main objective of this program is to promote industrial and regional development through private sector projects designed for just such expansion. The industries and new technologies which stand a very good chance of becoming profitable are also included in these projects so that we may be able to guarantee the sustained development of a region while at the same time remaining competitive on international markets.

[*English*]

The program responds specifically to the needs of the small and medium-sized businesses and compliments other federal programs. Since September, 1984, assistance has been authorized of close to $100 million for some 470 projects in western Canada. More than 63 per cent of this assistance as well was authorized for innovation, expansion and modernization projects. Then there is the Western Transportation Industrial Development Program. This program was specifically tailored to the four western provinces to provide assistance for firms in the manufacturing, processing and other related industries so that they might take advantage of opportunities presented by changes in freight rate legislation.

It was under our Government that we expanded the benefit of this program to assist Alberta. Since September, 1984, as well, 161 authorizations have been made under this program representing $29 million in assistance.

Under the Small Businesses Loans Act, since the beginning of 1984, nearly 24,000 business enterprises have been assisted in the western provinces to obtain term loans to a total of about $670 million. These small businesses have access to term loans at better rates for acquisition and modernization of equipment and buildings. They are engaged in manufacturing, wholesale trades, retail, services, construction, transportation

and communication. Also, since 1984 the Federal Business Development Bank has provided term loans to western Canada, as it did to eastern Canada, in response to the question of my colleague, to promote and assist in the establishment and development of fitness enterprises.

• (1630)

The list goes on. The very popular special Agricultural and Rural Development Act program has provided $54 million in assistance for western Canada since September, 1984, primarily to native and native-related initiatives. The Native Economic Development Program has provided another $47 million to native peoples' business initiatives. The Government is fully committed to helping native people in Canada achieve economic self-reliance and will make this program as effective as possible to help realize this objective.

Recently announced improvements to the native program include widening program criteria to enable primary resource businesses to qualify for assistance, broadening program support for community economic development activity, improving program accessibility and delivery, creating new flexibility for individual applicants, and extending the deadlines for applications by one year to March 31, 1989. These are not just statistics, Madam Speaker. These funds are being provided to support dynamic, exciting initiatives.

I have mentioned these federal initiatives because I want to underscore the broad policy and program directions that the Government has set in terms of encouraging the kind of local entrepreneurship that is needed to promote regional self-reliance. The Government will continue to use the traditional tools of development that have worked. There is clearly a need to continue to strengthen the resource base and to ensure as well that the necessary infrastructure for development is in place. This is reflected in the approach the Government has taken with initiatives under the economic and regional development agreements with the provinces.

The Government is also sensitive to the changes which have taken place in the West. For this reason I have agreed to review our programs and ensure that they are regionally sensitive. In the West this will mean focusing on diversifying the resource base that exists. A perfect example would be the recent signing of a Memorandum of Understanding with the Province of British Columbia on the Pacific Centre for Trade, Commerce and Travel. This MOU will allow the two Governments to co-ordinate initiatives to enhance British Columbia's future economic development.

These include encouraging the growth of international banking and other financial services in Vancouver, co-ordinating transportation improvements, enhancing trade-related services and opportunities in those professional and technical services where British Columbians have developed significant expertise. The MOU will also improve the co-ordination of marketing and promotion of British Columbia as a tourist destination. This is only a sample of long-term economic planning which the Government believes in.

Partnership in development is essential if we are to succeed in strengthening the ability of all our regions to meet the challenges and opportunities of the emerging world economy. Aggressive international competition in resource and traditional manufacturing industries represents one such challenge. Rapid growth in services and knowledge-intensive industries represent new opportunities. The development efforts required to enhance the productivity of our traditional wealth-generating industries and to foster these skills and knowledge necessary to capture the new opportunities can only be undertaken in close co-operation with the provinces. Their jurisdictional responsibilities for resource management and many facets of social policy mean that the provinces have a key role to play in the development effort.

I have launched a joint review with my provincial counterparts to determine what direction our future collaborative approach to regional development should take where joint programs exist. Provincial Ministers and I will be looking for realistic and practical ways to engage the Canadian people of all regions in their economic development. I am optimistic about our prospects for arriving at a consensus about what needs to be done and how to develop initiatives that are sensitive to the unique circumstances of each region.

The Government's broad directions have been set. Other initiatives announced in last fall's Throne Speech, specifically the Atlantic Canada Opportunities Agency and western diversification, will also reflect these broad directions. As was stated in the Speech from the Throne, the Government is convinced many positive proposals for new policy initiatives will come from those who live and work in the regions concerned.

Those words sum up my message today, Madam Speaker. This is not a Government which believes in made-in-Ottawa solutions. Ultimately the solutions have to be found in the regions and in the spirit of self-reliance and initiative of the Canadian people.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mrs. Champagne): It is my duty, pursuant to Standing Order 66, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for York East (Mr. Redway)—Environmental affairs—(a) Acid rain. (b) Canadian position; the Hon. Member for Saint-Léonard—Anjou (Mr. Gagliano)—Canada Post Corporation—(a) Linguistic policy—Government position. (b) Manner in which policy is applied; the Hon. Member for Algoma (Mr. Foster)—Railways—(a) Grain freight rates. (b) Request for retention of freeze on freight rates.

GOVERNMENT ORDERS

[*Translation*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S. O. 82—WESTERN CANADA ECONOMIC DEVELOPMENT STRATEGY

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

That this House condemns the government for its lack of a long term economic development strategy for Western Canada that would, among other things,

(1) address the severe hardships being faced by the agricultural sector, especially as it relates to depressed grain prices, which have devasted the farm community;

(2) deal effectively with the problems of the forest industry and in particular, the need to conserve and manage the forest resource for future generations;

(3) come to terms with the need for realistic and pragmatic policies to revive the energy sector, whose decline has created such hardships for average Albertans;

(4) commit the government to pursuing policies that would assist in the economic diversification of the economy and the growth of secondary manufacturing;

and that the lack of such commitments by the government to Western Canada will result in a continuation of the unacceptably high levels of unemployment and economic hardship suffered by the people of Western Canada.

Mr. Gagliano: Madam Speaker, I would like to ask the Minister of Regional Industrial Expansion (Mr. Côté) a question about the speech he made this afternoon in the House, and more specifically about the Small Businesses Loans Act. The Minister praised his Government for its decision to amend the Small Businesses Loans Act. Since the spring of 1985, to be eligible under the Act which before . . . the Government guaranteed 100 per cent of the loan, while today, the Government only guarantees 85 per cent and the banks have to guarantee the difference, in other words, 15 per cent. Of course, there is the 1 per cent to be paid initially, 1 per cent of the total amount of the loan, which is a kind of loan insurance in the event the person or business that applied for the loan is unable to meet payments.

I have no quarrel with the 1 per cent which seems entirely reasonable as a guarantee. However, during the debate on the Bill to amend the Small Businesses Loans Act, I strongly objected to the fact that once the Act was amended, it could not be effective immediately. In fact, we have had feedback from a number of chartered banks who take part in this program and who are not longer interested in giving these loans because they have problems applying the Act as such and the amendment makes it harder because of the 15 per cent, and so some banks have decided not to recommend this kind of loan to their clients. Could the Minister therefore inform the House today what the situation is and whether these reports are true? Does he intend to propose an amendment to make the legislation effective, so that the banks can implement a program that, as we all know, has met with encouraging success in the past?

Mr. Côté (Langelier): Madam Speaker, I thank the Hon. Member for his interest in the matter. It so happens that the various policies of the Federal Development Bank are currently under review, as he knows.

There has been a series of rather exhaustive consultations in that area for a number of months now.

It stands to reason that since it is anxiously trying to equalize those regional disparities, the Government must use the available tools to try and maximize the economic spin-offs and benefits of the policies it is putting in place.

To this date, the Federal Development Bank has been intensively involved in making sure that available programs are provided.

We are sure the FDB's new direction—and I can reassure the Hon. Member on that point—as well as the many changes that will take place not only with respect to regional development initiatives but in co-ordination with them, and the nature of the FDB's new policies will be such as to increase such use of the FDB by small businesses, thereby promoting and helping with regional development.

Mr. Gagliano: A supplementary, Madam Speaker.

The Acting Speaker (Mrs. Champagne): Since several members have risen, I will then have to recognize other members.

The Hon. Member for Yorkton—Melville (Mr. Nystrom).

• (1640)

[*English*]

Mr. Nystrom: I thank the Minister for his remarks. I know that he is a very forthright and frank minister so I will ask him about the Western Diversification Office. The Deputy Prime Minister (Mr. Mazankowski) was not too forthcoming with the House on this question.

I have a list of employees of the Western Diversification Office. It is not my list or an NDP list, it came in a brown envelope that has been circulated around the bureaucracy. I have phone numbers, addresses and positions. As far as I know, all or most of them were employees of the Minister, at least until the end of last week. Will the Minister tell me what his employees are doing?

For example, I know that Mr. Anthony Reynolds is a very important person in the Department of Regional Industrial Expansion in Manitoba. I know that John Blackwood, at least until the end of last week, is a very important person in DRIE in Manitoba. If you call some of these numbers, the response is: "Department of Regional Industrial Expansion". Will the Minister level with the House and tell us about the Western Diversification Office that is in the National Research Council building in Winnipeg on Ellice Avenue? Will he tell us the purpose of that office and describe its objectives? Does it have a budget? Will he tell us what is happening in his own Department?

Mr. Côté (Langelier): Madam Speaker, there is nothing going on. As a matter of fact, the Member knows that we have an office in Winnipeg. Officials there are trying to do their best. Some of them work on different initiatives. I have more than 2,500 people in different offices all over Canada. I do not know what each of them is doing on a daily basis.

In order to develop a western diversification policy, or make changes, some people may, at certain times, devote time to prepare some documentation for the Department on that aspect. I would not say that there is a Western Diversification Office, *per se*.

Mrs. Collins: Madam Speaker, I was very pleased to hear the Minister say that there cannot be made-in-Ottawa solutions to meet the needs of the western economy. I fully agree with that.

One very interesting example is the Memorandum of Understanding which the Minister signed with his provincial counterpart, the Honourable Grace McCarthy.

The Acting Speaker (Mrs. Champagne): Order. It is very difficult for the Chair to hear what the Hon. Member for Capilano (Mrs. Collins) is saying. I am sure the Minister is having the same problem. I imagine he would like to hear what the member is saying, if he is expected to answer. The Member for Capilano has the floor, hoping that her colleagues will give her the courtesy of listening.

Mrs. Collins: Madam Speaker, I am sure my colleagues will want to hear this. The Memorandum of Understanding designates British Columbia as a Pacific Centre for Trade, Commerce and Travel. I hope to have an opportunity to speak about this at greater length today, if time permits. It will provide the private sector with that opportunity to co-operate with the federal and provincial Governments.

There is great enthusiasm. Some ideas that are already being explored include the devolution of the Vancouver Airport, the development of the international banking centre, and the emphasis in the tourism area.

My question concerns tourism. In 1986, $2.9 billion came into British Columbia through the tourism industry, which is the second largest industry in the province. The Cruise ship terminal at Vancouver Place, to which the federal Government provided $26 million, accommodated 350,000 visitors last year. There is much potential there as well.

A number of us who have studied the current tourism sub-agreement between the federal and provincial Governments and the potential for growth in the tourism industry in British Columbia see the need for perhaps a greater emphasis on some areas of the province which have not yet been designated as major destination points. With some assistance they could become those major destination points. Perhaps the emphasis should be more on helping to develop the infrastructure and letting the private sector bring in the capital, whether it is offshore or within Canada, to build the facilities. My colleague, the Hon. Member for Victoria (Mr. McKinnon), is interested in the Sydney breakwater and other colleagues are interested in other infrastructure capabilities.

Is the Minister prepared to discuss this with his provincial colleagues so that we can develop the tourism potential in British Columbia to the greatest possible extent? It is indeed western diversification.

[*Translation*]

Mr. Côté (Langelier): Madam Speaker, it would seem important to me to emphasize first of all that 1986 has been a somewhat exceptional year for the tourist industry in Canada. This is due to a large extent to Expo '86 in beautiful British Columbia, and I know that my honourable friend has been particularly involved in the various activities which took place in that part of the country.

Madam Speaker, the House is aware of the great impact the tourist industry has on our economy. The tourist industry generates a little over $20 billion and is responsible for the creation of over 675,000 jobs. It is clear, therefore, when considering the possibility of setting up or extending tourism agreements with some provinces, to consider certain facts. Madam Speaker, I would be pleased to discuss with my provincial counterparts new initiatives and opportunities which could be taken both by the federal and provincial Governments, to enhance the tourist industry in some areas of this country where it generates such vital economic renewal.

• (1650)

[*English*]

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Madam Speaker, the motion before us today asks the House to condemn the Government for its lack of a long-term economic development strategy for western Canada that would, among other things, address the problems of agriculture, forestry, energy and economic diversification in the West. The motion goes on to state that the lack of such commitments by the Government will result in unacceptably high levels of unemployment. It is in that respect that I am participating in this debate as the employment critic for the Official Opposition. I ask the House to look more closely at the unemployment figures for western Canada and, in particular, the figures for Alberta and British Columbia.

In January, 1987, the last date for which I have the figure for Alberta, although I guess there is one out for February, the unemployment rate was 10.8 per cent. That is the highest monthly figure for unemployment in Alberta since January, 1985. I remind the House that we are a full three years out of the recession of 1982 and 1983. Coming out of that recession the Province of Alberta reached a low rate of unemployment in February of 1986 of 8.4 per cent. However, since that time the unemployment rate has continually increased until it is now at 10.8 per cent, and there is no sign of it declining.

We have heard some harsh remarks from members opposite with respect to the record of Liberal Governments, the National Energy Program and so on. Let us look at the

unemployment rates for Alberta under Liberal Governments and, in part, under the National Energy Program. In the period 1975 to 1980, the rate of unemployment was 4.15 per cent, with a low rate of 3.7 per cent in 1980. Even in 1981, the rate was 3.8 per cent. I remind Hon. Members that the National Energy Program was brought in in 1980. In 1982, the unemployment rate was 7.7 per cent. Of course in 1983, with the recession, the rate increased to 10.8 per cent. But it increased in all provinces at that time. Not only did it increase in all provinces, it increased throughout the western world.

I am amused when members of the Government compare the national rate of unemployment, which is now 9.6 per cent, with the highest rate during the recession, which was a little over 11 per cent, instead of comparing it with the average rate during the 1960s and the 1970s. Under Liberal Governments from 1965 to 1980 the average rate of unemployment in all of Canada was 5.6 per cent. In 1981, the year before the recession, the rate was 7.5 per cent. It then leapt up in 1982 and 1983. However, we are now three years out of the recession and the rate is still 10.8 per cent in Alberta. In January the unemployment rate in British Columbia was 13.6 per cent. In February it was 13.3 per cent. Again, the rate declined to 12 per cent in mid-1986 coming out of the recession as Expo was being constructed in Vancouver. Even that was not a good rate considering that at that time we were supposed to be out of the recession.

Where are the jobs that the Government promised to create? They are principally in the Province of Ontario, more particularly in the southern part of Ontario. I now read from a report in *The Globe and Mail* for February 28 which states:

> Despite the federal Government's assurances that economic renewal is working for all Canadians, more than 95 per cent of the additional jobs created last year were located in one province—Ontario.
>
> Between January, 1986, and January of this year, the total number of jobs in the country rose by 137,000, according to unadjusted figures. But only 5,000 of those jobs were created outside Ontario.

This points to very grave problems in terms of regional disparity and grave problems in western Canada. It also points to the fact that not much effort has been made on the part of the Government to do anything about it.

In case Hon. Members might think that what I am saying is simply opposition rhetoric or negativity, let me quote what Albertans have been saying. The Premier of Alberta, which has a Conservative Government, has been hustling with the federal Government here in Ottawa, which is also a Conservative Government, for months now to do something about the depressed resource, agricultural and energy prices in the province and to help the industry. An article in *The Toronto Star* in this vein states:

> The premier said he warned Prime Minister Brian Mulroney and Deputy Prime Minister Don Mazankowski during recent trade talks that time is running out for the financially-strapped industry, which has been hard hit by low world oil prices.

I now refer to an article in the *Calgary Herald* of February 27 under the headline "Albertans worried about jobs" which states:

> Unemployment and the poor state of the economy are the major concerns of Albertans still in shock after a year of low oil prices and a continuing agriculture slump, according to an Angus Reid poll commissioned by the Herald.

I have many other quotations from people in Alberta, people who are not Liberals and who are non-political but who are critical of the attitude taken by the Government as a result of the situation in that province. It is resulting in serious matters for the Unemployment Insurance Commission and for welfare spending in Alberta. An article from *The Edmonton Journal* of February 27 states that there has been a 22 per cent increase in welfare cases which has forced the Alberta Cabinet to approve $35 million in social allowance payments for the beleaguered social services department.

The situation is even worse in British Columbia where there is over 13 per cent unemployment. While this is the situation in the Provinces of Alberta and British Columbia, and also in eastern Canada, the only place where we really have full employment, or something approaching it, is in the Golden Horseshoe around Toronto and southern Ontario. What is the attitude of the Government while this is happening?

Let us look at what it has been doing with its budgets with respect to job creation and job training. In 1984-85, the budget for job creation and training was $2.2 billion. It has been steadily reduced under the Conservative Government each year since it took office to the extent that this year it is $1.7 billion. On the one hand we have concern expressed in speeches and in rhetoric by the Government that it is taking these matters seriously, while on the other hand it is reducing the moneys for training and retraining. Training is required for the diversification of the economy in the West. If someone has been in one type of work for years and years and has to go into a more diversified economy then one needs retraining. The Government is seriously cutting back the moneys available for such training. As I just pointed out, it is cutting back from $2.2 billion which it allotted in 1984-85 to $1.7 billion in 1987-88.

We just heard the Minister of Regional Industrial Expansion (Mr. Côté) put before the House a number of projects that the Government is funding in western Canada. Well and good, but not enough. When are we going to return to those low rates of unemployment we experienced in the period to which I referred, from 1965 to 1980, an average of 5.6 per cent? In the envelope of the Government for spending in the area of economic and regional development, it has reduced the Budget by $3.3 billion or 25 per cent in the period from 1984 to 1987. That is a serious cut in moneys available to create infrastructure and to help develop the economies in those parts of the country where it is essential that something be done.

• (1700)

I am ready to admit as a Liberal that the acceptance of the Liberal Party in western Canada was not as good as we would have liked in recent years. There were years when it was better.

Mr. Kilgour: That is a concession.

Mr. Allmand: Well, it is a concession. I admit it. In this respect, I give credit to the Conservative Party which did not have any seats in Quebec save one before the last election. It tried hard to develop new policies and it won a certain amount of support in Quebec. However, the Liberal Party in western Canada, I can recall in the 1950s, 1960s and even in the 1970s, did have a good base of support. I want to tell westerners that we are now searching for new approaches and new policies which will help and better serve western Canada. We were pleased to have at our national policy convention in November here in Ottawa large delegations from the Provinces of British Columbia, Alberta, Saskatchewan and Manitoba, because we do not in our small caucus have an opportunity to talk with westerners except for those in the Senate, and we adopted policies which I think will serve western Canada well.

Mr. Kilgour: What about an elected Senate?

Mr. Allmand: There were two resolutions for an elected Senate with equal representation from each province, one put forward by the Liberal Association of New Brunswick and another by the Liberal Party in Manitoba. Both those resolutions carried by wide margins in the Liberal Party. Let me say that in the last Parliament, before the election of 1984, we had a special joint committee of the House and the Senate to discuss and study Senate reform. I appeared before that committee and recommended an elected Senate with equal representation in all provinces. I did that as a representative from Quebec. I have come to realize, having been here for 22 years, that we will never have federal institutions which do justice to the regions of Canada which are less populated unless we have a Senate which is elected and which counterbalances the "rep by pop" principle in the House of Commons.

I think westerners realize that, unfortunately, they will continue to be short-changed as long as we have a federal legislative system where the overwhelming bulk of votes in this House are in the Provinces of Ontario and Quebec. If one Party gets together and gets those votes in Ontario and Quebec, it controls the country. The only way to counterbalance that sort of situation is to have an elected Senate as there is in the United States with an equal number of seats from each province so that we then counterbalance the strong populations in Ontario and Quebec with an upper house which is effective and can really represent the people in those provinces. I am committed to that kind of policy. We will then have policies coming out of the central Government which will more truly reflect and help all the regions of this country.

There were just two of the resolutions which were carried by the Liberal Party which were directed to the needs of the West. There were others dealing with full employment policies and with policies related to a western industrial strategy. A resolution was introduced by the Saskatchewan Liberal Association to the effect that we establish a western industrial strategy to develop secondary industries, particularly those related to the resource and agricultural industries, and to develop and support infrastructures to that end. There is more detail to it, but resolutions along those lines were also passed in the areas of energy, agriculture and other economic matters of interest to the West.

This motion states that the Government should be condemned for its lack of policy for the West, and I fully support that condemnation. The policy of the Government has been one of *laissez-faire*, if we let the private sector do it, the job will get done. The job is not getting done. The rate of unemployment is going up in Alberta and in British Columbia. It is still quite low in Saskatchewan and Manitoba, but both provinces have had a decline in their labour market which accounts for their continuing low rate. There has been a migration over the years from those two provinces but not to the same extent from Alberta and British Columbia. A policy of *laissez-faire*, let the private sector do it, will not work in Canada. It has never worked in Canada. What we require is a sound partnership with the private sector between Governments at all levels. I do not go to the extent of the New Democratic Party which would like to see a dominant role played by the Government. We have seen in this country under Liberal Governments over the years sound partnerships between the federal Government and provincial Governments with the private sector. Our country is so vast, with sparse population in many places and many regional problems, but when that partnership came together we had, as I pointed out, low rates of unemployment, high rates of growth and economic justice for Canadians in all parts of the country.

I support this motion. I believe that more can be done. I believe that instead of budgets being cut in the Department of Employment and Immigration, there should be an increase at this time, especially in those provinces where there are increasing rates of unemployment. Instead of cuts in the Department of Regional Industrial Expansion there should be increases. Some of the things mentioned by the Minister are good things, but that is not enough. More has to be done. We need more political will, more commitment from the Government, if those problems are going to be solved in the West as well as in the East.

Mr. Kilgour: Madam Speaker, the member doth protest too much, I think. He is now for an elected Senate. When was he converted to an elected Senate? When were the 70-odd Liberal—and I underline the word "odd"—Senators converted to an elected Senate? How are we ever going to get a Bill through that other place to bring in an elected Senate? The Hon. Member and I know that those people who are appointed to life, answerable to no one, accountable to no one, would block such a measure. Until he can rise in this House and tell us that the Liberal Senators have had a change of heart, I submit his position, although sincere, is not one which is reflected by his Party.

In fact, the elected members of the caucus cannot even elect a chairman of their caucus. It is those people in the Upper house who elect the chairman of their caucus. The vote was 70 votes for the Hon. Member for Saint-Denis (Mr.

Prud'homme) against 38 elected member votes from the House of Commons. What kind of Party is that? Has there been a repentance or is it just the Hon. Member who is with us today, and I point out he is the only one in the House today, who is converted to some of these causes?

Mr. Allmand: Madam Speaker, I will deal with the last point first. I do not know how the Hon. Member for Edmonton—Strathcona (Mr. Kilgour) knows the results of the vote for the chairman of our caucus when I did not even know it myself. I guess he read it in some newspaper. It is news to me that the chairman of our caucus was elected by that margin. The results were never revealed to us.

The Hon. Member asked when I became converted to an elected Senate. I have been in favour of an elected Senate since my days in law school. He asks me when our Party became committed. I want to tell him that our Leader and several other leading members of our front bench have been speaking across the country in favour of an elected Senate.

• (1710)

I would agree with him that we did not always have that position. We did not have that position in the last Parliament. However, I wonder when the entire Conservative Party became committed to an elected Senate. I have the impression that many of us sitting in the House here in Ottawa have seen the light in recent years. We have seen institutions at the federal level not really working for the remote regions of the country. Many of us have finally come to the realization that if we want a federal system which works for all parts of the country, we need institutions that better serve all those regions. If we just have a lower House controlled by Ontario and Quebec, we will never have institutions which are credible in the west or in the Atlantic provinces.

That is the position of our Party and our caucus. What certain Members of the Senate might or might not do, I do not know. However, if there is a common will in the House among members of his Party, my Party, and the NDP in this regard, let us get it done. I can tell him that I will support it. I am on record. Many other people will support it. It is fundamental for justice in the west and justice in the east. No matter what might be said in Ontario and Quebec—and it means a loss of power by them in a certain sense—if we are to have a united country, this must be done.

Mr. Nystrom: Madam Speaker, I appreciate the sentiments of the Hon. Member for Notre-Dame-de-Grâce—Lachine East (Mr. Allmand). Speaking strictly on behalf of myself, I think we must look at a change in the system where we have representation by population on one side and representation by regions on the other side, so that there is a balance and small provinces are not discriminated against.

Mr. Beatty: Since when is the NDP in favour of the Senate?

Mr. Nystrom: I just finished saying that I was speaking on behalf of myself and no one else. We must move in that kind of direction.

We must also move in the direction where the provinces have some input over central institutions such as the Supreme Court. The Supreme Court is appointed by the federal Government, and it has to adjudicate or referee between the provinces and the federal Government. Once again I think we need some kind of input from the regions of the country. I would certainly support going in that direction. I will not be a Senator, anyway, so it does not matter much. I will leave that for my friend from Assiniboia.

I have a question for the Hon. Member. What changes are there in Liberal policy which will be attractive to western Canada? We have seen the Liberals almost become an extinct species in western Canada. Of course the Conservative Party is now fitting into that category as it used to be when John Diefenbaker was a lone Member from the Prairies. He said that they were so few and far between that they could hold caucus meetings in a telephone booth. I notice Mr. Getty is talking about separating the Alberta Conservative Party away from the federal Party because the federal Party is so unpopular.

I also noticed today that despite the efforts of the Hon. Member for Edmonton—Strathcona (Mr. Kilgour), the PCs are running third in the City of Edmonton. That is an incredible fall in two months. It is probably unprecedented in North American history to have a Party fall so far and so fast. In any event, it is now the third Party.

I ask the Hon. Member what changes there are in Liberal policy, since the two of us will be fighting for government in the next election campaign, which will make that Party more attractive to western Canada? I do not think the Liberals have changed at all.

Mr. Allmand: Madam Speaker, I started to refer to the resolutions passed at our convention, but I did not want to take up the time of the House by reading them in detail into the record. I would like to do that some day. I think it would be very interesting, if I had the opportunity to read them into the record. However, in that I only have a few minutes at this point and that I only had 20 minutes earlier, I did not do so. I would be glad to do it on another occasion.

There are very detailed resolutions on western industrial strategies and a full employment policy, which is much better than the one drafted at the NDP convention because I drafted it myself. There is also a resolution regarding the oil and gas sector.

I might say that these policies have come out of the western provinces. Two very key ones which are not new policies—and I think my hon. friend would agree with me—are policies which existed in the area of regional economic expansion in the past. I referred to the cuts to the budget of that Department. If it were restored, something could be done.

I just answered questions about our change in policy in respect of the Senate and so on. There is a lot for western voters to consider. They seem to be giving us a new and better look since the election of 1984.

Mr. Beatty: Madam Speaker, it has been so long since I have had an opportunity to question my hon. friend that I could not miss it. In view of his glowing comments with regard to the Liberal policy meeting in November, has the Hon. Member forgotten his letter to the editor, published in *The Gazette* on December 17, 1986, in which he referred to the same resolutions in the following way:

> Some were passed unanimously and others by a narrow margin. Some were detailed and others general, some were clear and others vague, some were complimentary while others contradictory, and finally, some issues were not dealt with at all. More significantly, many of these resolutions were carried without information on their financial implications.

Has he forgotten that letter to the editor which he wrote?

Mr. Allmand: Madam Speaker, no, I have not. I wish the Hon. Member would read the whole letter. I would like to read it into the record. He is quite correct, because the letter was written in response to an editorial and some comment that all the nearly 200 resolutions should be implemented holus-bolus, without any further work being done on them. I wrote that letter, and what he quoted was quite correct, but there was much more which he did not quote. I would have no hesitancy if the Hon. Minister were to read the entire letter into the record, because I still support what it says.

In effect, it says that more work must be done to fine tune and to bring the resolutions to fruition. On the ones about which I was asked, since the convention we have had many opportunities to talk about an elected Senate. Our Leader and other members have spoken about it. On that one there does not seem to be any difference or any falling back.

Mr. Beatty: Madam Speaker, it is funny that the Hon. Member should ask me to read more. I would be delighted to do so, particularly the following two paragraphs:

> Secondly, while nothing explicit is written down, it has been the tradition that where Liberals, through resolutions, have spoken strongly and clearly in convention, then those resolutions should be the official policy of the party.
>
> However, if conditions or the context should change, then the leader has the right to suspend, delay, or even reject such resolutions. But if he does so, he has the obligation to justify his decision to the party and its members at the first available opportunity. If he fails to do so, then his support by the party could be in jeopardy.

In view of the fact that my hon. friend's Leader has specifically repudiated the position taken by the Liberal Party in convention with regard to the ending of the testing of Cruise missiles in Canada, is it his view that that was adequately justified by his Leader or, in his words, is his support by the Party in jeopardy?

Mr. Allmand: Madam Speaker, of course that particular issue is not relevant to the debate. However, let me tell him that he has distorted the Leader's position. As he knows, while I differed from my Leader on that particular day, the difference between us was not that much. My Leader was willing to vote for a resolution to end Cruise missile testing within the NATO context. I did not vote against that amendment, but I voted for the NDP resolution because I thought it was right.

However, I do not think that the difference between my Leader and I on that issue is that deep, and I think he will see on that issue, as on many other issues, that we will come united into the election. I hope the Hon. Minister will give attention to that, because he is going to be in a lot of trouble.

Mr. Geoff Wilson (Swift Current—Maple Creek): Madam Speaker, I welcome the opportunity to speak to the motion of the Hon. Member for Yorkton—Melville (Mr. Nystrom), a member whose provincial ridings are now fully represented by provincial Progressive Conservative members.

Mr. Nystrom: That is the biggest assistance I have.

Mr. Wilson (Swift Current—Maple Creek): It is for sure that he will need some. It is interesting to note that we come from a perspective in western Canada where for years and years we went without any federal representation. All we had in the federal Cabinet were a couple of broken-down Senators who were wandering around the countryside shrugging off responsibility for decisions of the previous Government, occasionally accepting whatever gratitude there was for some lucky international incident that might have resulted in something good for the west. But by and large, there was no representation whatever. I am happy to note now that western Canada is fully represented in a national Cabinet by some 58 Members of Parliament, 10 Ministers, among them the Deputy Prime Minister (Mr. Mazankowski), the Secretary of State for External Affairs (Mr. Clark), the Minister for International Trade (Miss Carney) and a number of others. I am heartened by that because it is fairly evident that a considerable response is being made to western Canada, the likes of which has not been seen in our history.

• (1720)

Mr. Keeper: We agree with that.

Mr. Wilson (Swift Current—Maple Creek): In dealing with this motion, it is important to do so from the perspective that we in western Canada will never be the manufacturing, the industrial centre of Canada, nor for that matter the population centre. We should not approach it from that point of view because there will not be the fundamental changes suddenly making us a country of 100 million people. What is important are the steps that have been taken in western Canada by the Government to strengthen and to diversify what we have.

I would like to speak to this motion from the perspective of the agricultural sector as a representative of a prairie riding which is largely dependent upon the growing of wheat. Contrary to what is stated in the motion, the Government has acted and continues to act in support of the important sector of agriculture. The member who proposed this motion should be

well aware of our Government's high priority commitment to agriculture. That, of course, includes a commitment to the grain farmers in western Canada. Agriculture matters to each and every Canadian. Our grain industry means jobs, exports and the very survival of a great many rural communities in western Canada. The federal Government's many policies and programs are proof of our commitment to a strong agricultural industry in western Canada. We are addressing the hardships currently threatening many of our western grain farmers.

I would like to repeat what the Minister of Agriculture (Mr. Wise) said in a debate here last week, "That this Government will stack its record in agriculture, including programs that benefit western farmers, against the record of any previous Government". I challenge anyone to take an objective look at the record and to make the comparison. The initiatives and the dollars tell the story.

To begin with, it would be worthwhile for all Members of this House to examine the roots of the problems facing farmers in western Canada. The problems are not simple, nor are the solutions. First, we have to acknowledge that over the past couple of decades farmers have made great advances by applying new technologies. Our grain farmers have become more efficient and more productive. Those are positive developments, but they have implications. We should consider also that many farmers in western Canada are carrying debt-loads many times what they were carrying 15 years ago. Some of that was, I think, government induced. We had the business investment tax credit, an ill-advised Liberal initiative, which encouraged many farmers to overinvest in expensive farm machinery and equipment and to go into debt for it. We had high-priced land, and I hate to say that in the Province of Saskatchewan the stimulus and impetus for some of that was the Land Bank Program of the New Democratic Party's provincial Government of the day, a Government which used young farmers own tax money to enter in bidding wars over the value of land, a most unfortunate circumstance.

Mr. Althouse: It was lower than the markets.

Mr. Wilson (Swift Current—Maple Creek): Much of the increase occurred in the 1970s when farmers borrowed heavily for equipment and farmlands to expand their operations. Those expansions left many farmers in western Canada with high-debt costs and monthly payments that are very hard to meet.

The high interest rates of the early 1980s continue to haunt many farmers who are still trying to recover. In addition, the value of farmland has fallen in western Canada, eroding equity, and making it difficult for farmers to borrow operating capital. All of these factors are influencing farm incomes. Obviously, no single program can address the wide range of problems. The international market-place is also a major influence, probably the most significant influence of all on our western grain farmers. Some traditional customers for our grain exports have become net exporters themselves. Surpluses have built up around the world. Some countries are trying to get rid of their surpluses by offering huge export subsidies. The European Economic Community and the United States are the most notable examples. This subsidy war has driven world prices way down. Our grain farmers in western Canada are among the unfortunate victims of this trade war.

The federal Government recognizes that these international influences must be dealt with at the international level. We are doing that vigorously, forcefully and on a priority basis. I would be remiss if I did not comment on the efforts of the Minister of State for the Canadian Wheat Board (Mr. Mayer) who has been instrumental in getting together representatives of the grain exporting countries with a view to trying to bring back some measure of sanity into the international wheat market-place.

It is interesting to note that the Secretary of State for External Affairs and the Minister for International Trade succeeded in having agriculture included for the first time as a priority item in the forthcoming Uruguay round of GATT talks. The Government knows that solutions to the international problems will not happen overnight. We also know that the problems facing farmers in western Canada are the result of many different influences. That is why we must approach the solutions, not from one but from many angles, and that is exactly what we are doing.

Our Government has delivered an historic special grains program, a program that no other Government has ever matched. It is a program that demonstrates clearly the Government's understanding of the problems facing the nation's grain farmers. The Special Canadian Grains Program is putting $1 billion in cash directly into the pockets of about 200,000 grain and oil seed farmers this year. The share of this program accruing to producers within my Province of Saskatchewan is in excess of $400 million. The net farm income in Saskatchewan this year was projected to be possibly $400 million. With one stroke of the pen our Government has managed to double the net farm income in the Province of Saskatchewan this year. I am disappointed that there are those representing western Canada who would have the temerity in the face of that to suggest that our Government has not addressed agricultural hardship.

The special grains program is specifically designed to help cushion the drop in grain prices caused by the massive export subsidies in the European Economic Community and the United States. The Government worked with farm leaders and organizations, including the prairie pools and some 30 others to put together a fair and equitable program for distributing the $1 billion among grain producers. I would like to point out that about 84 per cent of this $1 billion will be going to grain farmers in western Canada. In fact, about 140,000 cheques worth one-quarter of a billion dollars were mailed to eligible Canadian Wheat Board permit holders in January and February. We expect that about $600 million of the remaining $700 million to be paid out under the Special Canadian Grains Program will go to farmers in western Canada. It is largely because of this special program that payments made to

western grain farmers under federal programs in 1987 will far exceed any previous level at any time in this country's history.

The Special Canadian Grains Program, Madam Speaker, is not the only initiative that the Government has directed toward western agriculture. We have the Federal-Provincial Crop Insurance Program, 50 per cent of which is contributed by the federal Government and 50 per cent by the producers, with the cost of administration contributed by the participating provinces. This program has seen improved levels of coverage at no additional cost to the producer.

The Government also participates in the Western Grain Stabilization Fund making contributions of $2 for every $1 contributed by the western grain farmer. The Government has responded to representations from western grain farmers and delivered amendments to the Western Grain Stabilization Act in order to ensure that timely interim payments be made each spring. Under the western grain stabilization program, over $500 million was paid out in 1985, some $859 million last year and payments for the 1987 year will likely set a record. Western grain farmers can obviously expect a large interim payment again this year and very soon.

• (1730)

The Government also delivered two new lending programs to the Farm Credit Corporation, programs which are giving farmers more financial flexibility at a time when they really need it. Today, loans under the commodity-based loan program and the shared-risk programs total more than $300 million.

The Government amended the Prairie Grain Advance Payments Act to double the level of cash advances and also to eliminate the irritant of having a landlord's signature required for a tenant to be able to secure advances. We delivered farm debt review boards which are helping farmers in western Canada to negotiate arrangements with their creditors, arrangements that will keep them on the land. So far, well over half of the arrangements that have been negotiated should result in keeping viable farms in operation.

We have also acted to reduce effectively farm input costs. Last year, the Farm Fuel Tax Rebate Program reduced input costs for farmers by some $70 million. In this year's federal Budget, the rebate program was expanded to cushion farmers fully against the one-cent per litre tax increase on gas and diesel fuel. These rebates now total in excess of eight cents a litre or some 35 cents a gallon.

The $80 million interest rate reduction program continues to hold down interest costs for more than 5,000 farmers with Farm Credit Corporation loans. This five-year program is helping farmers who were caught by high interest rates in the early 1980s before we came into office and brought those rates down. Our economic policies have caused interest rates to drop by more than 4 percentage points so far. Every one point decline represents a saving to the farm community of between $100 million and $200 million. There is approximately $25 billion in farm debt outstanding, and it is easy to extrapolate from that just how important each 1 per cent reduction in interest rates really is.

Federal Government spending to benefit the grain farmers of western Canada and farmers in other parts of Canada as well is higher than it has ever been before. This year, the level will be much higher than last year's record level. Some of this assistance obviously comes from programs to which farmers contribute, programs on which I have touched already, but the bulk of it, particularly this year, represents federal funds. That is over and above spending on important and ongoing programs that serve the farm community such as research, technology, inspection, grading and trade development. The level of direct payments to farmers is high and will no doubt remain high until market prices recover. We know, however, that this investment in agriculture is a worth-while investment on behalf of all Canadians.

There can be absolutely no doubt about the Government's commitment to western grain farmers and indeed to farmers all across Canada. We have delivered and we will continue to deliver. The Minister of Agriculture and the Minister responsible for the Canadian Wheat Board are continuing to meet with their provincial counterparts and with farm leaders to plan new measures that will benefit western grain farmers in the future. Agriculture continues to be a key element of the Government's agenda for economic renewal. The Minister of Finance (Mr. Wilson) tabled a progress report on the agenda along with his February Budget, spelling out the Government's commitment to having the Minister of Agriculture and the Minister responsible for the Canadian Wheat Board continue to meet with farm organizations and the provinces on a priority basis.

The Government's objective is to find new ways to ensure that the Canadian grain industry remains a competitive force in world markets. In fact, the Minister of Agriculture and the Minister responsible for the Canadian Wheat Board met with farm leaders on March 5 to begin planning actions to assist grain farmers in the coming crop year. Obviously it is still too soon to come to any definitive conclusions about what help will be needed or how it should be delivered, but it is clear, and farm leaders have agreed, that grain farmers should not expand or shift production on the expectation of the special payment based on this year's acreage or production. Any new assistance measures will be production and market neutral.

The Minister of Agriculture will be meeting with his provincial counterparts next week on March 30 and with farm leaders again in May or June. Western grain farmers and other farmers from coast to coast recognize that the Government regards agriculture as a top priority. They appreciate the fact that we intend to include the farm community in the planning of future actions.

The Government's record speaks for itself. It is unequalled. We take a back seat to no one in actions on behalf of western grain farmers. While others may talk, we have taken strong, concrete and significant action. Just as we have taken action in

the past, we will continue to take action in the future, in good faith and on behalf of western Canada's farmers.

It is unfortunate that the motion has been put forward in such a negative fashion. It is a pity that it is always the dark side and the gloom and doom that seems to be coming from the benches of the NDP. In fact, there is a lot of hope out there and promise for the future. There are good things happening and I want to refer to some recent figures which indicate, for example, that employment in Canada has increased between September, 1984, and February, 1987, by 719,000. That means that 719,000 more people are working today than just two and a half years ago. The bank rate is now at 7.14 per cent. That is more than five points lower than it was in September, 1984. The prime rate is down four and one-quarter points.

It is pretty clear that the greatest gift any Government can give to Canadians, whether in farm communities, in western Canada or in any walk of life anywhere in the country, is lower interest rates. It is pretty clear that the policies of the Government over-all have led to a very, very substantial drop in interest rates, and I think it is evident that the additional investment and jobs flowing from it have been forthcoming.

I was amazed at the remarks of the previous speaker who seemed to indicate that it was the job of Government to create jobs. I would categorically reject that proposition and suggest that it is the job of Government instead to create the conditions and the environment in which small business can flourish, in which entrepreneurs can invest capital with some reasonable hope of success without being weighed down by undue interest rates. Certainly it is through the small business sector that jobs are being created. They are being created because of the policies of the Government regarding small business in western Canada and everywhere else and because of the life-time capital gains tax exemption which gives some hope for small business people to be able in fact to realize their equity out of their businesses after lifetimes of hard work.

In answer to my hon. friend's motion, I would suggest that he should ask Canadians where they would prefer to be. Would they prefer to be in Canada or would they prefer to be in some other country? Perhaps we should look at the flip side of that and ask why it is that people from virtually every nation on the face of the earth are trying by the thousands to get into Canada by any means possible. They are prepared to leave behind everything they have in order to get into Canada. In conclusion, I want to say that I am glad to be a Canadian, I am glad to be a western Canadian, and I am glad to be a western Canadian under this Government.

Mr. Prud'homme: Madam Speaker, I rise on a point of order. This afternoon, I had the honour of participating in the Forum of Young Canadians. It was brought to my attention that during today's debate, the Hon. Member for Edmonton—Strathcona (Mr. Kilgour), in his usual way, induced the House in error. I would like to reserve my right to present a question of privilege if I see fit to do so. When I read the text of exactly what he said about my chairmanship of the Liberal caucus, I may wish to raise a question of privilege. I found his comment totally unacceptable and totally erroneous.

[*Translation*]

Again, the Hon. Member has shown that his passion for some issues has caused him to mislead the House, and I reserve the right to raise a question of privilege if I see fit to do so. However I wanted to give you advanced notice right away.

The Acting Speaker (Mrs. Champagne): The Chair accepts the notice given by the Hon. Member for Saint-Denis (Mr. Prud'homme) and will entertain it later on if and when he sees fit to formally raise a question of privilege.

Mr. Prud'homme: Thank you, Madam Speaker.

The Acting Speaker (Mrs. Champagne): Questions and comments. Debate. The Hon. Member for Humboldt—Lake Centre (Mr. Althouse).

• (1740)

[*English*]

Mr. Althouse: Madam Speaker, I would like to congratulate the Hon. Member for Swift Current—Maple Creek (Mr. Wilson) on an excellent speech. He ended by talking about a lot of people who wanted to get into our country and the feeling of hope scattered among Canadians. Since he raised the issue of people waiting to get in, and since he also spoke about the Western Grain Stabilization Act and the pay-out to be made this year, and since he is probably aware that about 22 per cent of western producers are not covered by the Act, would he tell us if there are any plans to provide another open door for those people to come in? With this coming payment the fund will be in deficit. Grain producers in eastern Canada have their grain production costs covered by the Agriculture Stabilization Act which requires no payment of premium and no previous sign-up. It requires simply the production of grain to make them eligible for a pay-out from the federal Treasury. I wonder if he has addressed this in his own caucus and if there is going to be some hope for the 22 per cent who were not originally in the program and could not get in because there were very few open windows for them.

Mr. Wilson (Swift Current—Maple Creek): Madam Speaker, I welcome the opportunity to respond to the Hon. Member's concerns. That is an interesting point which I have canvassed with many of my own constituents during my travels, particularly during the summer tour I embark upon each year in an attempt to come face to face with as many agricultural producers as possible. I certainly hear expressions of mixed feelings from them. Those who are in are quite adamant that there ought not to be some form of easy entry for those who are not. There are, as the Hon. Member knows, mechanisms for entry available to those people. As to whether there should be a quickening of the pace at this point in time or some changing of the circumstances, I must say that I have not found any consensus on that from producers in my region.

However, I know the Hon. Member is a member of the Standing Committee on Agriculture and I urge him to raise the matter there to see what sort of response is forthcoming.

Mr. Foster: Madam Speaker, I was interested in the Hon. Member's comments. I wonder if he can tell us if he believes that we should try to provide assistance in order to maintain the return to farmers at the 1986-87 level for the new crop year which starts August 1, 1987. Does he feel as well that the Government should maintain the freeze on freight rates? The Senior Grain Transportation Agency has recommended that it increase from about $6 a tonne to about $9 a tonne. Does he support that in view of the 20 per cent reduction in grain prices forecast by the Minister of Agriculture (Mr. Wise) and representatives of the Advisory Committee of the Canadian Wheat Board? Can the Hon. Member give us his views on those topics?

Mr. Wilson (Swift Current—Maple Creek): Madam Speaker, the Hon. Member raises two points. The first bears on the matter of support levels for farmers in the forthcoming crop year. The Minister of Agriculture has already indicated, in response to questions in this House and elsewhere, that farmers ought not to plan production based on the criteria everyone used in this special grains program. He also indicated, and I am sure the Hon. Member knows this, that there are ongoing consultations between the Minister and the Minister responsible for the Canadian Wheat Board, as well as with representatives of many farm organizations, with a view to assessing the situation and determining the appropriate response for the forthcoming year. I am sure that in doing that they will make reference to the international prices and the sort of export activity, subsidies elsewhere, and the pressures bearing on the farm community. The Hon. Member can rest assured that this Government will continue to make a generous and understanding response to the problems facing farmers, especially the hard hit grain farmers.

As to whether the form of assistance could be along the lines he posed in his question, that is some sort of a guaranteed price equivalent to what it was during the past crop year or some other level, I believe that remains to be seen. It is clear that there are those who would criticize that approach by saying that it might encourage a shifting into wheat, for example, as a result of an artificially high price. I am sure there are those in the farm community who would say that this is not the way to go. We ought not to be encouraging that at this time, rather, we ought to be encouraging the farmers with programs which address input costs and interest rates. Clearly there are literally hundreds and hundreds of proposals being discussed. I know they are being discussed in my riding among farmers everywhere, in the coffee shops, homes and halls. I think, too, that the same discussions are being held nationally. We know that the programs to be put forward, if need be, will be the proper response and will take into account the needs of Canadian producers as well as the financial ability of the Government to respond.

If I might briefly address the second point, I believe the Hon. Member asked if I would prefer to see a freeze on freight rates. I am not a transportation expert by any means. Privately, of course I would. I was under the impression that those rates were set by formula and by statute, which statute was put forward by the Hon. Member's Party some years ago. I would think he would be able to answer that question better than I.

Mr. Clark (Brandon—Souris): Madam Speaker, I would first like to compliment the Hon. Member for a very capable and well-articulated address. We have come to expect that from him. During the course of his remarks he pointed out very clearly and quite properly that this Government has done more for western Canadian agriculture than any Government in a comparable period of time. However, I think those of us who live in western Canada have also bemoaned the fact that we depend so heavily on the primary resource sector. It seems to me, and I think others would agree, that if western Canada is to reach its full potential it will depend on a greater degree of diversification than has occurred to this point. Has the Hon. Member any thoughts on that subject?

• (1750)

Mr. Wilson (Swift Current—Maple Creek): Madam Speaker, the list is long but I will try to be brief. I think there have been enormous strides made toward diversification in western Canada. In answer to my hon. friend I would like to refer to a couple of matters in Saskatchewan. Presently the second largest paper mill in Canada, which will produce 600 new jobs, is being built in the Prince Albert area. An ERDA agreement has been signed between Saskatchewan and the federal Government which will cause $100 million to be spent in the irrigation sector in Saskatchewan. The Government of Canada has guaranteed $250 million to $300 million worth of loans to assist in the new Regina upgrader project. This is the largest project of its kind in Canada at the present time. It will upgrade Saskatchewan heavy and medium crude oil which will give us an opportunity to refine these products at home in Saskatchewan.

In my own City of Swift Current, Saskatchewan, in the first three months of this year there are already four times as many applications for building permits as there were in the entire previous year. There is a mall project going ahead there which has been talked about for years and is finally coming to fruition, notwithstanding low farm and oil prices. It is coming into play now because of low interest rates and the outstanding economic policies of the Government.

Mr. Cyril Keeper (Winnipeg North Centre): Madam Speaker, I welcome the opportunity to participate in this debate. The first sentence of the motion before us reads:

> That this House condemns the government for its lack of a long term economic development strategy for Western Canada that would, among other things—

It goes on to deal with the agricultural sector, the forest industry, the energy sector and the need for economic diversification in western Canada. The motion before the House condemns the Government for its lack of a long-term economic development strategy for Canada. I would like to put my opinion with regard to this motion and the poor performance of the Government on the record in the few minutes which are available to me today.

To put it briefly, I think the Government has simply forgotten western Canada. I will give you three reasons why I think that is the case. I want to discuss three aspects of western economic development. I want to discuss briefly the political promises which the Conservatives made when they were seeking office, particularly those promises made to western Canada. I want to discuss what is actually going on in western Canada today and I want to take a brief look at the Government's economic policies.

If I can have the attention of the House, Madam Speaker, I would like to begin by pointing out that when the Conservatives were running for office they promised "jobs, jobs, jobs". They promised to make a place around the Cabinet table for western Canada. They promised to bring western Canada in from the cold with regard to power and decision-making. Those were the promises, but what has been the result, what kind of performance has the Government put on? It has certainly been a performance in the theatrical sense, but with regard to the promise of "jobs, jobs, jobs", as indicated in an article in *The Globe and Mail* of February 28, the jobs which have been created have been created in Ontario and not in western Canada. The article by Ross Howard says:

> Between January, 1986, and January of this year, the total number of jobs in the country rose by 137,000, according to unadjusted figures. But only 5,000 of those jobs were created outside Ontario.

The article also says that:

> —more than 95 per cent of the additional jobs created last year were located in one province—Ontario.

The promise of "jobs, jobs, jobs" has been real for the Golden Horseshoe of Ontario, but it has been a lie for western Canada. The jobs which were promised by the Government have not been created in western Canada. What has been the result of the promise to include western Canadians in the economic decision-making of the country? Briefly, the result has been that farmers are in difficulty today due to the performance of the Government. Small Canadian oil companies in Alberta are endangered due to the performance of the Government. Support is rising throughout western Canada for the western separatist Party as a result of the actions of the Government. Even more ludicrous is the fact that the Government has revived support in western Canada for the Liberal Party. That is an achievement, albeit a negative one. I hope the Liberal Party, stem and trunk, has not been revived, but it has certainly been revived in the public opinion polls.

The Acting Speaker (Mrs. Champagne): Order. I know it is very close to six o'clock, but I think the Hon. Member should be allowed the courtesy of being able to hear himself when addressing the House. The Chair is having a difficult time understanding what the Hon. Member is saying. There are Members from all Parties who are talking rather loudly. Let us give the floor to the Hon. Member for Winnipeg North Centre (Mr. Keeper) and let us pay attention.

Mr. Keeper: Thank you, Madam Speaker, I would appreciate being heard. I want to discuss briefly the economic performance of the Government in western Canada. With regard to the softwood industry in British Columbia the Government buckled under to American pressure and applied tariffs to our own products. When our products were competing well in the United States the Government failed in negotiations with the Americans. The actions which the Government took to help the oil industry in Alberta helped the multinationals but failed to help small Canadian companies. In Saskatchewan and other western provinces farmers are having a very difficult time surviving today. While the Government has taken some action with regard to the agricultural industry, it is insufficient to assure farmers that they can survive and to give them enough confidence to plant in the forthcoming season. The Government took a swipe at Manitoba's capacity for industrial development. When Bristol Aerospace in Winnipeg won the bidding process for the CF-18 contract, which is of major industrial benefit, the Government took it away from Manitoba and gave it to Quebec on the basis of a political decision.

When I look at what has happened in western Canada I see that the performance of the Government is dismal and that it is time for the Government to wake up and realize that it raised expectations and made serious promises in western Canada. We want an industrial policy and an economic strategy for western Canada. We want to be more than only hewers of wood and drawers of water. We want in on industrial development. We want our fair share of the economic pie and we expect the Government to live up to its promises made when it was running for public office. It is not enough simply to have people around the cabinet table. The Ministers must be effective in fighting for western Canada. We are waiting for that to happen.

• (1800)

The Acting Speaker (Mrs. Champagne): Order, it is my duty to inform the House that pursuant to Standing Order 82(12) the proceedings on the motion have now expired.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 66 deemed to have been moved.

Adjournment Debate

ENVIRONMENTAL AFFAIRS—ACID RAIN—CANADIAN POSITION

Mr. Alan Redway (York East): Madam Speaker, this evening I have a question for you. Do you believe in polls? I do not mean telephone poles or hydro poles, or even barber poles. I mean public opinion polls. I can tell, Madam Speaker, that like me, there are probably one or two recent polls in which you would rather not believe. However, I believe in public opinion polls and I suspect that you do as well.

Recently there were two public opinion polls on the question of acid rain. Those polls found that two out of five Canadians believe that reaching an acid rain agreement with the United States is even more important than reaching a trade agreement with the United States, as far as Canada is concerned.

Acid rain comes from emissions that originate from coal-fired smelters, from non-ferrous smelters like the Inco smelter, and emissions from automobiles. These emissions float into the air, seem to go a long distance, and come down to have a devastating effect on our environment. We know that these emissions cause damage to fish, birds, lakes, trees and to buildings all around us.

At least half of these emissions emanate from the United States. It is no wonder that Canadians are concerned about these acid rain emissions and getting some sort of agreement with the United States to solve the acid rain problem. In the same poll to which I referred, 60 per cent of Canadians who responded indicated that they felt our Government was not doing enough about getting an agreement with the United States on acid rain.

That prompted me to think about just what the Government has done about acid rain since it came to office in the last two and a half years. It made me think back to the fact that in January, 1985, the Prime Minister (Mr. Mulroney) indicated that Canada could not expect to make any progress with the United States in its negotiations unless we came to the negotiating table with clean hands and unless we got our own house in order.

In February, 1985, I remember that the federal and provincial Environment Ministers came together to agree on some targets to achieve the goal of reducing sulphur dioxide emissions in eastern Canada by some 50 per cent of their 1980 levels by the year 1994. The federal Government agreed to put up financial assistance, as did the provinces, to help those smelters ensure that they could meet those targets and reduce those acid rain emissions.

I also remember that in March, 1985, the Prime Minister announced a national program for reducing acid rain emissions in Canada. That included new automobile emission standards, $150 million for smelter emission controls, $25 million for technology development, $70 million for cleaner and more efficient use of coal, $18 million a year for research and monitoring, and a study of the increased use of low sulphur western coal. All of that amounted at the time to a commitment of some $300 million on the part of the federal Government toward acid rain control in this country.

• (1805)

In March of that same year Hon. Members will remember that the Prime Minister met with President Reagan at the so-called Shamrock Summit. At that time they agreed to appoint acid rain envoys, Mr. Bill Davis, the former Premier of Ontario, and Mr. Drew Lewis, to study and identify ways of solving the problem.

In July of 1985 the federal Government announced new automobile emission standards that would be effective in September of this year. In January of last year the Special Envoys reported and recommended ways in which the United States could implement a five-year, $5 billion clean coal technology program. Then, in March of last year, President Reagan announced that he was endorsing that program. At the same time the Canadian Government announced that it was providing $9 million to assist the Hudson Bay Mining and Smelting Company, Inco and Falconbridge, to meet their deadlines for reducing acid rain emissions in this country. In March of this year you will recall, Madam Speaker, that the federal Government and the provinces began entering into formal abatement agreements. Hopefully, all of these agreements will be entered into soon.

Those are the steps that we have been taking in this country. What have the Americans been doing? Until recently, in fact just up until last week, it has been hard to see exactly what they have been doing. In fact, until last week they had no indication whatsoever of even putting money in their budget. Last week they announced they were going to do so. However, I heard the President of the United States on television last Thursday indicating that he still was not sure what the real problem was with acid rain. We are now coming to the point where it is up to Canada to meet with the United States, meet with President Reagan, to see what we can do about getting the Americans to finally get moving on this issue.

Tonight, I hope that the Parliamentary Secretary will tell us that when our Prime Minister meets with President Reagan very shortly that he will give him an even bigger earful than he gave to Vice-President Bush just a few weeks ago.

Mr. Ron Stewart (Parliamentary Secretary to Minister of Supply and Services): Madam Speaker, in March of 1986 President Reagan endorsed the Report of the Special Envoys on Acid Rain and their recommendations, as was just mentioned by the Hon. Member. The Prime Minister (Mr. Mulroney) took that as a commitment by the administration that acid rain was a serious transboundary problem and that it would seek the funds necessary to implement the Special Envoys' Report. The President's 1988 budget proposal submitted to Congress in January of this year provided the first concrete information on the U.S. response to the President's commitment.

The initiatives outlined in that budget proposal fell far short of meeting the commitments made to Canada by President Reagan. This was the clear message that the Prime Minister, the Secretary of State for External Affairs (Mr. Clark) and

the Minister of the Environment (Mr. McMillan) gave to Vice-President Bush at their meeting on January 21.

• (1810)

However, as recently as last week President Reagan announced several initiatives. These initiatives represent a significant and important step forward in our efforts to develop the bilateral accord that will provide a long-term, lasting solution to the acid rain problem. They will also put specific substance and timetable to the general commitments that he made at the 1986 summit meeting.

For instance, the administration will secure $500 million per year in new funds for each of the next five years to cost share clean coal commercial demonstration projects which meet the criteria of the Special Envoys. The projects will not be of a research nature but, rather, will be to demonstrate new cost-effective technologies on a commercial scale and to reduce the transboundary flow of sulphur dioxide into eastern Canada. The projects to be funded under the program will be selected by a panel which will include Canadian government representatives. The administration is also examining its economic and regulatory programs to determine any disincentives that may exist to the implementation of pollution controls.

Reaching this agreement before the summit will allow the Prime Minister and President Reagan to discuss how to move the issue even further ahead at their next meeting. The Canadian objective is to get the United States to reduce its transboundary flow of sulphur dioxide into eastern Canada to about two million tonnes, about 50 per cent of the 1980 level, and to implement programs to achieve this level on a scheduled basis. This objective is based on sound scientific information and existing principles and obligations under international law that countries must ensure that activities within their jurisdiction do not cause damage to the environment of other countries.

The commitment to our objective holds strong. Acid rain will be one of the top agenda items at the April 6 summit meeting and we will do everything possible in the weeks leading to the summit to advance the issue.

[*Translation*]

CANADA POST CORPORATION—(A) LINGUISTIC POLICY—GOVERNMENT POSITION. (B) MANNER IN WHICH POLICY IS APPLIED

Mr. Alfonso Gagliano (Saint-Léonard—Anjou): Mr. Speaker, my intervention this evening concerns the linguistic policy of the Canada Post Corporation.

First, I would like to make something clear for all those who might be interested in this debate.

I personally believe in bilingual services whenever practical and possible. I am also very concerned about the linguistic problem, especially in Quebec, which can be a very emotional problem, as I know personally since I represent the constituency of Saint-Léonard—Anjou which was the scene of a well-publicized linguistic conflict a while back. I can therefore assure all my colleagues, Madam Speaker, that I have no intention of initiating a linguistic debate.

What I want to show this evening is that the Canada Post Corporation is doing everything possible to reduce its staff, harass its customers and cause people to wonder whether or not Canada really has a postal service.

Now for the facts. I shall start with an official document of the Canada Post Corporation where we find, on page 5, under the title "Guidelines for the publication of press releases and instructions, Quebec Division":

> Official languages
>
> The Quebec Division having been identified by the Official languages Commissioner as a unilingual French Division, all press releases and instructions will be written in French only. The English version of these documents will be available on request.
>
> However, it is essential that communications with the outside public be published in both official languages when the English-speaking segment represents at least 10 per cent of the total population.

Madam Speaker, according to the figures, the English-speaking population of Quebec City and the area is only 2.8 per cent. This guideline therefore applies.

At the beginning of December, as soon as Canada Post submitted its corporate plan, it immediately issued new directives, announcing that from now on, the Customer Services Division, and perhaps I should explain that this is a technical division and not one that deals directly with customers, would be a bilingual division. I have no quarrel with the fact that Canada Post is free to issue such directives and to switch its divisions around, provided, Madam Speaker, employees who had these jobs when the division was still considered unilingual French, are given the time and assistance they need to become bilingual.

Unfortunately, Canada Post did as follows: From now on, this is a bilingual division so you are redundant. If you want to reapply to get your job back, you will have to prove that you are bilingual and you will not be given the necessary time or resources to become bilingual.

Madam Speaker, I think this is an intolerable situation for Quebec City, where only 2.8 per cent of the population is English-speaking, and it is unacceptable also because the policy was effective the day after it was announced.

Madam Speaker, I put the question to the Minister, and I was very disappointed at his reply which was that as a Minister, he could hardly be expected to be involved in that kind of minute details of the Corporation's operations. However, it is not a minute detail but a fundamental issue, Madam Speaker. It seems we are always having trouble with Canada Post which takes measures and takes the kind of action which makes one wonder about the measure of intelligence involved. We saw that this weekend, when someone at Canada Post, instead of trying to improve customer services, took the time to write a letter to Members of this House, to send us . . . , and I imagine Madam Speaker, you also received the same form letter. They wrote us a letter saying: You have had complaints from your ridings, and this is how to answer those complaints. Since when is a Member of the House going to let someone at Canada Post dictate the answers he should

give to his constituents? Who do the people working for the Canada Post Corporation think they are, Madam Speaker? These are the reasons why I was very disappointed with the reply of the Minister. We have a Minister responsible for the Canada Post Corporation, and if he really is responsible for the Corporation, he should immediately deal with the problem and instruct Canada Post to serve the taxpayers properly. Leave the Members of Parliament alone; they know what to tell their own constituents. We have no need for a model letter telling us how to answer their questions. We also believe that the employees should be given a chance. This is a harassment policy. How can there be any peace in the service when every opportunity is used to create further conflict? Who pays in the end? It is the public, the people who need the service.

Mrs. Gabrielle Bertrand (Parliamentary Secretary to Minister of Consumer and Corporate Affairs): Madam Speaker, I shall try to reply to my colleague and to respond to his concerns.

The Canada Post Corporation must obey the laws of Canada in all its activities, which includes the interpretation of the Official Languages Act. About a month ago, certain media reported that a number of Canada Post Corporation employees in Quebec City had been judged surplus to requirements by corporate management because they were not bilingual and did not speak English. Such is not the case, Madam Speaker.

When the sales and customer services department in Quebec City was reorganized last December, there was absolutely no change for 13 positions. Nine other positions were reclassified in order to better reflect the additional duties added to those positions, also reflecting the requirements of the Official Languages Act. In the course of that reorganization, customer service representative positions were reclassified from grade 2 to grade 3. This means that Customer Sales Service was added to the duties of grade 2 positions, which come under Customer Service. The new grade 3 positions have become bilingual.

Since bilingualism is a required qualification for the new positions, the corporation has made available to the employees involved, free of charge, an intensive course.

In the meantime, those employees are still working for the corporation, which has decided to wait for those employees to complete their intensive courses before considering any application for the new positions.

This does not necessarily mean they will be appointed, but Canada Post Corporation will have made the effort. Under the existing agreement with the union, any corporation employee must be allowed to apply for the newly created positions.

The corporation's Chairman, Mr. Sylvain Cloutier, has informed us that Canada Post is committed, over the coming months and years, to better identify its customers' linguistic preferences and to offer them additional bilingual counter and telephone services.

The corporation's service to the public takes into account first language data as established by Statistics Canada, by census divisions. The corporation is now reprocessing those statistics and expects to have in hand more pertinent data on the language profile of all its postal communities. Management officials will thus be able to make more accurate forecasts of linguistic requirements concerning over-the-counter services.

Telephone service in both official languages is another major Canada Post objective, and this is why management are now re-examining their telephone network and, more specifically, the services available in their 25 customer service units. They are considering such technological breakthroughs in this field as might enable them to meet the demand for information in English and French throughout Canada. The plan now being developed by Canada Post should have an impact on all telephone directories from coast to coast as of the beginning of fiscal year 1987-88.

In the next few months, Canada Post senior officials will be urged to play a more active and direct role in defining specific official languages objectives. Canada Post will also make sure that senior officials keep a closer and more formal progress watch through employee appraisal reports.

Since these appraisal reports bear directly on remuneration and promotion opportunities, they are tantamount to applying the good old carrot and stick principle which has proved to be quite successful over centuries. I do not see why it would not work just as well at Canada Post.

• (1815)

[*English*]

RAILWAYS—GRAIN FREIGHT RATES. (B) REQUEST FOR RETENTION OF FREEZE ON FREIGHT RATES

Mr. Maurice Foster (Algoma): Madam Speaker, on February 16 I put a question to the Minister of Transport (Mr. Crosbie), asking him to give a clear indication of what the Government was going to do with regard to grain freight rates for western farmers. As you know, farmers are suffering through one of the most difficult times in their history. In the last general election, the Government Party made a clear commitment to maintain the freeze on western grain freight rates charged to farmers until the farmers were better able to make larger payments for grain freight rates.

A report has now been passed from the Senior Grain Transportation Agency to the Canadian Transport Commission indicating that grain freight rates will rise from $6 to approximately $8.50 or $9 per tonne in the coming crop year. Last year, on April 30, the Prime Minister (Mr. Mulroney) called a hurried press conference announcing that he was freezing freight rates to help farmers in their serious difficult time. That time is even more difficult today.

I put a question to the then Minister of Transport. He indicated that the Government would look at it, consider it, but he did not give a clear commitment. The Government did

not really freeze freight rates last year. The then Minister of Transport, who is now the Deputy Prime Minister (Mr. Mazankowski), simply sent back the recommendation from the Senior Grain Transportation Agency which suggested that the volume of wheat to be shipped last year was something like 3.5 million tonnes. He asked the agency to reduce its estimates to around 27 or 29 million tonnes, which it did, to 28.5 million tonnes.

As a result, grain freight rates charged to farmers did not rise last year. However, the volume to be shipped in this current crop year has been increased from 28.5 million tonnes to around 31 million tonnes. All of the surplus funds which were in the tally averaging account of the Department have been used up. We are facing a new crop year on August 1 in which the volume has been estimated at close to 31 million tonnes. The Government has to face the prospect, since the Minister of Transport last year reduced the volume, that there will be a serious short-fall.

• (1820)

I hope the Parliamentary Secretary responding on behalf of the Minister of Transport this evening will indicate that the Government will maintain the freeze on western freight rates charged to farmers in the new crop year and that the Government will not increase rates by 50 per cent, as has been forecast by the Senior Grain Transportation Committee. If we have an increase of the magnitude of about $3 a tonne, western farmers will be looking at an additional transportation cost of some $90 million to $100 million. This is absolutely unacceptable in the light of reduced grain prices in the new crop year and all the other difficulties facing the western grain industry.

In addition, the Government has not acted on a recommendation of the Senior Grain Transportation Committee which would increase the amount of funds in the Crow benefit by some $25 million. original amount in the Crow benefit was $658 million. The Canadian National Railways has indicated that it should be providing an extra $25 million. That recommendation came to the Department last September-October but still no action has been taken. I hope that tonight the Parliamentary Secretary will tell us that the Government is increasing the Crow benefit by some $25 million as recommended by the CNR and by the Senior Grain Transportation Committee from $658 million to $583 million. That amount would also assist in alleviating the desperate situation western grain producers face in the new crop year with the Government indicating that commodity prices for wheat, barley and other western grains will be reduced by some 20 per cent.

Mr. Ron Stewart (Parliamentary Secretary to Minister of Supply and Services): Madam Speaker, the Minister of Transport (Mr. Crosbie) said on February 16 that it is still too early to know for certain what will be the rail rate for grain which will come into effect next August 1. Under the provisions of the Western Grain Transportation Act, the administrator of the Grain Transportation Agency, the Hon. Jack Horner, has now issued his official tonnage forecast which is 31.8 million tonnes. The Act then requires that the Canadian Transport Commission use this grain forecast to set the new rail rate. The CTC has until April 30 to complete its calculations and issue the new rate.

When the Government came into office, we moved immediately on amendments to the legislation to implement our election promise to establish a ceiling on the shippers' share of the grain freight rates. The passage of Bill C-44 limited the shippers' share to a maximum of $7.70 per tonne until July 1987. Indeed, the producers' actual share of the freight rate was $7.70 per tonne in 1984-85, $6 per tonne in 1985-86 and $5.97 per tonne in 1986-87. As a consequence, over the past two years, the producers' share of the freight rate fell by more than 20 per cent since we came into office. It now represents a relatively small proportion of the producers' total input costs.

• (1825)

The CTC has not yet calculated the freight rate for 1987-88. I would remind the Hon. Member of the announcement of a $1 billion assistance program for grain producers made on December 9, 1986. Under the Special Canadian Grains Program, Canada's grain and oilseed farmers will receive cash payments to cushion the impact of the subsidy war between the EEC and the United States. The Government is indeed sensitive to the plight of Canadian grain farmers.

The Acting Speaker (Mrs. Champagne): The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 11 a.m. pursuant to Standing Order 3(1).

The House adjourned at 6.28 p.m.

HOUSE OF COMMONS

Tuesday, March 24, 1987

The House met at 11 a.m.

Prayers

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

GOVERNMENT RESPONSE

Mr. Doug Lewis (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, pursuant to Standing Order 106(8), I have the honour to table, in both official languages, the Government's response to Petitions Nos. 332-830 to 332-832 inclusive, 332-918 to 332-920 inclusive, 332-1111, 332-1112, 332-1116, 332-1117, 332-1123 to 332-1127 inclusive, 332-1213 and 332-1214.

* * *

[*Translation*]

STRIKING

PRESENTATION OF SEVENTEENTH REPORT OF STANDING COMMITTEE

Mr. Scott Fennell (Ontario): Mr. Speaker, I have the honour to present the seventeenth report of the Standing Striking Committee.

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

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ROYAL CANADIAN MINT ACT AND CURRENCY ACT

MEASURE TO AMEND

Hon. Monique Vézina (Minister of Supply and Services) moved for leave to introduce Bill C-46, an act to amend the Royal Canadian Mint Act and the Currency Act.

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

Some Hon. Members: Agreed.

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

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

Some Hon. Members: Agreed.

* * *

[*English*]

QUESTION PASSED AS ORDER FOR RETURN

Mr. Doug Lewis (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, if Question No. 74 could be made an order for return, the return would be tabled immediately.

Mr. Speaker: Is it the pleasure of the House that Question No. 74 be deemed to have been made an order for return?

Some Hon. Members: Agreed.

[*Text*]

POSTAL SUBSIDY PROGRAM

Question No. 74—**Mrs. Finestone:**

1. For the fiscal year 1985-86, what amount of money, under the Department of Communications Postal Subsidy Program was paid to the Canada Post Corporation for (*a*) daily newspapers (*b*) rural weekly newspapers (*c*) paid circulation periodicals (*d*) controlled addressed periodicals (*e*) foreign periodicals (i) mailed in Canada (ii) mailed and printed in Canada?

2. What were the names of the foreign periodicals and, in each case, what was the total sum paid to the Corporation under the Program?

Return tabled.

[*English*]

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

Mr. Speaker: Is it agreed?

Some Hon. Members: Agreed.

• (1110)

Mr. Gauthier: Mr. Speaker, either I did not hear you properly or you forgot to call petitions. I have a colleague who would like to table some petitions.

Mr. Speaker: The Hon. Member for Ottawa—Vanier (Mr. Gauthier) is correct. I think it would be appropriate to revert to petitions.

* * *

[*Translation*]

PETITIONS

REQUEST FOR IMMEDIATE ADDITIONAL AID TO CO-OPERATIVE HOUSING

Mrs. Thérèse Killens (Saint-Michel—Ahuntsic): Mr. Speaker, I have the honour and the duty to table a petition concerning the housing policy in Canada. It is signed by some of my Saint-Michel—Ahuntsic constituents who object to the Government's decision to make major changes to the housing policy in Canada.

They feel, in this International Year of the Homeless, that this Government's definition of essential needs is preventing hundreds of thousands of Canadians living below the poverty line from receiving government housing assistance.

For these reasons, the petitioners humbly ask Parliament to provide immediate additional aid to co-operative housing.

OPPOSITION TO PROPOSED CHANGES TO PATENT ACT

Mrs. Thérèse Killens (Saint-Michel—Ahuntsic): Mr. Speaker, I have a second petition. I table it pursuant to Standing Order 106. This petition is also signed by some of my Saint-Michel—Ahuntsic constituents who object to the proposed amendments to Bill C-22, an Act to amend the Patent Act.

They feel that the Government's proposals will increase the already high costs of the provincial health insurance plans and also directly affect all Canadian men and women who are not covered by private drug insurance programs.

The petitioners ask the Canadian Parliament to turn down these proposals which would increase the cost of drugs for all Canadians.

[*English*]

REQUEST FOR INVESTIGATION OF WITHDRAWALS FROM CN PENSION PLAN

Mr. Ken James (Sarnia—Lambton): Mr. Speaker, I have the honour to present to the House a petition, duly certified by the Clerk of Petitions, on behalf of employees of Canadian National residing in my constituency of Sarnia—Lambton. These workers are protesting that management employees with less seniority are drawing money out of CN's pension plan ahead of union employees with greater seniority. They ask that Parliament investigate and correct this unjust situation.

UNIVERSAL ACCESS TO FAIR ORAL HEARINGS BEFORE REFUGEE BOARD

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, the first petition I have the honour to present relates to the question of refugees. The petitioners are concerned about the fact that recent regulations are turning away genuine refugees. They call upon Parliament to enact legislation which will embody the principles of fair and complete oral hearings of claimants before a refugee board independent of the Immigration Commission, universal access to such hearings for every claimant in Canada, and a fair chance to arrive in Canada to present this claim.

OPPOSITION TO PROPOSED CHANGES TO PATENT ACT

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, the second petition, which has also been duly certified, relates to proposed legislation to change the Patent Act relating to prescription drugs. It points out that this will result in increased costs both for individuals and for provincial drug plans. It calls upon Parliament to reject these proposals forthwith.

Mr. Rod Murphy (Churchill): Mr. Speaker, I also have the honour to present two petitions today. One relates to changes to the Patent Act. The people who have signed the petition are from the Province of Quebec, and I have the honour to present a petition on their behalf. They are opposed to the Government's intention to change the Patent Act. They believe that the proposals of the federal Government will result in higher costs for provincial government plans. They believe that it will unfairly hurt those Canadians whose health needs require the purchase of prescription drugs on an ongoing basis. They also believe that it is yet another example of the Canadian Government making concessions to the United States at the expense of average Canadians.

UNIVERSAL ACCESS TO FAIR ORAL HEARINGS BEFORE REFUGEE BOARD

Mr. Rod Murphy (Churchill): Mr. Speaker, my second petition is signed by residents of Canada. They indicate their concern about the Government's attempt to change the refugee status and procedures for refugees in the country. They call upon the Parliament of Canada to enact legislation which will embody the principles of fair and complete oral hearings before a refugee board independent of the Immigration Commission, with universal access to such hearings for each claimant in Canada, and a fair chance to arrive in Canada to present this claim.

Mr. Dan Heap (Spadina): Mr. Speaker, it is my honour and duty to present a petition from a number of residents of Canada, most of them in the City of Toronto but some as far away as Willowdale and one from Ballinafad, Ontario. These residents of Canada support the recommendations of the Standing Committee on Parliament on a new procedure for refugee determination which is quicker and fairer than the one now in force. They note that it is supported by the Canadian

Council of Churches, the Canadian Bar Association, the Canadian Jewish Congress, and other groups and individuals. Therefore, they request Parliament to enact legislation which will embody the principles of fair and complete oral hearings of claimants before a refugee board independent of the Immigration Commission, universal access to such hearings for every claimant in Canada, and a fair chance to arrive in Canada to present this claim. As in duty bound, your petitioners will ever pray.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S. O. 82—IMMIGRATION—FAMILY REUNIFICATION—REFUGEES

Mr. Speaker: Before the Hon. Member for York West (Mr. Marchi) moves his motion, since today is the final allotted day, the House will go through the usual procedures to consider and dispose of the supply Bills.

In view of recent practices, do Hon. Members agree that the supply Bills be distributed now?

Some Hon. Members: Agreed.

Mr. Sergio Marchi (York West) moved:

That this House condemns the Government for creating a state of confusion within its immigration program and for its lack of leadership and vision, which has seriously undermined the confidence of Canadians in the over-all direction of immigration policy;

That this House also deplores the Government's failure to address the growing frustration experienced by large numbers of Canadians who are unable to sponsor successfully family members as immigrants from abroad and its recent actions that undercut Canada's humanitarian assistance and protection for refugees legitimately seeking haven in Canada;

That, therefore, this House urges the Government to:

(1) recognize the long-standing importance of family class reunification and to re-establish this program as the cornerstone of Canada's immigration;

(2) adopt a fair, humane and efficient refugee policy which would reinforce Canada's past proud tradition and honour Canada's international obligations under the United Nations Convention relating to the status of refugees, signed in 1951;

(3) introduce immediately a new and independent refugee determination system that would assure claimants processing that is fair, effective and expeditious while discouraging fraudulent applications; and

(4) initiate a comprehensive educational program that will fully inform all Canadians of the facts about and benefits resulting from immigration and develop a long-term vision that would utilize immigration as a vehicle to strengthen our national unity and to contribute to greater economic prosperity.

He said: Mr. Speaker, Canada has a long-standing history of providing an opportunity for immigrants to start a new life. Past Liberal Governments have been especially hospitable to family reunification and compassionate toward the plight of legitimate refugees. We are a nation which opened its doors to the world and invited people to join in the building of a new country, a new life, and a fresh beginning.

Immigration has enjoyed a prominent place in Canada's history, but I am troubled by the questionable and confusing actions of the Conservative Government in Ottawa in respect of immigration policy. Thus, we in the Liberal Party have moved the motion today with the hope that by examining the status of our immigration program, the Government will end the uncertainty and aggressive ideology paralyzing the direction of the immigration policy in the country.

• (1120)

For my part, I would like to focus on three issues: family reunification, refugees and the need for a comprehensive vision of immigration. As a Member of Parliament for the riding of York West and as my Party's Immigration critic, it is painfully clear that under the Conservative Government one of the greatest frustrations experienced by Canadians is an inability to sponsor relatives from abroad successfully. Not only must they overcome the aggravation of a lengthy processing time, but at the end of that long road all too many applications are rejected. Canadians are asking themselves why. Four reasons help account for that frustration.

First, under the Tory regime the priority for the family class designation has been lowered substantially. Conversely, under Liberal led Governments, family reunification was the cornerstone of the country's immigration policy. In his announcements of the 1987 levels last October, the Minister, who is still not present in the House, limited and froze the family class proportion to only 30 per cent, whereas under Liberal Governments in the mid-seventies and early 1980s the family class stream ranged from an impressive 45 per cent to 55 per cent of the total program.

Second, last June, the Minister refused the Liberal Party's recommendations, contained in the immigration committee's report on family class immigration, that prospective immigrants who have family in Canada should be awarded additional points under the current point system. The result would often make the difference between a negative and positive determination. We also encouraged the Government to expand the definition of "family" so that brothers and sisters of Canadian citizens could also qualify for priority processing. These recommendations were founded on the principles that as Liberals we believe in the important and relevant role played by the institution of the family within the immigration process. For it is the family in Canada that provides the newcomer with a cultural, linguistic and psychological bridge as well as opportunities for employment, shelter and financial assistance. Consequently, having relatives in the country should be elevated to as an important criterion as other variables, such as education, language and job skills. These reforms would be welcomed by Canadians. They would be far reaching toward easing the frustrations that grip many Canadians.

Third, the Conservatives doubled the number of entrepreneur immigrants permitted into Canada. While we all welcome and recognize the economic benefits of business class

immigrants, this category should not develop into the predominant one and create a situation whereby those immigrants, able to pay their way into the country, would be the only or principal benefactors of our system.

In addition, our immigration officers abroad have reported to me personally that as a result of the ambitious, entrepreneurship targets imposed by Ottawa and the extensive work required to review and approve each single business proposal, financial and personnel resources are being shifted away from the family class sector into the business immigration class. The net effect, of course, of the family reunification applications processed is both fewer and slower. This should not occur. Yet the Minister of Immigration (Mr. Bouchard) allows the practice to continue unchallenged.

The Minister also refused to increase the visa fees for business immigrants, who are more than able and willing to pay a higher rate, so that additional staff could be hired with the extra revenue to facilitate additional business immigrants. Instead, because the entrepreneur and family class applicant both pay the same $125 charge, imposed for the first time in Canada's history by this Conservative Government, we have the absurd situation where the wealthy are being subsidized by the poor and where the family class reunification is being hampered by the entrepreneurship program. It is a reality which is most unfair and in need of immediate reform.

Fourth, the recent targets for immigration levels announced by the Government are misleading. While the Minister increased the target levels, he has not provided our immigration posts abroad with a proportional increase in visa officers who are required to process the additional immigrants. As a result, in 1986, while the target was established at 115,000, projections indicate that we were going to fall short of that figure by some impressive 30,000 individuals.

Therefore, when the Minister announced a further increase for the 1987 levels to 125,000 without allocating additional resources, he was simply being intellectually dishonest with Canadians because these figures will never be realized. If the Government is unwilling to increase resources to match the increased targets, then it should stop playing politics with immigration targets and honestly inform Canadians of the real number of immigrants arriving and allowed to enter Canada.

When these four factors are taken together, it is obvious why such delay and frustration exists within the family class levels. Again, we call upon the Minister and the Government to re-establish the family class reunification stream as the undeniable, unquestionable cornerstone of our immigration program, and further, that he accepts the Liberal Party's recommendations which would serve to relieve the pressures within the family class system and substantially eliminate the frustrations felt by thousands of Canadians each year when they attempt, unsuccessfully, to have their relatives join them in Canada.

With regard to our responsibilities toward the plight of refugees, and as a signator to the 1951 United Nations convention relating to the status of refugees and the 1968 protocol, Canada has developed an honourable tradition of humanitarian assistance to those who are displaced, persecuted and who are fleeing in search of a new home. The proud record, Mr. Speaker, for which Canada recently received the Nansen medal took many years to achieve. It was only made possible with the extensive and warm support of all Canadians.

However, the recent actions of the Tory Government are cause for grave concern. In a few short months, Tory initiatives have begun to undo our country's hard-earned reputation in the area of refugee policy. Canadians are witnessing a Government preoccupied with fabricating a refugee immigration crisis and thereby manipulating public opinion in a desperate attempt to bolster its sagging popularity in every part of the country. The Tories are labelling the current situation as a crisis. On this basis they have advanced the regressive changes announced on February 20. The only crisis is the one which lies on the Government benches, the Tories inability to provide moral leadership and compassion in what is one of the most sensitive and emotional areas of federal public policy.

In past years, Liberal Governments, together with all Canadians have demonstrated their belief in a humane and generous refugee program. Canada has welcomed special refugee movements in an addition to annual quotas in response to crises around the globe. Consider the past acceptance in individual years of some 37,000 Hungarians, 12,000 Czechoslovakians, 7,000 Ugandans, 7,000 South Americans, over 50,000 Vietnamese boat people in the late 1970s and early 1980s, 11,000 Lebanese, 9,300 Poles and 3,000 Salvadorans. How shameful it is in the backdrop of these numbers, approved and taken with open acceptance by Canadians, for a Government which now attempts to create a crisis out of some 85 stranded Chilean refugee women and children in Argentina who, with their husbands and families in Montreal, were caught in transit following the changes of February 20, to have refused them entry into this nation just recently. I submit with all due respect that this is a tactic which is morally bankrupt. Whatever happened to the Prime Minister's announcement of August 19 last year when he said in reference to the plight of refugees " . . . and if we err, we will always err on the side of compassion, and on the side of justice."

• (1130)

Despite yet another shattered commitment from the Government, I and my Party have faith in the judgment and fairness of Canadians. I have every confidence in their genuine desire to overcome the politics of fear and deception. Together with them, the churches and the countless refugee organizations that have strongly protested the direction of the Government, I call upon the Ministers responsible for immigration to stop turning back the clock on the refugee policy, not to return it to the dark ages but, instead, to present and discuss the straight facts before Canadians and involve them in making the appropriate choices that would be fair, sensitive and just to

those fleeing persecution, and in the best interests of our country and the international community.

Another significant drawback has been Canada's unwillingness to distinguish between a landed immigrant and a refugee. The circumstances moving these two types of individuals to come to Canada are entirely different. While the immigrant seeks to join his or her family, to improve his or her lifestyle and to start anew, something which is completely legitimate, welcomed and acceptable, the legitimate refugee is escaping persecution, torture or death and is seeking a life of order and security. Yet there is one system through the Immigration Appeal Board dealing with the two types of applicants. The result is a backlog and questionable judgments.

As well, an outdated system is addressing a new phenomenon. In the 1960s and the 1970s, the task was largely limited to selecting our quota of refugees from refugee camps around the world. It was then a relatively simple and effective method. In recent years, however, people have been arriving on our shores claiming refugee status and we lack a system capable of addressing them in a fair, humane and expeditious fashion. The backlog is further aggravated and, to a great extent, the Conservative Government is the architect of its own misfortunes. It has failed to act by establishing a new and independent refugee determination system. Such legislation has been promised for the last two and a half years by no less than four different Ministers of Immigration. The Government's inaction cannot continue.

The Plaut report, the Standing Committee on Immigration, the churches, the refugee organizations, the legal community and interested Canadians have all endorsed the concept of a new structure. The Liberal Party's position for a new refugee determination system with proper safeguards and a strong appeal mechanism is crystal clear and was fully explained and illustrated in a recent minority report. Our model advocated a fair and expeditious hearing, one which would discourage potential abuse of and within the system.

The evidence is clearly in, yet the Government continues to stall and to further complicate the system by tinkering with temporary short-term measures. It makes tough policy stands one day only to be followed by intentions of imposing a general amnesty the next day. The Government is adding layer upon layer of confusion and this is causing Canadians to lose confidence in the entire system. In addition, within such a disorderly and unpredictable atmosphere, it is the legitimate refugee who suffers while the chances for fraudulent applications are greatly improved. This situation must stop and it must stop now. We cannot afford further delay. The Government must introduce reforms immediately.

The third failure is the Government's lack of leadership toward developing a long-term strategy for a progressive immigration policy for Canada, a strategy that would seize immigration as a tool to strengthen national unity and create greater economic prosperity. We need a strategy that sensitizes Canadians to the benefits resulting from immigration, a strategy that addresses our nation's massive landscape and abundant resources, a strategy that accounts for our dwindling birth rate, our aging population, our need for skilled labour and the net outflow of 50,000 Canadians every single year. We need, therefore, to articulate what role immigration can play and how it can best play that role for the future interest of Canada and its future generations.

Of particular importance is the need to communicate the advantages of immigration and to refute some of the prevailing myths. Throughout the century, Canada's birth rate has been gradually declining and particularly so since 1960. The fertility rate in 1976 was 1.8 per family. Over the decade, it has fallen to 1.6 as of 1985. Projections indicate that the birth rate will continue to fall to 1.5 by 1991 and to 1.4 by 1996. By the year 2031, our country will begin to face a sharp decline in population. Such a dwindling birth rate has been considered by many policy-makers as being dangerous to a society such as ours with a relatively small population. I would submit that a coherent immigration policy can help to solve that dilemma.

Conversely, Canada has a rapidly aging population. While this can be claimed as being a victory over mortality and ill health, many studies on the age structure see this as being a social crisis for Canada. The ramifications this will have on our labour and employment needs, our social services, our health and educational institutions and our viable continuing support of a pension system are indeed profound and serious. Once again, immigration can help address this challenge facing Canada.

Regrettably, immigration has been perceived as contributing to unemployment. It is felt that immigrants place a heavy burden on the social service infrastructures. Yet study after study has painted a very different picture.

A major 1986 report entitled "The Employment Effects of Immigration: A Balance Sheet Approach" by John Samuel accounted for jobs created by business immigrants, for jobs created by an increased number of consumers, for the skills immigrants have brought with them to Canada and for the capital and investment they have brought into Canada. The study concluded decisively that between 1983 and 1985, 17,000 more jobs were created in Canada than there were immigrants coming to Canada to fill them in those two years. Another report by the same author found that newcomers to Canada generally found employment relatively soon. A 1980 study demonstrated that immigrants spend fewer weeks on unemployment than their domestic cohorts. As well, statistics reveal that of the 10,000 applications for welfare received each month in the Province of Ontario, it is estimated that only 800 originate from refugees.

Immigration can and does increase domestic demand, worker productivity, economic growth and job creation. In addition, there is the value of the skills of immigrants, skills for which Canada has not had to pay. The investment value of the capital and earnings they bring to our shores further stimulates our national economy. The Government, however, has failed miserably to communicate these aspects of immigration and has ignored the solutions an immigration policy can provide to

some of our more pressing and major social and economic challenges. It is a responsibility that the Government must actively and immediately pursue if it is genuinely concerned about its immigration and refugee policies. I invite the Minister to do exactly that.

• (1140)

The history of this country is deeply rooted in the moving and magnificent saga of a people uprooted by circumstance and history who arrived on our shores to an undying promise of hope and purpose. Make no mistake about it, immigration will continue to play an integral role in shaping the Canada of tomorrow. That tomorrow can, however, be clouded by a Conservative Government which today advances a mean-spirited and disjointed immigration and refugee policy. That attitude and approach must change. It is not in keeping with the proud heritage which the Conservative Government received from previous Governments and Canadians at large.

Future legislation must be of a radically different temperament. It must recognize that social progress and social justice are the fulfilment of freedom. It must recognize that one moral obligation of free men and women and free nations is that of employing all our ability in improving the lot of our fellow human beings. Canada must be a leader in the international community in addressing the plight of refugees. It must not by its actions encourage other countries to opt out of collective international agreements arrived at after many years of struggle and debate. It is also essential for the Conservative Government to remember that this year has been designated the International Year of the Homeless. It must ensure that its philosophy, actions, statements, legislation and leadership is guided by that spirit.

Finally, we in this House and in this country must recognize one undeniable reality. History has placed us all within one common border and under one common law. All of us, from the wealthiest and most powerful to the poorest and weakest share one precious position; we are Canadians. Granted, from time to time it is not easy to remember what that means, but in large measure it means to have left the familiar for the unfamiliar. If the Conservative Government continues to deny the stranger among us, it will be denying the very essence of Canada and its future. I look forward to hearing the Ministers responsible for immigration and government Members as well address this motion today. We should be able to leave this Chamber and use the debate as momentum to indicate Parliament's resolve to create a better country today and a better country tomorrow.

[*Translation*]

Mr. Deputy Speaker: On a question or comment, the Hon. Member for Gatineau (Mrs. Mailly).

Mrs. Mailly: Mr. Speaker, before directing a question to my colleague concerning his remarks, I should like to say where I stand in this debate. If I may, I want to tell the House that my Lithuanian grandmother and my Polish grandfather came to Canada in 1904. On my father's side however we have been French-speaking Canadians for 200 years. So I might indicate that I am somewhat emotionally divided in this debate, but certain facts did take some significance in the course of my life. This is why I should like to ask my colleague a question about his approach to this issue. He confuses refugee and immigrant, and he refers to the welcoming country which Canada once was and which, as he sees it, is threatened by political changes or quite simply by refugee regulations.

With that in mind I will quote from a February 21, 1987 editorial published in *Le Droit* and entitled:

So that refugee status might regain its legitimate meaning

—and subtitled:

A pause

In his first paragraph Alain Dexter writes:

A Minister of Immigration in a Government which does not rally full public support has to show some courage to take position on an issue such as refugees. Any decision on so impassioned a topic automatically becomes a controversy.

Mr. Speaker, he goes on to say:

—there exists a commercial trade in human misery.

Were the Ottawa Government to accept unconditionally all foreigners anxious to come to this country it would play into the hands of those unscrupulous "travel agents" who exploit the naivete of people who seek to better their living conditions by looking for a piece of land where prosperity, they are assured, is a sure thing.

And further on:

Some people accuse the Mulroney Government of betraying a long-standing Canadian tradition—

In fact, Ottawa is doing nothing more than reverting to the practice followed by the previous Liberal administration.

So I should like to hear what my colleague has to say, knowing as I do that he is quite sincere. He is the son of an immigrant. I am the granddaughter of immigrants, and I should like to have a truly serious response, Mr. Speaker.

[*English*]

Mr. Marchi: Mr. Speaker, I fully appreciate the family history of the Hon. Member for Gatineau. I think she is sincere, as most members are sincere, in relating her family history. However, it was not this Member of Parliament for York West who lumped immigrants and refugees together. What I was attempting to do in the time allotted to me was make the Government aware of the position it is putting immigrants and refugees in when it lumps them together in one stream. We cannot allow the Immigration Appeal Board to judge the immigration application of someone's grandmother from Holland and at the same time deal with refugee applicants from El Salvador. The two are very different. Unless we separate the two, we will not only create a backlog, we will also be making erroneous judgments in life and death matters. It is my duty and the duty of the Government to distinguish between the two and give us a system to deal with them independently. That would be much more fair to both groups and would resolve the frustration many Canadians experience in their attempts to have relatives join them in this country.

The Hon. Member referred to an editorial which suggested that Canada cannot allow everyone from all corners of the world to enter Canada unconditionally. I hope she is not suggesting that I or my Party believe that we can. Everyone knows we cannot accept the 15 million refugees searching for a home around the world. However, what we can do, and what Government has done in the past, is play our role and provide leadership to the international community. If we opted out, as we seem to be doing, given some of the regressive moves introduced by the Government, we will be sending a signal to the Great Britains and Switzerlands of the world that they, too, can opt out. They will use Canada as justification for their actions. If Canada can do it, and it is in the forefront, then we can as well.

The corner-stone of our policy has always been family reunification. That is what Canadians want. That is what they had. My father entered this country with $30 in his pocket. He was able to build a life, educate his children, buy a home, start a small business, and become a proud, loyal and contributing Canadian.

• (1150)

We on this side of the House are suggesting that while we need to take in more business immigrants to help us build a stronger economy, the country will also be built in the future by immigrants who have neither dollars nor investments. Given the opportunity, they will help to enhance and develop this country so that it will become even bigger and better than it is today.

[*Translation*]

Mrs. Mailly: Mr. Speaker, I thank my colleague for his answer, but I would remind him that I also asked a question concerning the editorial sentence which reads:

> In fact, Ottawa is doing nothing more than reverting to the practice followed by the previous Liberal administration.

This is why I am wondering.

Mr. Prud'homme: What practice?

Mrs. Mailly: It is explained in the editorial. I quote:

> the practice . . . of having betrayed a long-standing tradition by repealing its policy under which refugee status claimants were not deported.

It says that the practice existed before, and that it was a practice of the previous Liberal administration. Would Mr. Dexter be wrong?

[*English*]

Mr. Marchi: The Member for Gatineau (Mrs. Mailly) should have listened more attentively to my speech. We are not talking about returning to the practice of past Liberal Governments because the phenomenon of refugees has changed. In the 1960s and 1970s Canada played its role by going to the refugee camps and selecting a quota of refugees which would best integrate into this society. That method was very clean, clear and effective. However, in the last several years some refugees have not been waiting for our visa officers to visit them in Bangkok, the Philippines or Hong Kong. They are arriving on our shores by sea and by air, sometimes coming across the American border.

The system we used in the 1960s and 1970s was right for that time, but we are now living in the 1980s. We are asking the Government to put in place a system which can meet the needs of the refugees of today. Only then will we be able to build upon the heritage and traditions of yesteryear. If the Member for Gatineau suggests that we should return to the systems of yesteryear, she will be placing her Government in an even more precarious position because that is to say that we should get refugees only from the refugee camps and close our borders. That is not our position.

Mr. Heap: Mr. Speaker, I commend the Hon. Member for the motion he has introduced. I will have more to say about it later. Would he expand a little on his comments with regard to the Government's recent actions which he finds unfortunate? Would he comment on what he thinks may be the reason for the Government's action? Would he also comment on whether there are similar patterns of action in governments of the United States and western Europe?

Mr. Marchi: Mr. Speaker, I thank the NDP immigration critic for that question. As he well knows, on February 20 the Government moved, in our estimation, in a regressive way. I said that the actions were disturbing and disconcerting because one of the actions was to remove the B-1 list from our immigration policy. That was a list of 18 countries developed with Canadians and External Affairs offices abroad. We said that the situations of humanity in those countries were too fierce to deport individuals. Overnight, and apparently without consulting External Affairs, the Government removed those countries from the list and said that individuals from those countries must now apply within the process. The Government has thrown away a number of years of work in producing that list for maximum protection.

When that list was in place individuals from the Soviet Union, as an example, would not be deported and, therefore, were not placed through our refugee stream. By eliminating the list the Government is placing in that refugee determination system thousands of people who otherwise would not have gone through it. Therefore, in addition to it being unfair, the backlog has been increased.

In addition, the Government has touted an agreement which it supposedly has with the United States. To this day we have not seen one line on one piece of paper showing conclusively that there is an agreement between the two Governments. Perhaps in their upcoming meeting the Prime Minister (Mr. Mulroney) and his friend, President Reagan, can elaborate for Canadians on whether such a legal and binding agreement in fact exists. If it does not, they should tell Canadians.

[*Translation*]

Mr. Deputy Speaker: Resuming debate. The Minister of Employment and Immigration (Mr. Bouchard).

Supply

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, first of all, I think it is unfortunate that today's subject for debate is immigration, since the Minister of State for Immigration (Mr. Weiner) is not in the House and in fact is out of town. I think he would have made a very constructive contribution since, his knowledge of the daily operations of the department, he would have provided the kind of information that I think would have been of interest to Hon. Members on both sides of the House.

In any case, I welcome this opportunity to take part in the debate, because I believe we all realize the importance of this issue and of the various points raised in the motion presented by the Hon. Member for York West (Mr. Marchi).

In my opinion, Canada will have many challenges to meet in the years to come, especially with respect to immigration, which has always been, and still is, an important factor of our economic and social life.

The present Government is now giving immigration a new orientation which I believe will better serve the cultural, social and economic interests of the Canadian society.

[*English*]

In this regard, Mr. Speaker, I would like to begin by saying a few words about future immigration levels. Last November my colleague, the Minister of State for Immigration, announced levels for 1987 of 115,000 to 125,000 new Canadians. This is an increase of 10,000 to 20,000 from 1986. Our reason for increasing immigration levels is fundamental. Canada needs immigrants. We need the growth and enterprise the immigrants represent.

This not an isolated gesture. We have increased the level every year since coming into power. We have sought out new Canadians who can build the economy. We have made room for refugees from camps overseas. We have increased family reunification flows and made the procedures simpler. The Government understands and supports the importance of an immigration policy which emphasizes economic, social and demographic growth.

[*Translation*]

Mr. Speaker, this Government believes and has always maintained that far from taking away jobs from Canadians, whatever they may be, and I think this is fundamental in this debate, immigrants create jobs. Basically, they bring in capital. They set up businesses. They stimulate consumer spending. No other Government has worked so hard to make Canadians aware of the positive impact of immigration on our economy.

In setting immigration levels, both social factors and humanitarian considerations are taken into account. Family reunification is and will continue to be the cornerstone of the immigration program. We are always extremely diligent in reuniting families separated by vast distances.

Forty-five thousand immigrants in that class will be admitted to Canada in 1987.

• (1200)

[*English*]

In charting this course, we placed unprecedented emphasis on the consultation process. Last year our consultations involved more than 600 groups, including non-governmental immigrant, church and community organizations; provincial and territorial Governments; other federal Departments; and experts in immigration and demography.

[*Translation*]

Mr. Speaker, we are putting more emphasis on consensus. In December, we sent some important documents to volunteer organizations and the private sector. In those documents we outlined a number of measures aimed at improving the process for consulting with the private sector on immigration levels.

Mr. Speaker, we received many replies, which contained some valid proposals, both regarding the process itself and some specific factors that should be considered in determining future immigration levels.

We fully intend to maintain and refine the practical and compassionate method we are using to set immigration levels in the years to come.

[*English*]

This consultative process has prompted the Government to increase immigration levels over those set by the previous administration. Contrast this with the decline in announced levels from 130,000 in 1982 down to 90,000 in 1984.

With the Government's first level announcement in 1984, we moved to increase immigration in a moderate and controlled manner. Let the numbers speak for themselves. In 1985, we increased the levels from 85,000 to 90,000; in 1986, from 105,000 to 115,000; and 1987, from 115,000 to 125,000. This simply demonstrates our strong commitment to bring more immigrants to this country.

[*Translation*]

Mr. Speaker, as far as established levels are concerned, we shall not only maintain a humanitarian attitude towards refugees but we will go further. Canada will admit 17,000 refugees in 1987. Of that number, 12,000 will be sponsored by the Government.

Furthermore, Canada is co-operating closely with international organizations dedicated to the cause of refugees, including the Office of the United Nations High Commissioner for Refugees and the International Red Cross, which receive major contributions from this country.

Mr. Speaker, I think Hon. Members are aware that recent events have posed a serious challenge to the Government's refugee policy. The aim of our response has been basically to maintain the credibility of the Canadian government policy. With this in mind, on February 20 we adopted a set of temporary measures—the operative word is indeed temporary—to control arrivals of claimants and to minimize abuse

of the system. We have always said, in the House and elsewhere, that these measures were basically aimed at controlling abuse of the system and thus protecting the *bone fide* refugee.

[*English*]

Canadians appreciate, even if certain Members of the House choose not to, that these measures to stem the flow of illegal claimants do not signal a move away from the basic humanitarian thrust of Canada's immigration policy. On the contrary, they seek to preserve the integrity of that policy for bona fide refugees. The Hon. Member for York West (Mr. Marchi) says that the Government has created confusion and it accuses us of lack of vision.

[*Translation*]

Mr. Speaker, we are not creating a state of confusion, on the contrary.

Admittedly, the situation is difficult and unprecedented: the facts of immigration have changed and 50 million people in various parts of the world are looking for a land of refuge. This is an international political fact, but not specifically a fact of our immigration policy. Indeed, it is because of the concerns of this Government for genuine refugees that we believed at the time and still believe that the action we took was necessary.

Let us talk about the control measures. While this term might seem frightening and likely to describe a mechanism used to restrict freedom, I believe that some control was necessary. These measures not only show that it is unfair—and I emphasize this basic fact, Mr. Speaker—it is unfair to process the claims of people who ask for refugee status without justification when tens of thousands of people ask to immigrate, and I am indeed talking about immigration, through legal channels, but these measures also indicate that Canada alone cannot solve the problem of international economic disparities.

Mr. Speaker, no government can allow the refugee status process as a subterfuge to allow people to usurp the immigrant status, for which they must basically apply.

[*English*]

Significant reforms are currently before Cabinet and new legislation will soon be introduced in the House reflecting commitment, fairness and efficiency. The Government's record in this regard is indisputable.

In addition to developing this expansionist, enlightened legislation for the future, we have already put in place the most sweeping quality of service changes ever seen in immigration operations. Canadians seeking to bring relatives to Canada can now deal with increasingly streamlined, efficient offices, radically different from the neglected and outmoded standard of service only a few years ago.

[*Translation*]

Mr. Speaker, most Members of this House are probably aware of the excellent work carried out by the Standing Committee on Labour, Employment and Immigration chaired by the Hon. Member for Calgary West (Mr. Hawkes), which Committee made 59 recommendations. The importance of providing a quality service to the public, the consolidation of the administrative methods on which officers base their decisions, the acceleration and improvement of the family reunification process for close family members who already have relatives in Canada.

[*English*]

This Government was quick to respond to the recommendations of this all parliamentary committee, adopting more than 50 of its recommendations. Before, a sponsor had to visit a Canada Immigration Centre to sponsor a relative abroad. We are conducting pilot projects on the benefits of doing this by mail. We are actively pursuing other means to ensure that family reunification is dealt with more expeditiously overseas. Decisions will be rendered within months, instead of years, as was too often the case. In order to do this, we will take advantage of modern technologies and eliminate unnecessary steps.

[*Translation*]

As for processing each claim in the substantial backlog accumulated under the Liberal Government, matters are now progressing well. We are now dealing with the increasing number of claims filed in Canada in an orderly and timely manner. While the number has been high, we have responded to each claim in an orderly and timely fashion.

[*English*]

In short, we have dealt and we continue to deal head on with the variety of immediate immigration issues, as well as with the legacy of neglect inherited from the previous Government. We are also addressing the long-term implications of immigration as no other government has. Although they have come in record numbers, we have responded in a manner that has allowed orderly processing and timely attention to everyone seeking assistance.

[*Translation*]

Mr. Speaker, the Hon. Member describes the immigration policy as confused. The fact is, and I believe that this is important—

• (1210)

[*English*]

We have to remember that a government must settle a problem with firmness and equity. That the Liberals have never done. I think this is something which could create confusion, but I also think Canadians are fully aware of what we have done and support fully the Government.

[*Translation*]

Mr. Speaker, Canadians understand our commitment to immigration, to genuine refugees and to our humanitarian traditions. They understand that this Government makes decisions which will benefit Canada, as well as all Canadians

now and those who will apply for citizenship in the future, both in the short and the long term.

Mr. Speaker, this country has a proud tradition of welcoming people from around the world. We shall maintain and emphasize this tradition in coming years.

[*English*]

We are making the tough decisions both in the long-term and short-term. Let me assure the House that we will continue to make these decisions in the days ahead.

Mr. Marchi: Mr. Speaker, I would like to ask the Minister a number of questions. The policies of the Government are certainly tough and they are not humane. They do not, in my estimation, meet with the long-term goals of Canadians, once Canadians are given the straight goods, and the straight goods alone, and they are far from fair to those who legitimately seek entry into this country.

The Minister spent quite a bit of time speaking about increasing the immigration levels and targets. Can he tell the House why, when the Government has increased the target levels, it has not increased the resources to allow our ministries abroad to increase their production, as it were, in order that those numbers can be realized? In 1986 the Minister said the Government was going to allow 115,000 persons into the country, but predictions had only 80,000 to 85,000 people coming into the country. The Minister should answer that question in terms of correlating the resources and the target. The Government can have one million as a target but if it does not attach sufficient visa officers to those posts, it will still be processing 80,000.

The Government talks about family class reunification. Why did the Government's figure of 45,000 only represent 30 per cent of the entire immigration program? In the 1970s and the 1980s it was as high as 55 per cent. Out of those 59 recommendations, I support and compliment the Government on the 50 it approved, but it refused the more far-reaching and implicating type of recommendations, such as increasing the points for people having families here and increasing the definition of family. Why were those recommendations rejected?

Where is the agreement with the United States of February 20? Is it legal? Is it binding or is it a glorified statement between officials of both countries? Why did the Government remove the B-1 list without consultations as was specified by the Secretary of State for External Affairs (Mr. Clark)?

When is the legislation for a new refugee determination program which was promised going to be introduced? With all due respect, the Minister's predecessor suggested that we would have it immediately after the Plaut report in 1985. The Minister of State (Mr. Crombie) said it would be the fall of 1986. Then it was Christmas of 1986, then January of 1987, this year. Then it was February. We are now in March. Can the Minister tell the House and those groups across the country who are very interested and frustrated with the Government's promises in the last two years, when Canadians can anticipate new legislation so that the work can really begin?

Mr. Bouchard: Mr. Speaker, I would like to start with the last question about when the new legislation will be brought forward. It certainly will be done a lot quicker than when the Liberals were in charge. The previous Government took three or four years and came up with only two reports regarding the question of refugees and immigration. I do not believe the Liberals had the courage at that time to face what we face today. They always put off any decision about immigration. They decreased the level of immigration, and that is all they did in 1982. I can tell them that in 1985, 45 per cent of immigrants accepted in Canada are family reunification. We do understand. When I talk about bringing the legislation in pretty soon, I say to my colleague quite frankly that I hope it could be within the next two or three weeks. I say I "hope" because there are many reasons for the delay, the first one being the complexities of this House.

The Hon. Member asks about the agreement with the United States. I know of the Hon. Member's commitment and the commitment of the Hon. Member for Spadina (Mr. Heap). I do not want to play the kind of game where we put the refugees at the United States border with more problems than they already have. I can tell the Hon. Member we have all the guarantees. It is not a question of signatures and so on. We have the guarantee, and I challenge my hon. friend to tell me one person who was deported from the United States before requesting the status of the refugee at the Canadian border? It has not happened, and I do not want it to happen. If it does happen, I hope I will be informed by the Hon. Member or by someone else.

[*Translation*]

Concerning the whole immigration policy, it is my view, following the Hawkes Committee report which was submitted to us by all the people involved, I believe, that actually Canada is asking for just two things: first, that general immigration levels be raised, and, if possible, pretty soon I will strongly recommend to Cabinet that they be raised to 150,000, perhaps 175,000 immigrants a year, and that we be provided with the resources needed to implement that. I am convinced that Canada must not only maintain its immigration levels, but that it definitely must raise them.

As I said, what Canada needs is not just a political formula, I have always said and I will always repeat that Canada was born, developed and enriched by immigration. And Canada can go on doing it. However, this must be done in an orderly fashion and within parameters determined by the Government of Canada, rather than by way of measures that would not respect them.

Again, it is my view that within that process, and I think that the Committee last year proposed—I stand to be corrected if I am wrong—a particular section, a specific part relating to family reunification. I think that is an excellent recommendation. We were not ready at that point to respond, but there

certainly will be recommendations I would think will be made in that direction for the development of our future policy.

Once more, Mr. Speaker, it is my view that the Conservative Government's immigration policy is a consistent one, basically a policy evolving from parameters which respect it.

I will never accept that such a policy be managed on the basis of exceptions. I am just as sensitive as the Hon. Member to the question of refugees, having lived as I have, in the last three months, those events in a very intense way. But as I said, it is my view that this country will not accept that people should, using mechanisms other than those provided by the Act, enter into Canada and take the place of thousands of immigrants who run the risk of not being accepted themselves for lack of being refugees—resort to subterfuge, and take a roundabout way of entering Canada. All refugees, all genuine refugees who apply to Canada will be accepted. Those who are not, and this is a method that has been used far too long already, those who are not will unfortunately have to go through the standard procedure, seeking immigrant status or whatever.

• (1220)

[*English*]

Mr. Heap: Mr. Speaker, I have two short questions which I would like to ask the Minister. In 1986 the total number of immigrants who entered Canada, including refugees, fell 6,000 short of the Government's minimum target. The minimum target was 105,000, while the maximum was 115,000. The total number of immigrants admitted was 99,000, even though the Government had been warned that the new point system was too restrictive. I want to ask the Minister why the Government did not correct that restriction.

My second question is the following. Nine months ago in its report to the then Minister the standing committee proposed that an information package containing the information needed to complete an application for immigration be given either in Canada to the sponsor of the applicant or to the applicant himself overseas. Thus far little or nothing has been done about those suggestions which would have speeded up the process at no significant cost. In fact, there would have been a saving in terms of time in respect of interviews. I want to ask the Minister why nothing has been done.

Mr. Bouchard: Mr. Speaker, will the Hon. Member specify what he means by "restriction" in his first question?

Mr. Heap: Mr. Speaker, the number of points required was increased from 50 to 70 out of 100, making it nearly impossible for a great many applicants to succeed. Over 180,000 people made the initial inquiry in 1986. Yet we did not even fill the modest number proposed by the Minister's predecessor. That is one restriction.

The other restriction is that the number of points attributable to family relationship was cut from 30 to 15. Therefore applicants were reduced in their ability to meet a standard that had been increased by 40 per cent. It is no wonder that the Minister fell short of his target.

Mr. Bouchard: Mr. Speaker, this is something about which I would like to look at further in light of the fact that we dealt with a smaller number of immigrants in 1982. The number of people we had on staff at that time was in relation to the number of applicants we had to process. The increased level of immigrant processing does not have to be dealt with with the same efficiencies that were in place at that time. It is possible to improve, and I spoke about that in my speech. We have already improved a great many different parts of the process. I agree with my friend that it has to be possible to improve.

In terms of the main target, we do not want to say that we will accept 120,000 immigrants and accept 100,000. We want to accept 120,000 immigrants. We will consider all the ways by which we can do this. At the same time this is something upon which we can improve. Once again, in 1982, 1983 and 1984 we dealt with 70,000 people. The Hon. Member realizes the complexity of the system. It is not always easy to improve the services and the efficiencies in the great number of offices that we have as quickly as we decide to increase the number of immigrants.

Mr. Allmand: Mr. Speaker, the Minister said that the previous Government put off the question of refugees. Is the Minister aware that in 1982 the Liberal Government admitted three special movements of refugees? It admitted 9,344 Poles following the Solidarity crisis; 3,024 refugees from El Salvador; and 2,501 refugees from Iran. These were all special movements which were taken into consideration in addition to the regular flow of refugees. Just before 1979, with the crisis in Lebanon, some 11,321 Lebanese were admitted. After the Vietnam war in 1975 some 9,060 Vietnamese were admitted into Canada. In terms of Ugandan Asians, in 1973 some 7,069 were admitted. After the Czechoslovakian problem in 1969 some 11,943 Czechs were admitted into Canada. Following the Hungarian crisis in 1957 the Government admitted 37,149 Hungarians. These figures are what led Canada to its receiving the Nansen Medal last year. Why does the Minister not follow the good example that we set in recent years and provide for special movements instead of cancelling them? Why does he not keep up with the record that we established?

Mr. Bouchard: Mr. Speaker, the Hon. Member knows that I was not referring to numbers. I was referring to two reports which were tabled during the time the Hon. Member's Government was in power and to one report tabled since we took office. The Hon. Member's Party never had the courage to deal with those two reports. This is not a question of numbers; it is a question of making a very tough decision. The Government of the Hon. Member decided not to deal with the question of refugees but rather to deal with the matter by exception. That is the reality which we face today as a result of his Government. Members of the Opposition want me to deal with the refugee issue by exception. There is always an exception somewhere. Just two weeks ago there was a matter

involving Chileans, and last week another involving Lebanese. I am sympathetic to the causes, but at the same time we have to be sure that these people are refugees. It is not the Minister who decides if they are refugees or not. It was decided at the time that they were not refugees. The Government of the Hon. Member did not have the courage to deal with changes in refugee and immigration policies. That is what I meant.

Mr. Dan Heap (Spadina): Mr. Speaker, I wish to commend my colleague, the Liberal Party critic for immigration, the Hon. Member for York West (Mr. Marchi), for the introduction of this motion. It provides a good basis for debate. The main point of it is to condemn the state of confusion in which the Government has maintained our immigration policy, particularly the frustration experienced by a large number of Canadians who are unable to sponsor successfully their family members as immigrants and the recent actions which undercut—I would say reverse—Canada's humanitarian assistance and protection for refugees who are legitimately seeking protection in Canada.

First, I want to say that during the debate not only of the last few weeks and months but of the last two or three years I have become aware that there are many men and women of goodwill in all three Parties in the House who are concerned for both immigrants and refugees and who recognize more and more that these are two distinct matters not to be confused with each other. I hope today's debate will contribute to resolving the difficult problems that we have to face. I wish to talk more about the problems than about the possible erroneous attitudes of the Government, even though that subject cannot be entirely set aside. I wish to talk about the history of our immigration policy since World War II.

Second, I wish to talk about the recent attempts which I think will reverse that policy.

Third, I wish to deal with the strong push from Canadians who insist that we not only continue our policy but extend it further and improve it.

• (1230)

Fourth, I want to talk about specific recommendations on that matter. The recommendations which I favour, in line with large bodies of Canadian opinion, are not only my own personal opinion, nor are they the personal opinions of members of our caucus. They were endorsed, if not unanimously then by overwhelming and uncontested vote, at the biannual convention of the NDP a few days ago with the following resolution: "Be it resolved that the NDP strongly condemns the Conservative Government's February 20, 1987 guidelines on the treatment of people who come to Canada to seek protection as refugees; and be it further resolved that the NDP endorses a refugee determination process that is speedy, fair and accessible to all and which ensures the safety of those who seek refuge in Canada".

To develop the first point I mentioned, after World War II Canada greatly increased our immigration policy. In fact, the population of Canada more than doubled since that time. While it was not all due to refugees—we had the baby boom—we took in many hundreds of thousands of refugees at that time. We developed, as has been said, as the corner-stone of that policy the principle of family reunification. We also brought in independent workers. Many of the manual workers in the factory where I served for 18 years came in at that time. We also brought in skilled workers, although many of them did not get skilled jobs here, and we also brought in immigrants with lots of money. It was one of the criteria used, however informally. I will not go into the political selection that was carried on at that time, which is being documented even now.

The refugees who were mostly selected—and perhaps beginning in the sixties a few were allowed to seek asylum in Canada and to make their claim here—were slowly recognized as a distinct group. Distinct practices, regulations and, eventually, legislation were developed. The United Nations played a vital part in that by developing the principle of asylum, the principle that a refugee is a person with a well-founded fear of persecution for race, nationality, religion, political opinion, or social group. In the five years following World War II, and into the fifties, that criterion was worked out among a large number of the nations of the United Nations, and documents were signed legally, in international law, binding countries including Canada to observe those principles.

Since then, as has been pointed out, Canada has received many thousands and many tens of thousands of refugees, sometimes in large numbers in a short time—and it has done it willingly—from Europe, from Uganda, and from Vietnam.

The rationale for that appears to be that it was in one sense the final stage of the European conquest of North America, doubling the population almost entirely of Europeans in the country. Second, it was also a magnificent source of cheap labour. I remember one of the immigrants in the factory telling me—and he could laugh about it because it was years past—that he was lucky enough when he came over to meet a fellow countryman from his own village who had a construction company and took him to work in his truck every day for a year, until the immigrant learned enough English to find out that he was being paid less than the minimum wage. That happened thousands if not millions of times, and it is still happening.

A third part of the rationale clearly is that we developed a humane principle, the principle that every human being has a right to be protected and that every state in the world—at least every state which signed the UN Declaration as has Canada—has an obligation to ensure that protection, not to close the door and say "go somewhere else".

In the publication *Refugees* from the UNHCR, the special issue on Asylum in Canada, a very good point was made. It says that it is remarkable "the international community still maintains an agency responsible for the defence of individuals in their relations with states." In other words, the refugee law of the United Nations protects every individual in the world, to

the extent that it makes it a duty of other states, if necessary, to protect an individual against his own Government. It continues:

> In 1986 a Group of Governmental Experts' report identified "coerced movements" as sufficiently reflecting the rationale for refugee flight. It is compulsion in a wide sense, including war and armed conflict, which induces flight in fear for life, liberty and security.

They are broadening the definition of "persecution" to fit the facts of our time.

It continues:

> UNHCR is a human rights organization in the sense that these basic human values are central to its organizational ethic.

It was very important that we developed that understanding. It would be very unfortunate to have it reversed. That appears to be what may be happening now, and the question is, why?

We have been told that there is a backlash. The Minister himself referred to the backlash in statements at the beginning of January, and he has built on that story which he told us. On January 8—and this was published in *Refugees* internationally— the Minister said, "we must face up to the reality that two-thirds or three-quarters of the people", meaning the people who come claiming status here, "abuse the system". That is false. The committee, in studying the matter, found that at least 50 per cent of the claimants were in fact either bona fide refugees or had a bona fide claim to humanitarian consideration. In fact, more than half the Chileans, more than half the Salvadorans, and more than half the Guatemalans who applied to our country have been found to be refugees. To slander all of them as being in majority false claimants is in fact promoting the very backlash some people have called racist.

It is very unfortunate that the Government, not just the Minister but senior officials, talked for years about queue jumpers and cheaters as though all refugee claimants were nothing but immigrants trying to get ahead of other people in the line. It is very unfortunate that they have encouraged, whatever their intention was, such a backlash. In fact, two years ago Canadian officials took a leading part in demanding that the countries of western Europe should collude with each other to shut the doors to refugee claimants. Canada's action in the United Nations High Commission Executive was to demand a "get tough" policy with refugee claimants. That is a disgrace to Canada.

We must recognize that our humanitarian policies going beyond the strict definition of refugee were dictated by what Canadians felt was good reason that a person should not be forced to return to the U.S.S.R.; after the Khomeini revolution or coup, a person should not be forced to return to Iran; by the same token, during the period of martial law against *Solidarnosc* people should not be forced to return to Poland; and, likewise, people should not be forced to return to El Salvador.

We have had no assurance from the Government that in any of those countries, or in any of the others on the list of 18, the situation has changed so that it is safe to force people to return there. In other words, the policy which the Government is now following is a policy of saying: "We will accept refugees only by selection overseas, only if they measure up to our needs for immigrants, whether it is for manual labour, mental labour, or any other purpose". We will not take refugees, is the Government's clear intention, except when we find they serve our purpose. They are to be kept at a distance, thousands of miles, until we give the signal to accept them.

• (1240)

A very foul example of this kind of misleading propaganda against refugees is to be found in *The Saturday Star* for March 21, 1987. On the front page is an article written by Gordon Barthos. He went to Salvador to find out why Salvadoran refugees were coming. His opening statement is that last year Salvadoran refugees cost Canadian taxpayers $11 million. He begins right away to attack them simply for being here. Then he asks why. He goes on to suggest that the first cause is the earthquake. That is so patently false because, although the big flow of Salvadorans started almost at the very same time as the earthquake, they were coming from the United States, not from Salvador. I am sure the reporter knows that and I am sure his editors know it. It gets worse, Mr. Speaker. He goes on to say:

> Before rattled Salvadorans had time to recover from Wednesday's tremor, rebels raced through the city spraying machine-gun fire at several political targets.

In a half page story this so-called news reporter has not one word of acknowledgement of the billions of dollars which the United States has spent to arm and supervise the military of El Salvador in its war against the Salvadoran people by its intensive bombing of civilian villages and the assassinations by government-sponsored death squads. There is not one word in this whole misleading article. Then Mr. Barthos talks about the trickle of Salvadoran political refugees turning into a torrent. Six thousand people is a torrent when we took nearly 100,000 refugees from Vietnam? Mr. Barthos is trying to mislead the public. He goes on to write:

> Canadian officials in Central America say deported Salvadorans face no risk of persecution in returning.

That is false, Mr. Speaker. If the reporter had examined the report done by the American Civil Liberties Union, he would know that there are documented cases of murdered returned refugees and that other reports show it to be very difficult to find most of the returned refugees when people go looking for them. They may be there, but nobody knows, and nobody knows what has happened to them.

Mr. Barthos comes close to the truth without actually hitting it when he says:

> The war since 1980 has left 60,000 dead and a million displaced;—

He ignores, of course, universally attested statement that it is primarily the Government that has killed those people. The article goes on that the war has:

> —caused $2 billion damage to the economy;—

He says people are forced to work for $4 a day wages. He implies that because, and only because, they are forced to work for $4 a day wages and that therefore they are coming to Canada as economic migrants and not as genuine refugees. His whole article denies the truth of persecution in El Salvador. This is the same paper which, with crocodile tears, published an editorial last Wednesday saying we should help the refugees.

The majority of Canadians have no use for such false propaganda. The Canadian Council of Churches representing the major denominations of the Protestant religion in Canada have called for a program in which the refugee claimant would arrive at the border and immediately be sent for an appointment with the refugee board. He would have a hearing at the refugee board with counsel if he wished. There would be a quick review of any negative decisions, not another hearing, and the individual would have a chance to add any further information. The whole thing would be done in about three months. The Canadian Conference of Catholic Bishops have said:

> We wish to join with other community organizations and church groups in expressing shock and deep concern following the adoption of restrictive refugee measures, as recently announced by the Minister of Immigration.

That was written on February 25, 1987, speaking about the Minister's action on February 20. They say that the Government of Canada:

> —must fulfill its commitments and grant asylum to all refugees, as defined by the terms of the Geneva Convention.

The Canadian Jewish Congress has taken the same stand endorsing what they call the "Hawkes model" which provides for universal access and a right to a review on the merits of all cases.

The CSN—

[*Translation*]

The CSN said on February 27, 1987.

> The right of asylum must be recognized, respected and protected. If persecuted people in this world are to have a way of escaping such situations, the right to seek refuge must actually exist. Any open policy is subject to abuse—it is incumbent upon us to find an effective procedure to discourage and fight such abuse. We therefore request:
>
> (1) that the right of asylum be fully maintained;
>
> (2) that the centres for applying for refugee status be maintained, and that the staff concerned be increased.

And, item 8

> (8) that the CSN make representations to the federal Government for the repeal of the three measures recently adopted that change refugee access to Canada.

[*English*]

The Canadian Labour Congress has demanded that the Government re-establish the B-1 list and that it take measures to speed up the determination process and guarantee that claimants will not be returned to Guatemala or El Salvador. It has demanded that the Government take special measures to ensure Chileans are not unduly singled out as they were by name in the Government's regulation for transit. It was specifically directed against Chileans. The Congress goes on that the Government should reverse the policy of staff cutbacks in the federal Public Service. In other words, to allow that the good work be done. It wants the Government to ensure that funds are made available to those provinces which are faced with large numbers of refugee claimants so that humanitarian and legal needs of these persons can be met without an unfair drain on provincial resources.

The Canadian Auto Workers write:

> We call on the Canadian Government to rescind recent measures directed against refugees. We further call on the Government to resist the temptation to play to one of Canada's most unpleasant galleries: the nativist Canadian element including Government Members, who arouse public passions in spite of their own immigrant roots.

There are many other groups who have endorsed this position. I want to speak about what it means to them. They represent millions of people. First, they want a society based on a commitment to mutual obligations rather than on force or on the advantage of money. Founded on that, they want solid human rights recognized, such as the right of asylum with no turning away from the person in need. What they have said in effect is that what we deny to others we implicitly deny to ourselves. What we wish for ourselves, we must extend to others.

Finally, this calls for a fair division of the labour and wealth of this world. Instead of using those people in El Salvador to run factories for Canada or the U.S. at $4 a day wages and insisting they stay there and work, with their union leaders shot, their co-op leaders shot, their church leaders shot, such as Archbishop Romero, for starvation wages for our benefit, we have to seek a fair division of the world's wealth and work so that those people will stay in the country they love and be able to live there, work there and be our neighbors.

• (1250)

Mr. Stackhouse: Mr. Speaker, I have a brief comment to make. I was very surprised and indeed shocked that this motion should be introduced today in view of the fact that the number of immigrants admitted to Canada since 1984 has been greatly in excess of the number admitted in the previous two years. This has been a pro-immigration Government which has recognized how immigration has been part of the Canadian story and has a positive contribution to make to the life of Canada.

As I understand it, the Government is attempting not to close off immigration or to reduce it, not to close off our borders to legitimate refugees, but to have a rational immigration policy that gives a fair chance to all who are legitimately seeking admission to Canada. I find that the changes in the regulations affecting immigration have received the most strenuous support from members of ethnic minorities in my own community.

I regret very much the reference to something called nativism. I believe that the support for the Government's policy is nowhere stronger than among the ethnic minorities

who have been outraged that so many people waiting their turn, going through the legal process to gain admission to this country, have apparently found others getting ahead of them in the line. I believe that it remains part of the commitment of the Government that every legitimate refugee who is truly fleeing from persecution will still find asylum in Canada and the refuge that has been part of the Canadian tradition.

Mr. Heap: Mr. Speaker, I note that the Hon. Member did not ask a question. Perhaps that is because he knew the answer. I am sure the Hon. Member will recognize the following statement if he has read this month's issue of the *Canadian Churchman*:

> "We are of the opinion that Canadians want a policy in relation to refugees that is generous, but just,"—

This comes after the article indicates that "the current government policy is unjust, unworkable and unconstitutional". The article goes on:

> "We need a better process," he said. "Immigration officials are not the appropriate people to decide if a person who claims to be a refugee is, in fact, one.

The article goes on:

> "The days when we go off to refugee camps to select people to be admitted are over," he said. "The new situation is that refugees will arrive on our shores and at our airports. That phenomenon will not disappear and the government must enact procedures to deal with it."

I hope the Hon. Member is in communion with that sense.

Mr. Marchi: Mr. Speaker, I was curious to hear from my hon. friend about the union movement. In my speech, I indicated that one of the myths that has been allowed to continue is that somehow immigrants increase unemployment and take away jobs from native Canadians. I also indicated that studies clearly show that not only do immigrants not take away jobs but they create them; a general impetus of a healthy national economy.

Perhaps the Hon. Member for Spadina (Mr. Heap) could share with me the viewpoints of union leaders across Canada who are affiliated very closely with his Party. Perhaps he could tell the House about their thinking on the economic equation as it relates to our policy of immigration and refugees *vis-à-vis* employment opportunities and the needs that exist within the labour market at present.

Mr. Heap: Mr. Speaker, I would be very pleased to report to the Hon. Member that the position of the Canadian Labour Congress for some years has been to redouble our efforts for family reunification and for refugees. The Congress recognizes problems that have been associated with immigration in the past including those to which I and the Hon. Member referred. The mistreatment of immigration workers has the effect also of weakening the position of earlier immigrants and Canadian-born workers. In other words, the congress is wary of how immigrants are used to cut wages or to create unsafe working conditions because of their desperate need. Nevertheless, it has said that we should redouble our efforts for family reunification and for the refugees.

I do not know if the Hon. Member was listening, but I quoted strong statements from the CSN, the Canadian Labour Congress and Canadian auto workers. I also could have referred to strong statements from the Toronto Labour Council and the Ontario Federation of Labour but I did not have the time to do so in 20 minutes. The labour movement strongly supports a generous refugee policy and a generous family reunification policy.

Mr. Manly: Mr. Speaker, I would like to commend my colleague for the very enlightened approach he took in his speech. He pointed out the falsehoods in the story in *The Saturday Star* and he said that Canadians have no use for that kind of false propaganda. Earlier he referred to a false statement made by the Minister who had claimed that up to two-thirds of the refugee claimants were bogus and then detailed the fact that that was a false statement. Does the Hon. Member have any idea why the Minister would make a statement like that when the facts are completely different? Does the Minister not know the facts? If he does know the facts, why does he not come clean? Why does he try to present a false picture?

Mr. Heap: Mr. Speaker, as I said at the beginning, in this debate there are men and women of good will from all Parties. I recognize that only a few months ago the Minister took responsibility for the portfolio of immigration as well as employment. Therefore, he is at the mercy of senior officials who give him their select information and their views. These are the officials who went to a meeting in Geneva in October 1984, the minutes of which record that "the Canadian delegation called upon the High Commissioner of refugees to undertake to study the issue of irregular migration of refugees in its broadest aspects, focusing on identifying the flows, both the source and the destination, the question of fraudulent documentation and associated issues". In other words, Canadian immigration officials have been campaigning for several years to restrict the entry of refugees into Canada. They have not been ashamed to use the newspapers as outlets for their misleading propaganda. I regret that they may have had some effect on the Minister, considering the tremendous responsibilities he undertook last year when he took on the super-large portfolio of Employment and Immigration.

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

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

S. O. 21

STATEMENTS PURSUANT TO S. O. 21

[*English*]

FINANCE

EFFECT OF TAX ON POTATO CHIP INDUSTRY

Mr. George Henderson (Egmont): Mr. Speaker, the Minister of Finance (Mr. Wilson) in his recent Budget piled more and more hidden taxes on low and middle-income families. In addition, the Budget imposed a 12 per cent tax on potato chips.

I recently received a copy of a letter that the Manager of the Prince Edward Island Potato Chip Co-operative wrote to the Minister. The Manager wrote, "The P.E.I. Potato Chip Co-operative was founded in May, 1986, and expects to start commercial production in two weeks time." He told the Minister the 12 per cent tax is causing them immense concern. It threatens the survival of their project which otherwise has the potential to make a genuine economic contribution to their region and our province. He also told the Minister the tax will have a very damaging effect on both their business and other enterprises. I ask the Minister to take immediate action to ensure that this industry is not destroyed by his tax grab.

* * *

CANADA POST CORPORATION

SEVENTY-FIFTH ANNIVERSARY OF 4-H MOVEMENT—SUGGESTED ISSUANCE OF COMMEMORATIVE STAMP

Mr. Lee Clark (Brandon—Souris): Mr. Speaker, in 1988 the 4-H movement in Canada and Manitoba will be 75 years old. This organization got its start in the late 1800s in the U.S. Its goal was to improve farming methods by teaching young people new farming skills. Since then its role has expanded to helping youth between the ages of eight and 19 improve their people skills.

Through numerous projects, whether it be caring for a calf and preparing it for show, or participating in public speaking competitions, 4-H members learn co-operation, responsibility and leadership. Lately 4-H clubs have also taken on the important role of educating the public about the continuing importance of agriculture to the economy and the need for support for family farms.

A Manitoba group has requested that a commemorative stamp be issued in honour of this upcoming anniversary. As 4-H has made such a positive contribution to some three million young Canadians, I wholeheartedly endorse this request and urge Canada Post to issue that stamp at the appropriate time.

LABOUR CONDITIONS

UNEMPLOYMENT IN BRITISH COLUMBIA—CLOSURE OF UNION FUNDED ACTION CENTRES

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, 210,000 British Columbians suffer the tragic effects of unemployment because neither the federal nor provincial Government has had the imagination or the commitment to adopt a full employment policy. Five years ago the B.C. Federation of Labour tried to help those workers by opening unemployed action centres throughout the province. They spent over $7 million to maintain them. Since the Conservative Government withdrew its funding in 1985 the B.C. labour movement has spent $36,000 a month to keep those centres open. Unfortunately, they can no longer afford the funding and most of the centres will close March 31. However, the problems and suffering continue.

Is it not time that the Conservative and Social Credit Governments took their responsibility seriously and acted to create jobs for British Columbians?

* * *

WAR CRIMINALS

DESCHÊNES COMMISSION RECOMMENDATIONS—SUPPORT FOR GOVERNMENT RESPONSE

Mr. William G. Lesick (Edmonton East): Mr. Speaker, the Government's response to the report of the Commission of Inquiry on War Criminals is indeed welcome news to members of Canada's Baltic, Ukrainian, and Jewish communities. The Government found the problem of war criminals in Canada to be far less serious than originally considered, but that if even one individual guilty of war crimes has sought refuge from justice here in Canada, it is a matter of grave concern.

Canada will try any war criminals under Canadian laws, any investigation would take place under the jurisdiction of the RCMP and the Department of Justice, and we would not create a special organizational body. The findings and recommendations of the commission are fair and just and provide an excellent basis for our Government to develop a Canadian policy on war criminals. I commend the Minister of Justice (Mr. Hnatyshyn) for his prompt actions in responding to this report and helping to finally put to rest a most difficult issue.

[*Translation*]

UNEMPLOYMENT INSURANCE

REQUEST THAT GOVERNMENT INTRODUCE JUST AND EQUITABLE LEGISLATION ON BEHALF OF ELDERLY WORKERS

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Yesterday in Montreal, Mr. Speaker, more than 1,000 early retirees attended an information meeting organized by the *Coalition de la défense des droits des préretraités*, and they unanimously decided to continue fighting against the injustice which the Government is trying to do to elderly workers.

Mr. Speaker, I should like to give only one example. An elderly worker who was earning $385 a week and is eligible for unemployment benefits of $231 but gets a $300 pension from his former employer forfeits any entitlement to UIC benefits. However, another elderly worker who earns $385 a week and is eligible for $231 in unemployment benefits and who gets $300 a week under a registered retirement savings plan is entitled to the full $231 weekly unemployment insurance payment.

Mr. Speaker, I do hope that Conservative Members will continue to pressure their Government so that the Minister will introduce just and equitable legislation concerning all elderly workers in Canada.

* * *

• (1405)

[*English*]

NORTHERN AFFAIRS

NORTHERN TAX BENEFITS PROGRAM—ELIGIBILITY CRITERIA

Mr. Albert Cooper (Peace River): Mr. Speaker, for years many Canadians living in Canada's north have been treated unfairly. Those who worked for the Government or large companies generally received subsidized housing and/or special wage supplements to compensate for the high cost of living in the north. Those who worked for smaller businesses or were self-employed did not. The Government moved to return fairness to the rest of northern Canadians by making much needed changes to the Tax Act to allow the same benefits through the Northern Tax Benefits Program. I applaud those changes.

Unfortunately, the present eligibility criteria have created tension between neighbouring communities in the Peace country. Unless the eligibility boundaries are adjusted, neighbours in my constituency will be pitted against each other with one having an advantage over the other. I urge the Government to re-examine these criteria as soon as possible.

S. O. 21

EMPLOYMENT EQUITY

HARASSMENT OF WOMAN FIREFIGHTER AT REGINA AIRPORT

Mr. Les Benjamin (Regina West): Mr. Speaker, those on the government side who have recently boasted about the bright future being built for women in this country obviously have not heard about the case of Bobbi Stadnyk. Ms. Stadnyk was one of Canada's few female Transport Canada firefighters and worked at Regina Airport until being fired in 1985. Her case is a horror of harassment and discrimination at the hands of some other staff and management.

In addition to being subjected to lewd behaviour, her equipment was faulty and dangerous and was sometimes tampered with. Her personnel files were falsified, and daily, for a three-week period, insecticide bombs were discharged within the cab of her truck in order to make a dangerous and unpleasant mess for her to clean up. Much of what occurred was with the knowledge, participation, or actions of management.

Three investigations have concluded that Ms. Stadnyk was fired without cause and that she was a victim of harassment. I call upon the Government to do the proper thing, to compensate Ms. Stadnyk fully and offer her another position in the Public Service. The Government must also hire additional airport firefighters whom we so desperately need, and ensure that equal opportunities for those positions are given to women.

* * *

FINANCE

DEPARTMENT STORES' CREDIT CARD INTEREST RATES

Mr. Reginald Stackhouse (Scarborough West): Mr. Speaker, news reports claim that banks are reviewing their credit card rates and are expected to cut them before the end of next week. We are also told that major department stores are reviewing their charge card rates. Since those rates are still 28.8 per cent, the level at which they were when the bank rate was over 21 per cent, that review is as late as spring this year is early.

In 1974 when the bank rate was 8.75 per cent the stores charged only 21 per cent. Now that the bank rate is down to 7.14 per cent, what justifies these big stores insisting on a whopping 28.8 per cent? May their review be as short as the patience of their customers has been long.

S. O. 21

PHARMACEUTICAL INDUSTRY

DISAPPROVAL OF LEGISLATION AMENDING PATENT ACT

Mr. John Nunziata (York South—Weston): Mr. Speaker, by forcing Bill C-22 through Parliament the Conservative Government has proposed to destroy a vital part of Canada's health care system. For more than 15 years Canada benefited from some of the lowest drug costs in the world while still allowing the pharmaceutical companies to be one of the most profitable sectors in all manufacturing industries.

Canadians have expressed their disapproval of this legislation. Thousands have signed petitions, and hundreds of groups and individuals wanted to appear before the Committee on Bill C-22 to voice their concerns about the legislation. However, the Government of Canada and the Minister of Consumer and Corporate Affairs (Mr. Andre) have chosen to ignore these concerns. Rather, they are more prepared to listen to the demands of American multinationals and surrender, all in the hope that this might enhance the opportunity for some kind of free trade agreement.

Canadians are not prepared to pay hundreds of millions of dollars more each year in order for the Government to satisfy the demand of foreign lobbyists. The sick and the elderly and the poor should not be made to pay the price for the Government's mistakes. I call on the Minister to withdraw this legislation immediately and to end this unfair attack on the poor, the sick, and the elderly.

* * *

[*Translation*]

NEW DEMOCRATIC PARTY

PARTY'S DEMOCRATIC DISCIPLINE

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, the centralization shown by the socialists during their latest national convention is a telling commentary on their Party's democratic discipline. It amounts to centralization with respect to both ideological principles and geography. British Columbia had twice as many delegates as the Province of Quebec. These "twice as many" travelled 3,000 miles to go to Montreal. Quebec socialists who live close by accounted for only 5 per cent of delegates, while Quebecers make up 27 per cent of the entire population of Canada.

The socialists used Quebec as a camping grounds whence the leader tried to kill the old resolutions and define the substance of the new resolutions of his Party. Quebec is not a camping grounds, not for the 1,391 socialist delegates any more than for their leader's camping trailer every year in the month of July.

My advice to the socialists: Study our country. Quebec is a lot more than a camping grounds.

• (1410)

[*English*]

EXTERNAL AFFAIRS

CENTRAL AMERICA—CALL FOR END TO UNITED STATES MILITARY INVOLVEMENT

Ms. Pauline Jewett (New Westminster—Coquitlam): Mr. Speaker, this week the leaders of the Anglican, Lutheran, Presbyterian, Roman Catholic, and United Churches of Canada urged the Prime Minister (Mr. Mulroney) to press for an end to U.S. military involvement in Central America when the Prime Minister meets with United States President Ronald Reagan next month. We in the New Democratic Party strongly endorse that call.

The church leaders have reminded all of us that the U.S. administration's aid to the Contras and its economic blockade of Nicaragua are unacceptable to Canadians.

They have reminded us as well that the continuing militarization of Central America is creating a mounting economic and refugee toll.

At a time when the United States has announced major new military activities in Honduras, involving 50,000 troops, it is crucially important that the Prime Minister put Central America on his agenda and make Canada's voice heard for peace and the withdrawal of all foreign troops and advisers from Central America.

* * *

UNEMPLOYMENT INSURANCE

CALCULATION OF SEVERANCE PAY AS INCOME

Ms. Sheila Copps (Hamilton East): Mr. Speaker, when the Minister of Employment and Immigration (Mr. Bouchard) brought in his unfair legislation, judging that pensions and severance pay were to be considered as income for the purpose of unemployment insurance, not only did he attack in a discriminatory fashion those people who have retired on company pensions, he also attacked those who are hurt when companies close down.

Consider the situation of Otis Elevator in Hamilton. The Government of Ontario, in an attempt to redress the damage done by the federal Government, brought in new legislation to permit workers to collect severance pay. As a result of the new legislation of the Minister of Employment and Immigration, that severance pay right will no longer be available to those workers.

I call on the Minister in particular to consider the case of the more than 200 workers at Otis Elevator in Hamilton who have a right to the severance pay. They in fact want to continue to work and would have liked to work, except that the company has closed down. They should get support through severance pay benefits.

I plead with the Minister not to bring in this legislation retroactively to cover those workers who have already been forced to leave companies, and to make sure that Otis Elevator workers are included in those who are still able to get severance benefits.

* * *

HUMAN RIGHTS

U.S.S.R.—TREATMENT OF JEWISH CITIZENS

Mr. Geoff Scott (Hamilton—Wentworth): Mr. Speaker, last week a number of us were visited by students who are very concerned about the continuing plight of Jews in the Soviet Union. The facts presented to me by Steven Cohen and Joel Busner, of Montreal, stand in stark contradiction to Premier Gorbachev's much publicized campaign of glasnost, or openness. The students point to the grim statistics which show a drastic reduction in the number of Jews being permitted to leave the U.S.S.R., coupled with continued suppression of Jewish culture, and with the Soviet police practising anti-Semitism in many forms.

I know that at every appropriate occasion Canadian Ministers and officials urge the Kremlin to adopt a more compassionate approach toward Soviet Jewry, because our Government does know of the Soviet Union's failure to comply with its international human rights obligations. There are small, encouraging signs toward reunification of a few families with their relatives in Canada.

But the Canadian Government must step up its contact with the Soviets, in the name of religiously persecuted Jews in that country, if glasnost is to mean more than just another word in the Soviet dictionary.

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NORTHERN AFFAIRS

TAXATION OF NORTHERN BENEFITS—CALL FOR AMENDMENT

Mr. Rod Murphy (Churchill): Mr. Speaker, earlier in the period for Statements by Members, the Member for Peace River (Mr. Cooper) rose to complain about the way the Government brought in the taxation of northern benefits. The member is quite correct. About a year ago we knew that there would be a change in the taxation of northern benefits. We tried to get the Minister of Finance (Mr. Wilson) to meet with labour representatives and people in the north so we would not end up with the type of system we have at the present time.

• (1415)

The Conservative Member for Peace River is quite right in saying that the system is unfair at this time. However, the Conservatives had the choice. They had the option to meet with northerners and to meet with the unions affected. They could have brought in a fairer system. It is ironic that the Conservative Government brought down the regulations about which the Conservative Member is now complaining after this House recessed, after we had passed the tax law, and therefore, Members of Parliament were not able to stand in the House and complain about the unfairness before it became a fact.

I call upon the Government to listen to its own back-benchers and to the people in the north, and change the law.

* * *

EXTERNAL AFFAIRS

CANADIAN EMBASSY IN HELSINKI—CALL FOR RETENTION

Mr. Gerry St. Germain (Mission—Port Moody): Mr. Speaker, the Finnish population in Canada have made a vital contribution to the economic, social, and cultural fabric of this country ever since the first Finns arrived on the shores of Vancouver Island in the mid-1880s. The skills, enthusiasm, and initiative they have shown in building this great nation of ours are recognized and respected by historians and the Canadian population alike.

Today there are well over 50,000 Finns living in Canada making a positive, multifaceted contribution to the Canadian way of life. In light of this important contribution I urge the Secretary of State for External Affairs (Mr. Clark) to act swiftly to ensure that the Canadian Embassy in Helsinki remains open. In addition, the Government of Canada must continue in its efforts to enhance its historically strong commitment to the country of Finland and to the Finns settled across this vast nation of ours.

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[*Translation*]

PROGRESSIVE CONSERVATIVE PARTY

VISIT OF PRIME MINISTER'S PRINCIPAL SECRETARY TO QUEBEC CONSERVATIVES

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, on the weekend, Quebec Conservatives were visited by "Royalty"! In fact, Canadians were astonished when the Prime Minister's Principal Secretary, Mr. Bernard Roy, stood up to make a partisan speech before a group of Conservative Members and militants from Quebec. As if this were not enough, the same Mr. Roy decided, unless the Prime Minister made the decision for him, to go before the people of Canada by appearing on the CTV public affairs program, *Canada A.M.*

Mr. Speaker, I realize that the Conservatives are in deep trouble and that in their desperation they are ready to do just

about anything—in fact the dissent proves it—but there is a limit, even for Conservatives. If Mr. Roy wants to get into politics, let him run for office, and if he wants to be an organizer, he should get himself hired by the Party, but if he wants to keep his present job, I would advise him to stop abusing his office.

ORAL QUESTION PERIOD

[*English*]

TRADE

POTASH EXPORTS TO UNITED STATES

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. Since we started negotiations with the Americans almost two years ago on free trade, we have had nothing but a series of trade harassments emanating from that country. The latest was a decision yesterday by the International Trade Commission of that Government to approve unanimously an application of injury by the $600 million potash industry, particularly founded in western Canada.

On March 3 the Secretary of State for External Affairs said he would personally undertake to talk to Secretary of State George Shultz concerning the potash dispute. Did he raise the matter with Mr. Shultz and did Mr. Shultz give him a commitment that the United States Government would totally and completely disavow the continuing trade harassment in this very important potash case?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I told the House of Commons I would raise this matter with Mr. Shultz and I did so. The Hon. Member would know, because he is not entirely ignorant of these things, that what we have is a pro forma process, a pro forma decision, the first step in a process seeking an anti-dumping investigation. We certainly intend to do everything we can to ensure that Canadian interests are well protected, but the Hon. Member should not raise false alarms too early.

Mr. Axworthy: Well, we received exactly the same kind of assurances in the softwood lumber case which was totally fumbled and bumbled by this Government to the point it is going to cost the Canadian industry $600 million.

MINISTER'S POSITION

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): I would like to ask the Secretary of State for External Affairs if anyone has been in contact with the Minister of International Trade, on one of her world travels, to ensure she will not be making another final offer in this very important potash case so that we do not blow this case again with the Americans?

• (1420)

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the Minister for International Trade is participating in a meeting with other Ministers of Trade to advance the cause of multilateral trade negotiations. A little while ago some spokesmen of the Liberal Party were in favour of multilateral trade negotiations. I understand from the question posed by the Hon. Member for Winnipeg—Fort Garry that they are now divided on that, too. They are divided on the negotiations with the United States. They are divided on the MTN. They are divided on the Cruise. They are divided on the question of a nuclear freeze. Is there anything on which they are united?

Mr. Axworthy: Mr. Speaker, in answer to the Secretary of State I would say, yes, we are totally united in standing up for the interests of Canada against those types of trade harassments, something that this Government is clearly not against since every time it gets a chance it surrenders those interests.

Some Hon. Members: Hear, hear!

REQUEST THAT CANADA PRESENT CASE UNDER GATT

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, since the Secretary of State for External Affairs is so interested in multilateral initiatives will he tell us if the Government has now exercised its proper right to go to the international trade forum, GATT, and bring a case against the Americans on potash, basing it on the fact that they are committing a major action of trade harassment?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, what is most at issue here is whether or not the present system relating to the resolution of trade disputes between Canada and the United States is adequate. That is a system which grew up under Liberal Governments. As I understand the several positions of the Liberal Party, it seems more or less to want to support the present system in which we are vulnerable to American actions on potash—

Mr. Axworthy: Are you going to help Saskatchewan or not?

Mr. Clark (Yellowhead): —softwood, and a range of other issues. What we are seeking to do is put in place a better system. For years and years the Liberals ignored that duty, as they ignored their duty to defend Canada's interest in the Arctic.

Some Hon. Members: Hear, hear!

AIR TRANSPORT

TRANSPORTATION OF PLUTONIUM BY AIRCRAFT—POSSIBLE USE OF CANADIAN AIRSPACE

Hon. Herb Gray (Windsor West): Mr. Speaker, my question is for the Minister of Transport. Yesterday the Minister said that the Government has the authority under the International Civil Aviation Convention to forbid overflights of Canada by planes carrying highly dangerous plutonium to Japan. Why is the Government waiting until the United States and Japan sign and ratify an agreement on these flights before taking a stand? Why will the Minister not say right now that, no matter what agreement is ratified, the Government will say no to any such overflights of dangerous plutonium to Japan by the United States?

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, whenever something is in the newspaper we can depend upon hon. gentlemen opposite to behave like Pavlov's dog. They salivate whenever they think there is something about which they can ask a question.

Some Hon. Members: Oh, oh!

Mr. Crosbie: Mr. Speaker, if the dogs would just stop for a moment—

Mr. Foster: You are the guy who is salivating, John.

Mr. Crosbie: —the answer is that Canada made representations in May and August of 1986 to the U.S. Government with respect to the U.S.-Japan nuclear co-operation agreement. So we are well ahead of *The Globe and Mail*. We are well ahead of the Liberal Opposition. We are well ahead of the NDP Opposition. We are way ahead of the game.

Mr. Gauthier: What about in the polls?

Mr. Crosbie: If the little crackies will quiet down, under the terms of the U.S.-Japan agreement all countries *en route* will be fully consulted before any steps are taken. As a matter of fact, the shipments may not transit U.S. territory unless they are satisfied with respect to the safety measures taken and the cask that will be involved. So the hon. gentleman can relax. Everything is under control.

Some Hon. Members: Hear, hear!

SUGGESTED USE OF UNITED STATES AIRSPACE

Hon. Herb Gray (Windsor West): Mr. Speaker, after hearing the Minister's answer millions of Canadians will be very worried. They will ask, and I am doing it on their behalf, why the Minister will not give a clear no to this request to transfer dangerous plutonium by air to Japan. Why does the Minister not tell the United States to use its own airspace? Why can he not do that today?

Some Hon. Members: Hear, hear!

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, the hon. gentleman wants us to say no before anything has even been proposed. There has been no proposal that aircraft cross our airspace with a plutonium cargo.

• (1425)

There is an agreement to be negotiated between the U.S. and Japan. The U.S. has not even yet agreed to have U.S. airspace used. If the time comes when we need to say "no", we will say "no". However, that time has not yet come.

* * *

TRADE

POTASH EXPORTS TO UNITED STATES

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, my question is for the Secretary of State for External Affairs. He knows that yesterday in the United States the International Trade Commission ruled that Canadian potash mines are injuring American producers in New Mexico, a ruling which effectively penalizes Canadians for having more efficient mines and more efficient ore. In light of the statement made by Pierre Gosselin, the Canadian Trade Commissioner in Washington, that the industry will fight this to the end, I want to know whether or not the Government will join in that fight. Could the Secretary of State for External Affairs tell the House in detail what steps the Government will take to make the Canadian potash case to American officials?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I take it the Hon. Member was out of the House when his soulmate from Winnipeg—Fort Garry asked that question and received an answer.

INDUSTRY'S POSITION

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, could the Secretary of State for External Affairs confirm to the House that up until now the Canadian potash industry did not really want him to be involved in this case because of the screw-up in softwood lumber? Could he confirm to the House that that was the industry's position?

Right Hon. Joe Clark (Secretary of State for External Affairs): No.

Mr. Nystrom: Mr. Speaker, he does not confirm it, but I notice that he does not deny it, either.

REQUEST THAT GOVERNMENT AND INDUSTRY UNITE ON ISSUE

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, is the Minister aware that, just like in the case of softwood lumber, some six potash mines are now in the process of filling out a questionnaire of more than 40 pages, as has been demanded by the U.S. Commerce Department, detailing transactions between Canada and the United States? Is he

aware of the fact that they have been asked to fill out these questionnaires? If so, will the Government now take the lead and sit down with the industry, with the unions, and with the two provincial Governments involved, in order to get our signals straight and speak with one voice on the issue like we didn't on softwood lumber?

Right Hon. Joe Clark (Secretary of State for External Affairs): Yes.

Ms. Mitchell: Very cute.

Mr. Speaker: I do not think that even I can get anything more out of the Minister than that.

Some Hon. Members: Oh, oh!

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ENVIRONMENTAL AFFAIRS

ACID RAIN—UNITED STATES INITIATIVES

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, my question is for the Prime Minister, whom I welcome back to the House. He is probably aware that U.S. Secretary of Energy Herrington is reported as saying that the Prime Minister will accept five acid rain research and demonstration initiatives at the summit. Is the Prime Minister aware that on January 22 of this year his Minister of the Environment issued a press release, on blue Tory paper, indicating that in the absence of an American acid rain control program none of the currently planned American clean coal technology initiatives will provide any significant reduction in American transboundary air pollution flows for at least the next 25 years?

Does the Prime Minister expect Canadians to wait until the year 2012?

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, I suspect that by the year 2012 the Hon. Member will still be asking the same old, stale questions.

Some Hon. Members: Oh, oh!

Mr. Axworthy: That's right, because you will have done nothing about it.

Mr. Frith: Exactly.

Mr. McMillan: The fact is—

Mr. Axworthy: Now you have the point, Tom.

Mr. Speaker: Order. The Hon. Minister.

Mr. McMillan: The Hon. Member is taking issue with a very small part of the total $5 billion clean coal technology program in the United States, not with $150 million, but rather with some part of the $150 million. Quite apart from the fact that he is nickelling and diming the program, the truth is that a panel will be established by the U.S. Government, on which Canada will be represented, to vet every single project which will be considered for receipt of funds under the same program. We will have a direct input into the relevant decisions to ensure that the applied research money, designed to slash acid rain-causing emissions in the United States which travel into Canada doing irreparable damage to our environment, does meet the criteria of the Envoys' Report.

• (1430)

TECHNOLOGY RESEARCH PROGRAMS—PRIME MINISTER'S POSITION

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, these are the words of the Minister of the Environment. He says that for at least the next 25 years there will be no consequence as a result of the technology research programs to which the Prime Minister is adhering. Those are his own words. I have to ask the Prime Minister again when will he muster enough courage to tell the President of the United States frankly that what Canadians want is not further research but cuts in emissions targets, deadlines, and percentage cuts, for a program that is parallel to the one that Canada has launched.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I have said many times that our objective is a treaty with specified targets. As the Leader of the NDP indicated the other day, the Government of Canada has indeed made progress on acid rain. We are going to be making much more progress. I think the indication of the firm commitment was acknowledged yesterday. The member quoted Secretary of Energy Herrington but he did not say that "U.S. Secretary John Herrington predicted yesterday that Congress will approve Reagan's request for $2.5 billion in acid rain projects". That is half of the amount to be committed, which will then be a further step—

Mr. Caccia: Are those cuts?

Mr. Mulroney: —that we are working on to meet the ultimate objectives of the Government of Canada. I think my hon. friend, and I say this with some sadness, after his desultory record as Minister of the Environment should be the last person ever to raise acid rain in this House.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

[*Translation*]

INDUSTRY

COLECO CLOSURE IN MONTREAL—LAY-OFFS—GOVERNMENT POSITION

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, my question is directed to the Prime Minister and concerns the Coleco company in Montreal.

Does the Prime Minister think it is proper for a company like Coleco which has received $2 million in grants to lay off 250 employees? And what is he doing to help these employees?

Hon. Michel Côté (Minister of Regional Industrial Expansion): Mr. Speaker, I can inform the Hon. Member that we were of course advised of Coleco's decision to close its operations in Montreal. I must say that we accept this decision which reflects a trend in the industry, not only in Canada but across North America. We must remember that the company also closed several production plants in the United States.

Mr. Speaker, we intend to work together with this company to try and find alternative solutions for the workers affected by the company's decision.

[*English*]

CONDITIONS ATTACHED TO GOVERNMENT GRANTS

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, it seems the Government cannot even keep cabbage patch dolls produced in this country.

Some Hon. Members: Oh, oh!

Mr. Langdon: I have to ask the Minister what conditions were put on the grants, the most recent of which was given last year, from his Ministry to keep these jobs guaranteed here in Canada, or did the Minister just simply forget about that?

[*Translation*]

Hon. Michel Côté (Minister of Regional Industrial Expansion): Mr. Speaker, obviously, every time grants are given, the question of job creation is always a major point.

I would also like to point out to the Hon. Member that, since September 1984, many new jobs had been created as a result of new opportunities introduced by this Government, especially in the province of Quebec where more than 130,000 jobs have been created since September 1984.

INQUIRY CONCERNING CONCRETE MEASURES GOVERNMENT WILL TAKE TO ENSURE INDUSTRIAL RECOVERY OF MONTREAL

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, my question is directed to the same Minister and also concerns the closing of Coleco in Saint-Henri. Mr. Speaker, after the decline of Montreal East's industrial base, which the Government has done nothing about, the southeast is now feeling the effects of the shutdown of Stelco and, more recently, Coleco. I want to ask the Government what specific steps it intends to take to renew Montreal's industrial growth, other than creating a lot of committees that are producing absolutely nothing.

Hon. Michel Côté (Minister of Regional Industrial Expansion): Mr. Speaker, we shall go on doing what we have been doing since September 1984, which is creating jobs seven times as fast as the previous Government.

Mr. Guilbault (Saint-Jacques): Mr. Speaker, if the Government goes on doing what it is doing now, plants will continue to close.

[*English*]

GOVERNMENT POLICY

Mr. Jacques Guilbault (Saint-Jacques): The announcement of the closing of this plant has definitely shocked employees. Just before Christmas they were told their jobs were guaranteed for five years. They took loans to buy houses and cars and now that is all down the drain. What concrete steps will we see to foster the improvement of the Montreal industrial base? We do not want any more committees. Montrealers have waited long enough. They want action.

[*Translation*]

Hon. Michel Côté (Minister of Regional Industrial Expansion): Mr. Speaker, I realize they want action. They never had any before 1984. However, it's the kind of action we can take, because—

An Hon. Member: Right on.

Mr. Côté (Langelier): —because, Mr. Speaker, by consulting not just with the industry but also with the workers, we have been able to create this level of employment, reduce unemployment and reduce interest rates to their lowest levels in thirteen and a half years. That is what this Government's performance has been.

* * *

[*English*]

CANADA POST CORPORATION

REPORTED CLOSURE OF POST OFFICES IN NEWFOUNDLAND

Mr. Bob Hicks (Scarborough East): Mr. Speaker, my question today is for the Minister responsible for Canada Post. I have to admit to the House that I do not really understand how Canada Post works. I also have to admit that I still have a lot to learn about the way they do things in Newfoundland. Notwithstanding these personal shortcomings, would the Minister relate to the House why the Government has found it necessary to close some post offices in Newfoundland, but more important, why is the Government just closing the ones in Conservative ridings?

Some Hon. Members: Oh, oh!

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): That is a good question, Mr. Speaker.

Some Hon. Members: Oh, oh!

Mr. Andre: Do I have any volunteers from the Opposition?

Some Hon. Members: Oh, oh!

Mr. Andre: The Post Office, as everyone knows, has a horrendous program of trying to bring some sanity to a corporation as a result of political interference which has developed truly massive problems. We are trying to do it in a reasonable and proper manner which will result in the improvement of service while bringing the fiscal situation under control.

I might just add that two weeks ago a list was published by one of the unions about supposed closures around the country. I denied that, and I was challenged on it in the House. A few days later the union had to admit it had created the list and that it was wrong and inaccurate. I would counsel members of the House to be very careful about accepting the kinds of observations that are being made.

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HOUSE OF COMMONS

PRESENCE IN GALLERY OF COMMANDER OF THE SALVATION ARMY IN CANADA AND BERMUDA

Mr. Speaker: I would draw the attention of members to the presence in the gallery of Commissioner Will Pratt, Commander of the Salvation Army in Canada and Bermuda.

Some Hon. Members: Hear, hear!

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ENVIRONMENTAL AFFAIRS

ACID RAIN—UNITED STATES CONGRESSMAN'S CRITICISM

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, I have a question for the Right Hon. Prime Minister. Does the Prime Minister approve of what his Minister of the Environment said yesterday in this House of Commons to the effect that when Congressman Gerry Sikorski from the United States criticized the Prime Minister's approach on acid rain in the United States he was engaging in partisan tripe? I wonder if the Prime Minister is aware that Congressman Sikorski is one of Canada's staunchest allies on acid rain abatement in Congress. Does the Prime Minister not think that it is a particularly dumb strategy to dump all over the few friends we have in Congress rather than being able to take friendly criticism?

• (1440)

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I think the Hon. Member was referring not to the few friends we have but to the few friends he has. With regard to the Congressman—

Ms. Copps: Brian and Ronnie sitting in a tree.

Mr. Mulroney: Not even the presence of the Salvation Army does much good for Hamilton East.

Mr. Speaker: Just remember, there will soon be two of them.

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

Mr. Mulroney: Let's go for a majority.

I think the point the Minister was trying to make was a very simple one. One of the principal obstacles to acid rain legislation emanating from the Congress of the United States is individual Congressmen who, in the main, are of the same political Party as Congressman Sirkoski—

Some Hon. Members: Sikorski.

Mr. Mulroney: I had never heard of him before in my life.

Mr. Blackburn (Brant): That's the problem.

Some Hon. Members: Oh, oh!

Mr. Speaker: Perhaps the Right Hon. Prime Minister could answer the question.

Mr. Mulroney: My kids have never gotten over being called Muldoon.

Some Hon. Members: Oh, oh!

Mr. Mulroney: Mr. Speaker, I think the Minister was trying to urge that particular Congressman to begin the process by persuading members of his own Party who are committee chairmen, sub-committee chairmen and members of the Democratic leadership, to support Canada's vigorous position on acid rain. If he began to do that, then he would be doing a service for those of us who believe in trying to get rid of acid rain. That is what the Minister was trying to say.

Mr. Blaikie: Mr. Speaker, that is not what the Minister said. He accused the Congressman of engaging in partisan tripe. I find it disappointing that so much humour should attend a very serious question like this one.

GOVERNMENT POSITION

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, the fact that the Prime Minister has not heard of Congressman Sikorski, one of the major movers of acid rain legislation and one who hosted our Special Committee on Acid Rain in

Minnesota in 1985, a committee of which the Prime Minister is fond of bragging, tells us a lot about what the Prime Minister really knows about acid rain legislation in the United States.

Why is there a double standard? Why is it that we are constantly lectured about the inadvisability of tossing verbal hand-grenades across the 49th parallel? Why is it not okay for people to criticize President Reagan whose commitment to acid rain legislation is minimal, if it exists at all, yet it is okay to cast verbal hand-grenades at one of our few allies in the U.S. Congress?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, my hon. friend says that this particular Congressman is one of the major movers of acid rain legislation in Congress. If so, he has not been moving very fast. One of the key problems is that the leadership on both sides of the aisle—

An Hon. Member: That's incredible.

Mr. Mulroney: NDP Members raise the question of acid rain. They contend that they are concerned about the environment. Yet when we begin to deal with it seriously, all they can do is heckle and chortle from the back-benches. Canadians will find that unacceptable.

The point is that one of the problems in not having a treaty is the disinclination of members of the Congress on both sides of the aisle to bring one forward and to pass one. If this gentleman is interested in having the United States fulfil its responsibilities in regard to acid rain as it must, I believe it would be very, very helpful if he convinced his next-door neighbours down the aisle in Congress who are members of his own Party and who are resisting acid rain legislation. Get them onside and I guarantee that all Canadians are onside.

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BANKS AND BANKING

CHARTERED BANKS—FLOATING INTEREST RATES CHARGED TO FARMERS

Mr. Maurice Foster (Algoma): Mr. Speaker, my question is directed to the Minister of Finance. Yesterday he undertook to look into the problem of farmers who had signed promissory notes at fixed rates of interest while the banks kited those rates of interest and put them on a floating rate, costing farmers hundreds of thousands of dollars in illegal interest charges and forcing many of them off their land in the last few years. Is the Minister prepared to take action now to roll back these illegal interest charges?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think that question would be more rightfully handled by my colleague, the Minister of State for Finance, but he is in Montreal today. Let me comment from my knowledge of the situation. I believe there have been court judgments on both sides of the question. I think the Hon. Member is aware of that. Because there are judgments on both sides of the question, it puts the Government in a difficult position when taking one side or the other. It seems to have happened that in the relationships between farmers and other citizens who have borrowed from the banks, there have been unwritten understandings that are subject to interpretation. That interpretation is best made by the courts.

REQUEST THAT INSPECTOR GENERAL OF BANKS CONDUCT AUDIT

Mr. Maurice Foster (Algoma): Mr. Speaker, many farmers who have been put in a very difficult financial position because of these excessive interest charges are simply not able to afford legal counsel to fight their cases in court. Would the Minister be prepared to have the Inspector General of Banks undertake a full audit of all those accounts for which interest has been unfairly or improperly charged to farmers and other small businessmen, and have proper restitution made?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I am quite prepared to discuss this further with my colleague who has looked into the matter. As I indicated yesterday in the House, he has indicated that he will get back to Hon. Members who have taken an interest in this. I would caution the Hon. Member that there are different points of view on this as interpreted by the courts. It is difficult for us to make broad rules in a blanket way because of those different interpretations based on the different circumstances or relationships between the banks and the borrowers.

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SOVEREIGNTY

THE ARCTIC—CONSULTATION WITH YUKON AND NORTHWEST TERRITORIES

Mr. Jim Fulton (Skeena): Mr. Speaker, my question is directed to the Right Hon. Prime Minister. Yesterday the Prime Minister told reporters that there has been progress in the discussions with Washington regarding Canadian sovereignty in the Arctic and the U.S. desire for rights to transit the Northwest Passage. Since, according to the remarks made by the Prime Minister yesterday, these discussions are accelerating, would the Prime Minister explain why the duly elected Legislatures of Yukon and the Northwest Territories have been excluded from these accelerating discussions to this point?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I think that question was raised yesterday in the House. If it was not raised, at least it was answered. I indicated that if we reach a point where we believe we have a positive result to the process I announced a year ago September with respect to a discussion with the United States,

of course we will consult with the elected Heads of Government in both Yukon and the Northwest Territories. I repeat that assertion.

THE 1002 QUESTION

Mr. Jim Fulton (Skeena): Mr. Speaker, my supplementary question is directed to the Right Hon. Secretary of State for External Affairs. Yesterday he confirmed that serious negotiations and consultations are under way between himself, Tony Penikett, and Nick Sibbeston regarding what the Americans call the 1002 question. Will the Minister commit himself today to expand those negotiations to include those matters of sovereignty within the Canadian Arctic presently being discussed with Washington at, as we learned from the Prime Minister, an accelerated rate?

• (1450)

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, just to clarify the record, there are no negotiations between Canada and the Territories with respect to the representations we are making on the 1002 matter. There is very active co-operation between our Government and those of the Territories. I am quite prepared to get on the phone again to the Heads of Government of both the Territories and the Yukon to bring them up to date on where we are in the discussions with the U.S. There is nothing final to report yet but I am certainly prepared to give them a progress report, as I have yesterday and today given the House of Commons.

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FISHERIES

CANADA-FRANCE DISCUSSIONS—CHANNEL ISLANDS PRECEDENT

Mr. George Baker (Gander—Twillingate): Mr. Speaker, negotiations started today to give away more fish to the French for the next four years while the St. Pierre-Miquelon boundary is being discussed. Some people are wondering why the Government of Canada did not look to international precedents such as the Channel Islands arbitration in developing its policy. Is the Secretary of State for External Affairs aware that France was able to limit Britain to a six-mile zone around the British protectorate islands off the northwest coast of France? When the shoe is on the other foot and France is demanding a 200-mile zone around its own protectorate islands off our coast, why are we bending over backwards to please the French?

Hon. Thomas Siddon (Minister of Fisheries and Oceans): Mr. Speaker, this important precedent raised by the Hon. Member underscores the reasons for the Government's course of action in negotiating with France a set of conditions known as *un compromis* whereby the boundary issue would be referred to international third party arbitration. We feel this and other precedents may very well lead to a final determination which will be very much to the benefit of the fishermen of Newfoundland, Labrador, and indeed all of Atlantic Canada.

Mr. Baker: Mr. Speaker, France has no right to any fish in Canada in Canadian waters. The Minister knows it. The only fish they have a right to are those necessary to satisfy the needs of St. Pierre and Miquelon. *Pour Saint-Pierre et Miquelon, oui; pour la France, rien*!

GOVERNMENT POSITION

Mr. George Baker (Gander—Twillingate): Mr. Speaker, why is the Minister offering more fish during these negotiations when he has already given them unlimited access to what his Government calls the disputed zone? That zone is 200 miles and larger than the entire Province of Nova Scotia. Why is the Government so weak-kneed, impotent, and a scaredy-cat when it comes to dealing with France?

Hon. Thomas Siddon (Minister of Fisheries and Oceans): Mr. Speaker, I do not know how many times we have to educate the Hon. Member, but I can assure him that there will be absolutely no fish given away to France in negotiations under way today. I should remind him again that French quotas of cod and other important groundfish in Canadian waters in 1987 are half what they were in 1986.

FISHERY RESOURCES OF ATLANTIC CANADIANS

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. The people of Atlantic Canada are very worried as the Government sits down to discuss with France the process for resolving the long-standing boundary dispute around St. Pierre and Miquelon. They are worried that their resources will be bargained away as the Government tries to maintain good relations with France. Will the Government reassure the people of Atlantic Canada that their resources will not be on the bargaining table, and that it will use all its foreign policy instruments to ensure a reasonable resolution of this dispute without always trying to bribe France to come to the bargaining table?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, of course I will give that assurance again as it has been given before in this House. Let me, if I may, in a House of Commons generally marked by a more internationalist perspective than that shown by the Hon. Member, warn him of some of the consequences of deliberately mounting attacks against other countries and saying things that can only be interpreted as being anti-French in their design, with all the implications that carries.

Mr. Manly: I do not think our Party can be accused of being anti-French. I think we are very much pro-Canadian and pro-Atlantic Canada. We would like to see the Government stand up for Atlantic Canada.

Some Hon. Members: Hear, hear!

TRADE IMBALANCE WITH FRANCE

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, France has a $600 million trade surplus with Canada. Will the Minister assure the people of Atlantic Canada that this trade surplus and not their resources will be on the bargaining table if France is not prepared to co-operate in this matter?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, we have already made some very significant progress in repairing the trade imbalance which existed between Canada and France. That issue is separate from the fish negotiations. If I may say so, we know perfectly well the position of the NDP. It is to get out of NATO, get out of NORAD, and then to attack France.

Mr. Crosbie: Rambo Manly.

* * *

CANADA POST CORPORATION

COMMITTEE REPORT'S RECOMMENDATIONS

Mr. Alfonso Gagliano (Saint-Léonard—Anjou): Mr. Speaker, my question is directed to the Minister responsible for Canada Post. His first reaction to the unanimous committee report on rural post offices was, "The Minister responsible gets yelled at in the House of Commons if Canada Post acts unreasonable". How much yelling do Members of Parliament and other Canadians have to do in order that the Minister understands that Canada Post is treating Canadians unfairly? Will he accept the report and order Canada Post to implement the report?

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, two or three weeks ago I wrote to every Member of the House, including the Hon. Member, outlining the policies Canada Post would be following regarding any change in postal service. If he rereads that letter, and reads the recommendations of the committee, he will see they are essentially identical. In fact, Canada Post has in place now the policies recommended by the committee with one small, minor exception, depending on the interpretation. A formal response to the report was requested by the committee and that will be made in due course.

[*Translation*]

REQUEST THAT GOVERNMENT REQUIRE CANADA POST TO ACT WITHOUT DISCRIMINATION AGAINST ANY CITIZENS

Mr. Alfonso Gagliano (Saint-Léonard—Anjou): Mr. Speaker, Canadians want to keep their post offices and receive their mail without discrimination on the basis of where they live. Is the Minister going to ask Canada Post to act as a corporation that serves all Canadians, without discrimination, or will he, like his two predecessors, go on protecting the Corporation as it continues to cut services to Canadians who need those services?

[*English*]

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, after some 20 years of political interference in the operation of the Post Office, there was a terrible mess with a monstrous deficit and deteriorating service. We are trying to turn that around. We are making good progress in that regard. I think if the Hon. Member were being fair and reasonable, he would recognize that fact. We cannot continue to ask future generations to deliver the mail today. Through privatization, better management practices, better labour relations, and a whole host of other procedures, we will improve service and operate in a fiscally responsible way. I think the Hon. Member should applaud that.

* * *

[*Translation*]

COMMUNICATIONS

LACK OF WOMEN APPOINTEES AT ADMINISTRATIVE LEVELS TO BOARDS FOR WHICH MINISTER IS RESPONSIBLE

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, my question is directed to the Minister of Communications and has to do with the appointments, or rather the lack of women appointees to boards of directors of organizations under her responsibility.

How can she justify the fact that only one woman was selected among a total of 12 appointees? Does she not know any qualified women, or does she prefer appointing Conservative gentlemen, particularly those who have contributed to the Conservative Party coffers?

[*English*]

Hon. Flora MacDonald (Minister of Communications): Mr. Speaker, I think the Hon. Member should be fair-minded enough to recognize that since this Government came into office it has increased the number of appointments of women from 15 per cent to almost 27 per cent of total appointments.

Some Hon. Members: Hear, hear!

Miss MacDonald: When I was speaking the other night the Hon. Member would have heard me say that I think the Government should be doing more in appointing women to boards and agencies in the broadcasting field. We will be doing that. However, at the same time I urged that throughout the whole broadcasting system there be more women in decision-making roles, running stations, running networks, and making day-to-day decisions in the programming. I hope the member would support that.

• (1500)

REQUEST FOR MINISTERIAL ACTION

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, I certainly will support that, but there has not been one woman appointed in broadcasting since the Minister took charge of the Department. Will she be willing to consult arts organizations and women's organizations to ask them for proposals of competent women, of whom there are many across the country? Will she take them seriously rather than going through the old-boy network which she has been drawing on so far which is quite unacceptable to Canadians, especially Canadian women?

Hon. Flora MacDonald (Minister of Communications): Mr. Speaker, I am sure the Hon. Member will be pleased to know of the reappointment of Rosalie Gower to the CRTC.

Ms. McDonald: I am indeed.

Miss MacDonald: Thank you. I am sure she will be glad to know that Jocelyne Bourgon is being appointed to the National Film Board which has had a shortage of women. There will be others. Those kinds of appointments will continue. I look for the member's continued support.

* * *

[*Translation*]

UNEMPLOYMENT INSURANCE

MANNER IN WHICH ELDERLY WORKERS ARE TREATED

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, my question is directed to the Minister of Finance. Last Friday the Minister of Employment and Immigration told the House that it was the Minister of Finance who decided to take pension income into account in the calculation of unemployment insurance benefits.

Yesterday in Montreal I met with almost 1,000 older workers who want to know why the Minister of Finance has chosen to discriminate against older workers who contribute to an employer pension plan, as compared with older workers who belong to a registered retirement savings plan. As a result, the older worker who draws the employee-employer pension is being denied full unemployment insurance benefits, whereas another one who receives payments under a registered retirement savings plan is eligible for full UIC benefits.

Why this double standard?

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, I think the Hon. Member for Montreal—Sainte-Marie knows the answer.

A registered retirement savings plan is of course an optional savings plan for individuals, whereas public plans are mandatory for both employers and employees. I might add that the Minister of Employment has always been a staunch supporter of the principle under which people, who after 1986 received payments from a pension plan administered as I explained, are considered to have an income for the purposes of unemployment insurance. I fully agree on that.

REQUEST THAT GOVERNMENT GIVE EXPLANATION TO ELDERLY WORKERS

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, the Minister's answer shows that the Conservatives favour rich people.

Can the Minister explain to the elderly workers of Coleco, who have just learned they will be laid off, that they will not be entitled to their full unemployment insurance benefits simply because they get employer-employee plan benefits, whereas workers aged 30 are eligible for full UIC benefits?

Can the Minister explain to all elderly workers in Canada that, in future, if you lose your job the Government will penalize you for withdrawing your contributions?

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, I suggest that the Hon. Member for Montreal—Sainte-Marie is flying off at a demagogic tangent. He will resort to just about anything. Coleco has just closed its doors, it has just made the announcement, and already he has cut off their unemployment benefits. We did not even have time to take appropriate measures.

Mr. Speaker, we listened to the Hon. Member. He should listen to others. We listened to him a moment ago. I suggest the Hon. Member for Montreal—Sainte-Marie ought to learn one thing, namely that we have regulations in this country. Since January 1986, any pension fund benefits paid to people have been considered to be an income for unemployment insurance purposes, and there will be no change. That is quite clear.

[*English*]

Mr. Speaker: I advise the House that I will recognize two members for single questions and that will be all.

* * *

DISASTERS

CHERNOBYL NUCLEAR REACTOR EXPLOSION—TESTING OF CANADIAN CARIBOU FOR RADIOACTIVITY

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. I understand that after the Chernobyl disaster extensive testing of Canadian caribou and the lichen on which they feed took place and has now been completed. Can the Minister tell us what levels of radioactivity were found and whether the caribou remain fit to eat?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I would like to indicate to the Hon. Member and all Canadians living north of 60 and in northern Quebec who use caribou as part of their food cycle that the testing which we did indicated that levels of radioactivity relating to the Chernobyl accident were substantially below the levels in the 1960s when atmospheric nuclear weapons testing was taking place. We will continue to test, but I can tell northern Canadians, as we have through a press release dated, I believe, March 19, that they need not change their dietary habits. All testing we have done indicates that they are not in any danger. We will continue to monitor any radiation on an ongoing basis.

* * *

NATIONAL PARKS

GRASSY ISLAND NATIONAL PARK PROJECT

Mr. Lawrence I. O'Neil (Cape Breton Highlands—Canso): Mr. Speaker, my question is for the Minister of the Environment. The Minister is well aware of the historical significance of the Grassy Island National Park to the Atlantic Canadian fishery and the people of Canso. Can the Minister provide a status report on efforts to achieve this development?

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, the further development of the Grassy Island National Historic Park is, in fact, a departmental and a government-wide priority. In that connection, we have developed a management plan which we are putting in place. About $733,000 has been spent to date. I regret that I cannot give a commitment to the Hon. Member today to further funding imminently.

I must say, Mr. Speaker, that I know of no other Member in the House who has campaigned harder at Environment Canada on any issue than has the Hon. Member. I hope his lobbying will pay off before very long.

* * *

PRIVILEGE

ALLEGED USE OF UNPARLIAMENTARY LANGUAGE

Mr. Dan Heap (Spadina): Mr. Speaker, I seek your advice as to whether this should be called a question of privilege or a point of order. I am concerned about remarks made by the Hon. Parliamentary Secretary yesterday. I do not wish to reopen a discussion on the substance of the debate, but as reported on page 4429 of *Hansard* he said: "—when they present petitions—", that is referring to members of the New Democratic Party, "—certified by other Members in a deliberate attempt to create the impression—" and so on. On page 4430 he said:

> —the delaying of the presentation of petitions in order to pretend that a long-standing issue exists is a cheap political trick. It is a complete fabrication and a charade. It is an attempt to mislead the House and the Canadian public.

Further on he says:

> —is also a cheap political trick, a complete fabrication and charade, and an attempt to mislead the House and the Canadian public.

Those comments, taken together with those at the bottom of page 4429 and at the top of page 4430 where he said it more indirectly, at which point you warned him, comprise a very clear accusation which is unparliamentary. I request that the Hon. Parliamentary Secretary withdraw those remarks.

Mr. Doug Lewis (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I think the fact that you interrupted me, as indicated in *Hansard* at page 4430, and said that you had heard my words very carefully and indicated that I used the word "if" indicate that you were following the exchange very closely. None of my hon. colleagues in the New Democratic Party sought to interfere with the debate which was going on.

I stand by what I said. I suggested that the effort to mislead the Canadian people into thinking that there was a grand swell of public opinion by distributing petitions to others to distribute was a charade, a complete and absolute fabrication and charade. I was shocked that other colleagues in the New Democratic Party would participate in that charade. Quite frankly, I thought better of them.

• (1510)

As I indicated yesterday, there is more to the petitioning process than coming into the House and handing petitions to colleagues for presentation. I stand very strongly behind the petitioning process. The request for redress of a grievance is very valid, but to come into the House and deliberately put petitions that were certified the day before to four other colleagues is nothing more than a charade and fabrication.

[*Translation*]

Mr. Gauthier: Mr. Speaker, I do not want to contribute to the substance of this debate, but I think that some Members of the House sometimes say things which go a lot further than they intended. I know the Parliamentary Secretary to be an honest man. I also know that our rules prohibit the use of the terms he employed yesterday, even if this is done with some ability. I would like to refer to page 4429 of *Hansard*, where we find the following:

> If that is not deliberately misleading the House, it comes as close to deliberately misleading the House as anything in my experience.

Mr. Speaker, the Hon. Member clearly used these words and accused an other Member of misleading the House deliberately. I believe that he should withdraw what he said, to maintain at least some civility in this House. I therefore ask the Hon. Member to think this over and withdraw the words he used if possible.

[*English*]

Mr. Heap: Mr. Speaker, I made the request for withdrawal. I could argue the point and suggest that the precedent claimed by the Hon. Parliamentary Secretary means that we can say anything hypothetically, which has not been a custom in the House in the past, or we can accuse somebody of misleading the House or attempting to mislead the House so long as we leave out the word "deliberately". I believe that this will create a precedent and give the House some difficulties. However, I will not argue the point further.

Mr. Speaker: The Hon. Member for Spadina (Mr. Heap) has raised a matter which gave the Chair some difficulty yesterday. Hon. Members will recall that the Hon. Parliamentary Secretary raised a matter which involved the presentation of petitions that had in fact been signed some time before they were presented to the House. His position was that this created an impression that perhaps was not entirely accurate. I believe that is the basic thrust of his comments, which I have deliberately put in very mild language.

The Hon. Parliamentary Secretary said, as reported at page 4430 of *Hansard*, and has been referred to in interventions today:

> If that is not deliberately misleading the House, it comes as close to deliberately misleading the House as anything in my experience.

The Chair is always in the position, when it hears something that may lead to difficulty, that it ought to intervene. Sometimes the Chair intervenes too rapidly and sometimes the Chair waits too long. There is no particular science to it.

In any event, I did rise and say:

> I heard very carefully the words of the Hon. Parliamentary Secretary, which were "if that is not deliberately misleading the House", it comes very close to it. The Hon. Parliamentary Secretary is also as close to getting out of order as he can be. I will take account of the very careful wording he used, but I would ask that he be extremely careful as he continues his remarks.

I believe I made it clear to Hon. Members at that point that the Hon. Parliamentary Secretary was getting awfully close to being out of order. I do not think that should be interpreted to mean, as the Hon. Member for Spadina has warned the Chamber, that just by putting the word "if" in front of provocative words, it will always meet with the satisfaction of the Chair.

The Hon. Parliamentary Secretary went on to say:

> Thank you very much, Mr. Speaker. I take your admonition.

He continued, and at that point the Parliamentary Secretary was in a close position but nonetheless a proper one. I took it that his remarks were directed not at any particular member of the New Democratic Party but at the New Democratic Party and its particular strategy in the case being debated. After saying that it is a complete fabrication and a charade, the Parliamentary Secretary stated:

> It is an attempt to mislead the House and the Canadian public.

Then he went on to say:

> The holier than thou New Democratic Party . . . .

The Chair heard this and was listening carefully. The Chair felt that those words were directed not at any particular member but at the strategy being used by the Party in question.

I will consider the matter carefully, but I must say to the Parliamentary Secretary that I did not take his comments as aimed at a particular member. I see he is indicating that. He may want to make it very clear to the House that my interpretation is in fact correct and that might end the matter, except to say that it is an example of how we must be careful in what we say.

My comments today do not take away from the point the Parliamentary Secretary made yesterday with respect to the use of petitions in the Chamber. I will return to the Chamber at an appropriate time to discuss that matter further. However, if the Parliamentary Secretary would like to indicate to the House that at no time was he directing that particular comment at any particular member, it might be helpful to the Chair.

Mr. Lewis: Mr. Speaker, you have interpreted my intent accurately. I meant to encompass the entire tactics of the New Democratic Party and not to single out any one person as being any more guilty than another. That was my intention.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S. O. 82—IMMIGRATION—FAMILY REUNIFICATION—REFUGEES

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

> That this House condemns the Government for creating a state of confusion within its immigration program and for its lack of leadership and vision, which has seriously undermined the confidence of Canadians in the over-all direction of immigration policy;
>
> That this House also deplores the Government's failure to address the growing frustration experienced by large numbers of Canadians who are unable to sponsor successfully family members as immigrants from abroad and its recent actions that undercut Canada's humanitarian assistance and protection for refugees legitimately seeking haven in Canada;
>
> That, therefore, this House urges the Government to:
>
> (1) recognize the long-standing importance of family class reunification and to re-establish this program as the corner-stone of Canada's immigration;
>
> (2) adopt a fair, humane and efficient refugee policy which would reinforce Canada's past proud tradition and honour Canada's international obligations under the United Nations Convention relating to the status of refugees, signed in 1951;
>
> (3) introduce immediately a new and independent refugee determination system that would assure claimants processing that is fair, effective and expeditious while discouraging fraudulent applications; and
>
> (4) initiate a comprehensive educational program that will fully inform all Canadians of the facts about and benefits resulting from immigration and develop a long-term vision that would utilize immigration as a vehicle to strengthen our national unity and to contribute to greater economic prosperity.

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Mr. Speaker, the motion before the House today which was presented by the Liberal Party condemns the Government for its misguided policy with respect to immigration and refugees. Since my colleague, the Hon. Member for York West (Mr. Marchi), who introduced the motion, dealt with the Government's lack of policy with respect to family reunification, I want to concentrate on the refugee question.

First, I want to put this problem into a proper perspective. Hon. Members should know that there is a growing tragedy of refugees and misplaced persons in the world. This has been due in part to the incidence of regional wars, civil conflict and revolutions throughout the world.

Since 1945 there have been 120 regional and local wars in the world, resulting in 19 million deaths. Two-thirds of those 19 million deaths were inflicted on non-military personnel and 16 million of those 19 million deaths took place in the Third World. Those who say we have had peace since 1945 do not know the facts. The figures I just gave the House were as of February, 1986. They are a year out of date. There have been 120 regional and local wars on this planet since 1945 resulting in 19 million deaths. As a result of those conflicts the United Nations estimates there are between 15 million and 20 million refugees in the world today, people who have been displaced from their homes and countries due to conflict, persecution, local wars and so on. The greatest number are from Afghanistan. The next greatest number are the Palestinian refugees. Then there is Iran, East Europe, Central America, Chile and so on.

• (1520)

This human tragedy cannot go unanswered. I would like to remind Canadians that all of us in this country, except our aboriginal people, came here as immigrants or refugees; either ourselves, our parents, our grandparents or our great-grandparents came here after fleeing from conditions of persecution, hunger, or whatever. My own family, which is basically of Irish origin, came here after the famine in 1840 and conditions of persecution.

As Hon. Members know, Canada signed the United Nations Convention on Refugees in 1969, according to which Canada agreed to receive refugees as defined in that treaty, and now as defined in our own law. In order to decide who in fact were refugees under the treaty and who were not, a previous Liberal Government set up a process by which to decide, including a body known as the Refugee Status Advisory Committee.

While this process might have been adequate in the early days of its establishment, it was found in more recent years, with the growing volume of refugees, to not be adequate, that the number of applicants was too great for the system with the result that a large backlog of refugees developed. At one point that backlog amounted to almost 20,000 refugee applicants who had to wait up to two or three years for their cases to be heard by the Refugee Status Advisory Committee. This in turn led to more problems in that by the time the applicant finally had his case heard after two or three years, he very often had married someone in Canada and had children. It was then extremely difficult to deport him even if it was found he was not really a refugee according to the definition in the international treaty. In other words, the long delay, the backlog and the overwhelming number of persons in the system, led to many problems which led to still further problems.

Faced with that situation, the former Liberal Government appointed the Plaut Commission headed by Rabbi Plaut of Toronto. He was appointed in 1983 to advise on a new refugee determination process and a system to deal with the large backlog. Rabbi Plaut reported back in April, 1985, after a change of Government. He gave his report to the new Conservative Government. That report in turn was referred to the Standing Committee on Labour, Employment and Immigration, of which I am a member. That Committee heard witnesses and heard all points of view and reported to the House of Commons in November and December, 1985.

The Plaut Royal Commission and the standing committee recommended that there be a new refugee determination process which would be quick and fair. It was very important that it be quick, because if it could be decided within two or three months after the refugee lands on our shores whether he or she is a legitimate refugee then that system would discourage fraudulent refugees who come here and get into the backlog, which takes two or three years, knowing that it is difficult to deport them after that period of time.

The Conservative Government of the day responded in part to the reports of the Plaut Royal Commission and the standing committee in May of 1986. The former Minister of State for Immigration promised in May of 1986 that there would be new legislation to deal with refugees in September of 1986, more than six months ago. There was no legislation in September of 1986. There was none in October, November, December, January or February. We are now in the third week of March and we still have no legislation to deal with this important problem.

This morning, the Minister of Employment and Immigration (Mr. Bouchard), in answer to a question said that we will see the legislation soon. We have been told that now for many, many months by the Minister and his predecessor and still the legislation is not before us. These delays and procrastination have encouraged more fraudulent claims for refugee status and the problems resulting therefrom have doubled and tripled. Finally, in panic at these developing problems, the Government brought in *ad hoc* measures on February 20, 1987, which not only shut out the small percentage of fraudulent claimants but also legitimate claimants, those suffering severe hardship, the really legitimate refugees.

In order to support its *ad hoc* panic measures, the Government is giving a false impression of the refugee situation at our borders. The numbers at our door in recent months have not been greater than those who have come here in special movements over recent years. The special movement which is being denied entry right now is principally from Central

America and South America. These people are from Guatemala, El Salvador and Chile. The Government said about 5,000 people applied near the end of last year, which has given the perception that that situation is worse than it is. What heightens that perception of something wrong is the fact that we had the Sri Lankan refugees dropped off by boat off the coast of Newfoundland last summer. There was a reverse reaction to that. There was also an adverse reaction to a statement made by one refugee in Montreal who did not like his accommodation in the Lasalle Hotel in Montreal. I think his comments were badly placed. Those comments in that situation received a lot of publicity which was blown out of proportion and gave a bad perception of what is the real tragic situation.

I want to point out that the 5,000 number near the end of last year may sound large, but it is not an unusual number, especially when we recognize that we have between 15 million and 20 million refugees in the world, and considering what we in Canada did in former years. I put that on record to a certain extent this morning in my question to the Minister. I feel it is very important that we recognize what has been done in Canada with respect to refugees over the past few years so that we can see that what we are trying to do now is not extraordinary. In the one year of 1982, in addition to the usual flow of refugees which amounted to 16,900, we took in three special movements. We took in 9,344 Polish people who fled Poland as a result of the Solidarity crisis in that country. In the same year we took in 3,024 refugees in a special movement from El Salvador and 2,500 refugees from Iran. So we took in three special movements in 1982 in addition to the usual flow of refugees. In the years leading up to 1979, as a result of the horrible situation in Lebanon, we took in 11,321 Lebanese. As a result of the end of the war in Viet Nam, prior to 1978, we took in 9,060 Vietnamese and Cambodians. From 1975 to 1979, as a result of the situation in Chile and Argentina, when that country was under a dictatorship, we took in over 7,000 South Americans. At the time of the crisis in Uganda, when the Asians were being expelled, we took in 7,069 Ugandan Asians. In 1969, following the uprising in Czechoslovakia, we took in 11,943 Czechoslovakians. After a similar situation in Hungary in 1957, we took in 37,000 Hungarians. We must recall that at the end of the Second World War when displaced people from central Europe had nowhere to go this country took in up to 186,000 displaced persons per year when the population of our country was but 15 million.

• (1530)

I have referred to these special movements of refugees, the members of which have all integrated well into Canadian society. They are now leading productive and full lives in this country and have not caused any problems. There are not many of us here in the House who can refer to any of these people as a group which has caused any problems here in Canada. As a matter of fact, we know them as neighbours and as people with whom we work. They are contributing to our society in a positive way.

I have referred briefly to the refugee movements, which are separate and distinct from the movement of immigrants. We take in refugees, in accordance with a treaty to which I referred, when people are displaced from their countries because of persecution, war and so on. These people are refugees. On the other hand, with respect to immigrants, we set down legislation. We bring in immigrants in accordance with our needs. Last year we brought in 97,474 immigrants. In 1957 we brought in 282,000 immigrants. In 1967 we brought in 222,000. In 1974 we brought in 218,000. During most years in the post-war period we brought in over 100,000 immigrants per year.

When we look back we have to admit that these immigrants and refugees integrated well into our country. They have become good citizens. If there is now a problem with respect to the number of refugees who are at our door it is because the Government has not brought in the legislation which was recommended to it by Rabbi Plaut and by a standing committee of this House. This is legislation which the Government promised to bring in last May, legislation which would have provided for fair and quick treatment of refugees and which would have discouraged false claimants, those who would have jumped the line.

I fully agree with the Government. We have to do something about false claimants, about those who want to jump ahead of others who are in line, but not in the manner in which the Government has undertaken it in its new *ad hoc* policy announced on February 20. In doing that it not only shuts out false claimants but it shuts out many legitimate refugees. In bringing in this sort of *ad hoc* policy the Government is playing right into the hands of those in our country who are prejudiced against immigrants. We have to admit that such prejudice still exists today. The Government is contributing to the situation by giving out false information and by leaving a false impression. It may not be doing it intentionally, but that is the result.

In general terms, immigrants contribute much more to this country than they take. They are all consumers. As soon as they arrive here in the country they become consumers. They need homes, clothing, food and household products. They need education and health care. These needs create employment. In addition to being consumers many of them create their own employment by starting small businesses. They pay taxes. In fact, they pay more than their fair share in taxes in many cases because they often have larger families than native-born Canadians. There may be individual cases in which immigrants take jobs which might be open to Canadians. But, on balance, they create more jobs. In any case, our immigration policy over the years, and it is still the case today, was designed to concentrate on immigrants whose skills are needed rather than those which are surplus in Canada. I must continue to make the distinction between immigrants and refugees. As I said earlier, members of refugee movements which we let into Canada in the years since the Second World

War have not caused the disruption that is now being feared by some Canadians.

What are other people saying? We can look to some of the comments in the press with respect to these measures. I have in front of me an editorial taken from the *Calgary Herald* of February 24, the title of which is: "Restore the refuge". It states:

> Immigration Minister Benoit Bouchard has gone overboard with tough measures to curb the wave of bogus refugees flooding Canada.
>
> Rather than being content with addressing the problem of fakes and frauds who want to end-run the system, Bouchard appears to have drawn a bureaucratic paper curtain, nearly as impenetrable as any of iron, around Canada.

I now refer to an article in *The Vancouver Sun* of February 21, 1987, which is entitled: "Heart and head on the refugees". It states:

> The new rules for the admission of refugees to Canada are far from being a perfect way of sorting out the mess created by the lack of a coherent immigration policy. At best they offer an opportunity to stem the flood of refugee claims until the government can finish drafting a new policy that is both humanitarian and practical.
>
> It is distressing that the government is taking so long to produce a program and that it must respond to each new refugee crisis with ad hoc regulations like those announced yesterday by Immigration Minister Benoit Bouchard.

There are reports which we have to the contrary of what was told to us by the Minister of State for Immigration (Mr. Weiner). There are reports that some of these people who applied from the United States are being deported from that country. I would now like to refer to an article from *The Globe and Mail* for February 24, the title of which is: "Refugee claimants may face deportation". It states:

> Central Americans awaiting hearings get no guarantees from U.S. officials.
>
> Despite assurances from Canada's two immigration ministers, Central American refugee claimants who are returned to the United States to await an immigration hearing in Canada have no guarantees that they will not be deported.

In *Le Devoir* for February 23 the policy is described as follows:

[*Translation*]

—irresponsible and inhumane.

[*English*]

In conclusion, we must do something about false refugee claims. But the Government's *ad hoc* policy is not the way to go about it. That policy is keeping out many legitimate claimants, as well as fraudulent ones. If the Government had not procrastinated, if it had not dragged its feet, we would not be faced with the specific problems which have led to these misguided measures announced on February 20. Rabbi Plaut and the parliamentary committee recommended a new and improved system in 1985 and 1986—some two years ago. The Government promised action in May of 1986 for September of 1986, and we still have nothing.

I conclude by asking the Minister the following question. Unfortunately, he is not in the House. When will the Government finally act? When will it bring in a Bill that will deal quickly and fairly with refugees in accordance with our obligations under the United Nations' treaty?

Mr. Oostrom: Mr. Speaker, I have a couple of questions for the Hon. Member for Notre-Dame-de-Grâce—Lachine East (Mr. Allmand). First, I wish to congratulate him for having perceived the contribution of not only the skills but the economic contributions that immigrants have made to Canada. He has a great perception of that economic contribution. However, my question concerns the problems we are facing today with economic refugees. Back in 1976, why did the Liberal Government, of which he was a part, not take any measures in respect of refugees who obviously abused the system? Abuses were taking place some 10 years or 20 years ago. I would like to have an answer to that question.

• (1540)

My second question concerns a CBC interview on August 16. I am sorry I could not be present this morning, but I was on the Standing Committee on Multiculturalism. However, the Hon. Member for York West (Mr. Marchi) referred to the middle ground as being something like a holding centre, a detainment centre, or what is commonly known as an economic refugee camp. Is this now the policy of the Liberal Party?

Mr. Allmand: Mr. Speaker, the Hon. Member is also a member of the Standing Committee on Labour, Employment and Immigration, along with me and a few other Members of the House. He has studied the issue along with me. He asked why nothing was done to deal with the problem of refugee abuses in 1976. He is a new Member of the House, having come here in 1984, so I must tell him that there were changes.

Very substantial changes were brought in by the Government in 1981. I believe there were changes in the 1970s as well. I cannot recall the exact year. I have been here 22 years and I have dealt with continual changes to the system.

Mr. Epp (Provencher): 1975-76.

Mr. Allmand: I thank the Hon. Minister of National Health and Welfare (Mr. Epp). In 1975-76 there were changes to the legislation. In 1981 there were changes to the regulations. Also in 1981 the advisory committee on refugee status was set up. Changes were made over the years.

The refugee problem is a difficult one. The Hon. Member will recognize that the problem is becoming more and more severe world-wide. With air travel being what it is today, compared with the early post-war years, it is easier for people to board planes—and for that matter, boats—and leave their countries. Sometimes it the only way they can do it. They do not have time, nor is it safe, to go to the embassy to obtain a visa and so on.

In recent years the problem has become more serious and more tragic. That is why the Minister responsible for immigration in 1983 appointed Rabbi Plaut to come up with a new

system to deal with the problem. The Hon. Member was on the committee with me. We recommended a new system as well. We were more or less unanimous on it. We made a report in November-December, 1985. If the Government acts on that report, I am sure we will have a much improved system, and we will support the Government in bringing in such legislation.

Mr. Marchi: Mr. Speaker, it is curious that the Hon. Member for Willowdale (Mr. Oostrom) would question Liberal immigration policy when he was quoted recently as favouring only trained workers from western Europe entering the country. Then he tried to hide that by saying it was because they were more adaptable to our winters. I do not think that he should be asking questions about our Liberal policy if that kind of talk is representative of the government benches.

I thought my Liberal colleague articulated very admirably the whole question of refugees. In terms of the question posed by the Hon. Member for Willowdale about why the Liberal Government did not move on some of the things he thought it should have moved on, would the Hon. Member explain something which I think is very important? In the 1960s and in the 1970s the process was to select refugee claimants and our quota of refugees from refugee camps, whereas now, particularly over the last two and a half years to three years, we have been seeing individuals coming to our shores. It is no longer a question of why it was not done in the past. It is more that the system in the past was then and we now have an outdated system to try to address a new phenomenon. Would my colleague be able to make some comments on that particular aspect of the policy?

Mr. Allmand: Mr. Speaker, the Hon. Member is correct. In the 1960s and 1970s it was not as common to have refugees simply arriving on our shores and claiming status. That was not the phenomenon at that time. It happened, but it was not as frequently as it happens today. I tried to refer to that in my earlier answer.

I visited Central America and some of the Salvador refugee camps. Even those refugee camps were raided from time to time to time by members of the Salvadoran death squads. Refugees were dragged out of the camps and they were decapitated, only to be found by the side of the road. This sort of thing happened very often because they were opposed to the regime in power. There has been a change in refugee movements and the way in which they have claimed status around the world in recent years.

I did not know of the statement made by the Hon. Member for Willowdale (Mr. Oostrom), but we cannot presume that because people come from western Europe they will adapt more quickly to Canada than people from more southern climates. Some of the most hardy individuals in our winter climate are people who came from South American, Asia, and many other such countries. Many people of our background cannot stand the winter and often go to Florida and the Caribbean to take in the sun. We cannot generalize on such things.

We have good immigrants and refugees from many parts of the world. That is the way Canada was built. I hope we will continue to live up to the record which earned us that Nansen award from the United Nations last year.

Mr. Oostrom: Mr. Speaker, the Hon. Member did not reply to my question on whether he agreed with the Hon. Member for York West that perhaps we should have detention camps in Canada for economic refugees.

The only change made by the Liberal Government from 1981 to 1984 of which I am aware was a consistent reduction of immigration levels every year. Particularly it froze the category of independent immigrants who could make a great contribution to Canada. Why was that done in those days? Today the Government is trying to reverse that whole situation.

Mr. Allmand: Mr. Speaker, I will answer the Hon. Member's last question first by giving him the figures. In 1979 we brought in 112,000 immigrants. In 1980 that figure was increased to 143,000. In 1981 it went down to 128,000. In 1982 it was at 121,000. There was a sharp drop for 1983 and 1984, he is quite correct, but I remind him that we were in a world-wide recession. I do not recall his Party or any other Party in the House suggesting at that time, when the unemployment was almost 12 per cent, that we should bring in large numbers of immigrants. Refugees were always welcome under the law. The point is that in 1983 we brought in 89,000 and in 1984 we brought in 88,000.

Now, three years after the recession, the Government brought in 97,000 last year. It has in no way matched the numbers which we as Liberal Governments brought in during the 1970s and the 1980s. I referred to those numbers earlier. In 1974, we brought in 218,000. In 1967, we brought in 222,000. Perhaps the Hon. Member could look at the figures over the years. It is true that we dropped in the two years of recession, from 1982-83 to 1983-84. However, I was on that side of the House at the time and there were no questions from Conservative Members asking us to increase those numbers.

When the Hon. Member's Party returns to even the 121,000 figure which we had in 1982, then he can start preaching lessons to us.

Mr. John Oostrom (Willowdale): Mr. Speaker, on behalf of the Government and also as the Hon. Member for Willowdale, I am pleased to participate in debate on the motion respecting the central role played by family reunification in our approach to immigration.

• (1550)

Our Government has introduced significant and forward-thinking adjustments to both policies and programs as well as to procedures in order to reaffirm and consolidate the priority of family immigration. To suggest otherwise, as outlined in the

motion, is to ignore the numerous important initiatives that have been undertaken. I know, Mr. Speaker, that these adjustments in policies and procedures may not be enough, but in the Standing Committee on Labour, Employment and Immigration, of which I am a member, we continue to work and suggest further improvements, and we expect to meet this week to that end.

The Government's policy regarding family reunification intake is really quite simple. Applications from close family members from abroad which are accompanied by sponsorship undertakings by their eligible relatives in Canada are accepted. It is that straightforward. The only requirements are that the applicants be in good health and of good character, requirements which apply to all immigrants to Canada. For 1987, the planning estimate is 45,000 family class landings. If more than that number of 45,000 eligible applicants come forward, they will be admitted.

By way of clarifying the Government's position in this matter, I can only stress that there is no numerical limit on family class immigration whatever. The 45,000 planning figure announced by the Government last November is just that, an estimate of client demand made for administrative purposes. It is not a quota, it is not a ceiling and it is not a target. I think it is important to emphasize as well that the total family class landings in 1987 and beyond will not be affected by increases or decreases in any other immigrant categories. In fact, far from restricting family class levels, we are pursuing measures to expand the scope of family reunification as suggested by the Standing Committee on Labour, Employment and Immigration in reports tabled in this House.

In 1986 our Government introduced a policy aimed at increasing immigration levels in a moderate and controlled manner. It is important to understand that although no restrictions are placed on family class immigrants, there is nonetheless a casual relationship between the global announced level for all classes of immigrants and the number of family class immigrants who are admitted. Simply stated, increased numbers of immigrants generate increased applications for family reunification over time.

For instance, in the past year, the Government has extended eligibility for 119 new occupational groups of selected workers who may be admitted without pre-arranged employment in Canada. This increase in selected worker landings will be reflected in increased family class landings in 1987 and beyond as recently arrived selected workers become established in Canada and begin sponsoring close family members who are still abroad. This will reverse a trend that developed in previous administrations from 1982 to 1985 because of restrictions on independent immigration, and I am sure that my hon. colleagues will appreciate these increases. As I pointed out earlier in the House, the past Liberal administration decreased immigration levels from 1981 to 1984. Our Conservative Government has increased levels since taking power in September, 1984. It is our policy to continue that.

In addition, refugee and humanitarian intakes have also risen in the past three years and many of these immigrants, once firmly established, will also sponsor close relatives who were not able to come to Canada with them. When we combine these developments with the improvements in procedures and processing times, which I will address later, we are clearly looking at a growth scenario as far as family class levels are concerned. In these terms, it becomes clear that the level of family class immigration revolves on sponsorship demand which, in turn, Mr. Speaker, hinges on global immigration levels. At the same time, however, parliamentarians should recognize that there is an element of family immigration that is largely hidden.

It is worth noting that in the first 10 months of 1986, in addition to the 34,239 family class landings, there were an additional 21,420 landings of the spouses and other dependants of applicants in other immigrant categories. The total of 55,659 family members represents fully 70 per cent of all landings in that period. In fact, all successful principal applicants from any immigrant category may be accompanied to Canada by their spouses and dependants. Clearly immigration to Canada is a family movement.

An overview of client and sponsor patterns reveals some other facts that confirm the family's pervasive influence on practically every aspect of immigration activity. During the 1980s, for instance, only 20 per cent of landings can be attributed to the arrival of immigrant children under the age of 15. In 1986, more than 45 per cent of the applicants in the new occupations, opened for the selected worker category, had one or more relatives already in Canada. Some of these applicants will have gained bonus selection points on the strength of undertakings of support submitted by these relatives. This overlapping, interrelated aspect of immigration categories was not lost on the Hawkes committee members. In an attempt to clarify and consolidate the interface between families and the Department, its report recommended the creation of a new assisted family class category constituted of parents with dependants, siblings and non-dependent children.

The proposed assisted family class, and several other closely related recommendations, have far-reaching implications for future immigration policy in Canada. These recommendations speak of a fundamental reshaping of family class immigration that must be carefully considered, both in terms of its effect on operational procedures and its impact on the provinces and private sector immigration organizations.

We have begun discussions on these proposals as part of the ongoing process of consultation that provides the essential input needed to keep immigration policies and systems in touch with evolving needs. Last year, our consultations on the assisted family class and many other issues involved more than 600 groups, including non-governmental organizations; provincial and territorial Governments; other federal Departments; and academics and experts in immigration and demography.

I want to assure all Members, Mr. Speaker, of the Government's commitment to family reunification as we embark on an era of progressive, expansionist immigration policy. It is widely recognized that for Canada to realize the objectives of this new era of heightened emphasis on immigration, our immigration services must be streamlined. The fact that processing improvements are being implemented both at home and abroad has special relevance to family reunification. Now, family class applicants and sponsors alike will be the beneficiaries of fully co-ordinated procedures more attuned than ever before to their related needs.

While many of these initiatives will be internally generated, the invaluable contribution of the report of the Standing Committee on Labour, Employment and Immigration on family reunification must be recognized.

Under the chairmanship of the Hon. Member for Calgary West (Mr. Hawkes) the committee made 59 recommendations that addressed three key areas: the importance of high quality service to the public; the strengthening of the management systems that guide officers in their work; and the acceleration and the improvement of the reunification process for close relative members abroad with their relatives in Canada. The Hawkes report and the Government's fast and positive response to it clearly signalled a long-term commitment to the family unit as the central fact of immigration policy. Already the Government is moving to implement recommendations to expedite the processing of spouses and dependants. The improvements being implemented signify the beginning of a new era for sponsors and their relatives. It is an era that will be characterized by service that is faster, fairer, more courteous and more humane.

• (1600)

What do these improvements mean to our constituents? It will be more convenient for sponsors of family-class immigrants to file sponsorship applications. Families will be encouraged and will find it easier to complete their own applications. The waiting period for sponsorship appointments will be, and in fact already is, considerably reduced. In addition, services for immigrants overseas will be enhanced through more efficient security and background checks as well as through improved medical processing.

These improvements will be an encouragement to all Canadians who want to bring close family members to Canada. They are also consistent with our goal to provide the highest quality of service possible. The way in which we respond to immigrants says much about Canada as a whole and the national values we espouse.

In conclusion, I would reiterate that the one value that remains a constant is the pre-eminence of the family in Canadian life. Immigrant families have provided the very foundation of Canadian nation-building. As we begin to chart an exciting future of increased immigration as an essential element of demographic, social and economic growth, the family unit will remain the corner-stone of Canadian immigration policy. In Willowdale, there is already some evidence of that. However, some people from the U.S.S.R. are not being allowed exit visas for family reunification in Canada. We have to do a bit more work and apply some more pressure there.

Mr. Marchi: Mr. Speaker, I listened attentively to my colleague from Toronto, the Hon. Member for Willowdale (Mr. Oostrom). My riding of York West happens to be a very multicultural riding, and many people who live there are still in the process of sponsoring their relatives. In my experience, the greatest frustration experienced by those individuals and individuals across Canada is their inability to sponsor relatives from abroad successfully. The Hon. Member for Willowdale has said that the Government is entering into a new era of progress and expansion in family class immigration, but that is hard to believe after looking at the facts of the matter.

In the last immigration targets, the Minister froze family class immigrants to 30 per cent of the entire immigration program. In the mid-1970s and early 1980s, that figure ranged from 45 per cent to 55 per cent. It is hard to understand how the Hon. Member can say on behalf of the Government that we are entering into a new era of progress.

As well, the Hon. Member mentioned that over the last couple of years, the Minister has increased the targets. However, the Hon. Member has failed to inform the House that while the Minister has increased the targets, there has not been the increased allocation of resources needed to process the increased targets. The Hon. Member and I were both fortunate enough to be able to travel with the Standing Committee on Immigration. He as well as I received information from visa officers abroad indicating that it is very easy for a Minister to increase targets, but if he does not allocate personnel and financial resources to meet those ambitious targets, he will simply not get the people coming into Canada. The year 1986 was a perfect example of that. The Minister announced a target of 115,000, but we fell 30,000 short of that. Is it any wonder that we are seeing the frustration of Canadians who are unable to sponsor family relatives from abroad successfully?

I believe it is incumbent upon the Hon. Member to explain why the Minister is playing the politics of targets. If the Government is not prepared to increase resources, then let us not get into an intellectually dishonest campaign. Let us tell Canadians how many people are actually coming to Canada without pointing to targets which are basically not worth the paper on which they are written unless they are supported by increased resources.

Could the Hon. Member tell us why, at the standing committee of which he is a member, the Minister accepted a good number of technical recommendations but failed to agree to two essential recommendations that were designed to break the bottleneck in family class immigration? The first was our recommendation suggesting that there should be more points allotted to prospective immigrants with family members in

Canada in order to recognize the role of the family in immigration, and the second was the recommendation to expand the family class definition to allow brothers and sisters of Canadians to enjoy some kind of priority in processing. Can the Hon. Member explain why the Minister refused to accept those two recommendations?

Mr. Oostrom: Mr. Speaker, it seems to me that the Hon. Member for York West (Mr. Marchi) has some difficulty with statistics. For example, he said that during the Liberal administration, approximately 45 per cent of total immigration was family reunification. That is simply not true. In 1975, family reunification accounted for 34.1 per cent and in 1980 for 35.6 per cent. It was only when the Conservative Government came to power that family reunification as a part of total immigration increased. As a matter of fact, in 1985, it was already close to 46 per cent and we will continue in that direction.

I can understand the Hon. Member's frustration if he is looking at the wrong figures. Last year he said that we fell 30,000 short in immigration. That is simply not true. That is the tactic members of the Opposition have employed continually in the House. They are misrepresenting facts and figures, and the people in our constituencies simply do not understand the truth if the right figures are not made available to them. I understand that last year, the total number of immigrants came to 97,500. That is a figure I got from officials and it indicates that we did not fall 30,000 short. We did fall short by a few thousand, but we are trying to make up for that this year.

Again, it is simply not true that the Minister did not comply with the recommendations of the standing committee. I think we submitted some 70-odd recommendations and only one was rejected by the Minister. He held six in abeyance and was to report back to us on them at a later date. He approved all the others in one way or another. In fact, he approved well over 50 recommendations. I do not know what more the Minister can do. He is one of the best Ministers we have when it comes to responding to requests of the committee.

Mr. Redway: Mr. Speaker, I welcomed the Hon. Member's comments with respect to the Government's intentions concerning immigration. As the Hon. Member will know as I have discussed this with him before, I feel that my family and I would not be in Canada if we had been faced with the immigration policies, procedures, rules and regulations that exist now. My family came to Canada approximately 100 years ago from Britain. At that time, we had no family here. We would not have qualified as family class immigrants. At that time, we had just gone through bankruptcy proceedings in England. We had no capital and could not have come here as entrepreneurs. At that time, we would not have qualified as refugees seeking refuge in a new land so we could not have come here as refugees. It was an era of great unemployment not only in Britain and in Europe but in Canada. Certainly if the rules and regulations we now face as a result of economic conditions were in place at that time, my family would never have got here and I would not be here.

• (1610)

It is for those reasons that I welcome the comment of the Hon. Member that the Government intends to take some initiatives to increase the number of people who qualify to come to Canada. I suspect what the Hon. Member is referring to, and what the Government has in mind, still would not allow me to come to Canada today under those conditions, but at the same time I welcome what he had to say.

I look on him as an expert in this area and I would like to ask him if, as far as he is aware, it is the Government's intention to broaden the category of family class immigrants. In that way not only the spouses of landed immigrants or Canadian citizens, under age and dependent children and other relatives in those categories would be allowed into Canada, but other family class immigrants such as working children, brothers and sisters and other relatives would be allowed in as well. Is that what the Government intends and, if so, when can we look forward to something of that sort?

Mr. Oostrom: Mr. Speaker, the Hon. Member is quite right. In those days there were not that many restrictions because there were quite a few independent immigrants who could quickly come to Canada. Those restrictions were implemented a few years ago and we are trying to open it up again. Personally I think there are not enough immigrants, but we also have to think about the family class and refugees. While I would like to increase it even more, it is coming along very well.

Our committee suggested that we should have a population study, such as that currently being done by the Department of National Health and Welfare. We foresee a population for Canada of about 30 million by the year 2000. That would mean that we need to have 200,000 immigrants every year until that year. Naturally, as the Hon. Member suggested, there would be many more independent immigrants in that category and many more family class immigrants. As a matter of fact, if one includes all the independents and the children in the other groups, we can see how in 1986 we had almost 21,000 landings of other independents. That has grown now to 31,000, and I admit that these are preliminary figures. That brings the total landings estimate which the Hon. Member referred to earlier to 97,474. We are moving ahead. It is perhaps not fast enough, but we have to consider all opinions and we are doing a lot by seeking opinions.

What should the total number of immigrants be? We hope the standing committee will be involved in that once the study by the Department of National Health and Welfare becomes available. We can then ask questions of Canadians. How big a population do you want Canada to have? Is it 30 million? We know the population, we know the death rate and we know the number of children. Unfortunately, Canadians are having smaller families, so the difference will have to be made up by immigrants. That could well mean a figure of more than 200,000 every year until the year 2000.

Mr. Deputy Speaker: Resuming debate.

Mr. Ernie Epp (Thunder Bay—Nipigon): Mr. Speaker, I have been listening with interest to the speech made by the Hon. Member for Willowdale (Mr. Oostrom) and the questions and answers which followed. I recognize the obligation on a government Member to put the best possible light on the policies his Government is following. It is easy to talk about a fairer and faster way of handling immigration applications. That is easy to say, but it is strange when the reality of past years does not coincide. It is easy for the Government to point to an increase in the immigration figure. Of course what those figures are is a nice question. As the Hon. Member said, these are not goals and they are certainly not quotas. They are supposed to be targets, but they are not. Last year there was a significant shortfall in family class immigration, 5,000 under the supposed target. There were 10,000 fewer assisted relatives than had been allowed for by the Department in its planning. Why? Primarily because of the lengthy procedures those people faced. As the Hon. Member recognized in giving the figure of 97,000, which he was able to get thanks to the resources of the Department being made available to him as a government Member, that resulted in the Government's hopes for immigration last year not being met. Will they be met in the coming year? Fine words in this House are not going to do it. Much more is required.

Because of the necessity of developing a policy which will ensure the increase in immigration which various members think is necessary, it is useful to have this sort of debate on an opposition motion to condemn the Government for failures in its immigration policy. It has created confusion and suffered from a lack of leadership and vision. That is seriously undermining the confidence of Canadians in the over-all direction of immigration policy.

I want to say something in general about immigration and explore various aspects of the kinds of immigration to Canada that we enjoy these days. I say "enjoy". I know there are many Canadians who have a very real interest in our immigration policy. Many of them want to see that policy conducted in an expansive and fair way. Many are dissatisfied with the way in which the policy has been applied by the present Government and, to some extent, by preceding Governments. I do not think the Liberal Governments did everything perfectly in this area either.

First, immigrants have played a vital role in the development of this country. We can say quite truthfully that we are all the descendants of immigrants. Even the aboriginal peoples might be prepared to recognize a migration to North America once upon a time. Without arguing that point it is obvious that immigration has brought us a great diversity of human resources, cultures and communities. That is a fact and something we should all appreciate. Certainly with respect to multiculturalism, we have a national policy which asserts that that is a good thing. It allowed us to cultivate the consequences of immigration to this country. We need to assert that because the Minister suggested in a speech in January that there are those who like to celebrate their homogeneous societies and like to think of themselves as untouched by immigration and its various realities. That statement, which I asked him to withdraw and he did not, might have been allowed to pass until now if it had not been for the fact that he brought in guidelines on refugees at the end of February which suggested that he meant every word of what he said. It suggested that he would be quite happy to exclude from this country certain international realities, the creation, if you will, of refugees in various parts of the world and their desperate search for a sanctuary which these days seems to be available only in Canada.

• (1620)

In considering the question of immigration as my friend, the Member for Spadina (Mr. Heap), did this morning, we face various attitudes over the years. I do not deny the fact that in labour circles in the past there has sometimes been ambivalence about immigration. That was quite understandable in cases where immigrants could be used in industrial relations against those who were then employed or those who sought to better their livelihoods. Wherever there were such experiences, one can understand people reacting against them. That is surely part of the reason the history of British Columbia was so disfigured by anti-Asian feeling from the late 19th century on into this century. It is necessary to transcend that by ensuring that there is fair treatment in the workplace and that employers do not do that.

At various times the reality of unemployment has led people to see immigrants as competitors and to want them to be excluded from the country. We obviously ultimately need policies that will ensure that we are near full employment which will allow us to look with pleasure to the arrival of people bringing in skills and abilities which can be developed and put to good use to build up the economic potential of the country. In the last 20 years there have been very important and significant developments of that sort.

I submit that to regard immigrants as competitors is misguided. As my friend from Spadina pointed out so well this morning, evidence from various labour organizations shows that it is not a concern these days. We have instead a growing recognition of the need for higher levels of immigration to this country in order to ensure that the Canadian population grows rather than stagnates as a result of the very small families which Canadians have these days, the result of which is that we are not even maintaining our population by natural increase.

There had been a suggestion that we should be aiming at a level of 30 million by the year 2,000. That calls for immigration levels well above the 125,000, or a little more that we have at the moment. If the Government recognizes these needs, we will see movement toward 150,000 or 200,000. That is surely necessary. When we do that surely arguments about people being economic refugees, wanting to come to this country not because there is anything wrong in their homeland but only

because it is good here, would fall by the wayside. We want to recognize that when people have skills and see opportunity they should be encouraged to bring their skills to Canada and seek the opportunity of a good life here. In the process they can only enrich Canada by living here, working here, and maintaining their families here.

Every time I hear someone talking about economic immigration or whatever in this critical sense, it seems to me that there is a hint of that kind of opposition to immigration peeking through. I do not think that should exist in the Canadian mind. It should never be expressed by persons in government or speaking for government. We want to rule that out because Canada is a land of opportunity. We very urgently need persons of ability to come here to improve themselves and build Canada.

I said a few moments ago that in the past 20 years laws have been in operation which have brought to this country persons of high ability. That has been a basic factor in the growing diversity of the Canadian population, the development of a multiracial Canada. In 1967 the laws were changed to remove elements that had been fairly clearly racist in their intent. Instead of maintaining a white Canada we began to build a Canada of ability and merit, if you will. We began to accept immigrants who had the education and ability to contribute to Canada. One may say that is, in a sense, creaming off the population of other parts of the world, but I do not suppose I should make very much of that, any more than I should deny the right of others to complain about economic motivation in bringing people to this country.

The high quality of immigration is worth noting. It has many, many consequences. In the City of Toronto there is a remarkably high percentage of people of Asian origin among university graduates. They certainly comprise a much larger proportion than do other segments of the Canadian population. That is one of the realities in a multicultural Canada. It is one of the realities that drives on the demand for full participation by individuals and communities.

It is this sort of experience that has me celebrating immigration year while recognizing that the opposition motion which we are debating today is appropriate and necessary because there have been shortcomings. All the fine words of one member or another from the government benches cannot deny the fact that the perception in the country is one of a tightening up. Many of us have the perception that the procedures are very lengthy in too many parts of the earth from which people want to immigrate to Canada. As a result, we have the low figures which I have already cited, 5,000 and 10,000 below the figures which were supposed to be the target for immigration to this country.

I was talking earlier today to one of my assistants in my constituency who takes primary responsibility for immigration cases, if you will, which come to my attention. We were exploring the situation which faces us, particularly the reaction which public opinion polls suggest is developing among too many Canadians these days. As she said very truly, the fact that many people think that the present system is unfair has a good deal to do with the fact that when they try to work within that system they face so many delays and roadblocks that they become terribly frustrated. When they see those who have managed to circumvent the system by extra-legal means of one sort or another they cannot help but become angry. This means that the limited personnel involved in handling cases and the drawn out procedures which presently prevail are really at the heart of the unhappiness which has developed among many Canadians with regard to our present immigration system.

If we were operating the system fairly, if all of the talk about family reunification were actually being acted upon by the Government, if those who seek to bring relatives to this country were able to do so as they should, they would not become unhappy because a group of Tamils from Sri Lanka who had become anxious about their ability to stay in Europe safe from the civil war that is raging in northern Sri Lanka decided to go to a country where they would be safe, namely, Canada. We would not have reaction against their landing on our shores of the sort that we had last August.

In emphasizing the fact of the inability to achieve family reunification I would like to allude to a couple of cases which my assistant, Judith Foulds, has had to deal with. I, of course, have dealt with the persons as well. We have the case of an East Indian family, a physician and his wife. The wife would like to bring her elderly parents to Canada. There have been some medical problems with her parents. Yet they face the declaration of the Canadian Government that they may be a burden on the medical system of the country and will not be allowed to emigrate here. I submit that this physician is perfectly capable of providing for his in-laws and would surely do so.

• (1630)

Now that these people have applied to come here, they are caught in the system, and the possibility of coming to Canada to visit is excluded because of the rampant suspicions in our system that visitors will turn themselves into immigrants. When relatives die in other parts of the world because of the rigidity of our system and the anxiety that our prized medicare system will suffer a slight burden from people from other parts of the world it is nothing less than a system of institutionalized brutality. It is outrageous. That would not happen if we had any kind of humanity in our refugee policy, overseas development aid policy and our immigration policy generally.

When one examines the visitors' visa applications with which we have had to deal, they underscore the lack of political will in these areas at the top of the Department and some levels down. I must also say that the personnel with whom we deal at the lower levels are excellent in their administration and are humane and sensitive in their undertakings. These include personnel at the Thunder Bay office and the lower levels at the head office here.

That lack of political will in the case of visitors' visas is exemplified in another case of an East Indian family. There was an application for relatives to visit. The husband is employed by Air India and the wife is a teacher in India. However, they were denied visitors' papers at the High Commission because of the obvious distrust that they would try to stay in Canada if they visited. It was appealed all the way to the Minister of State for Immigration (Mr. Weiner). There was no resolution, but there was a hard line attitude taken by the Minister and his officials. Such an attitude is an indication of what is wrong not only with the federal Government but with the administration of immigration and visitors' visa systems of government.

The complaints I received reached their ultimate ridiculous point when I tried to help someone from Poland pay a visit to Canada. He was denied a visitor's visa, but all he wanted to do was come to Canada to sightsee, fish, and have a rest. I do not know what else visitors want. He had no intention of working and it was not obvious that he would want to try to stay here. Yet he was denied his opportunity to visit, which perfectly demonstrates the kind of inhumanity that has crept into the administration of our laws. That is the case, whatever may be the protestations of government Members in the House.

This inhumanity reaches its ultimate point when refugees from various parts of the world are faced with similar drawn out procedures and similar hostility in the administration of the law.

I suggest that for the last 200 years refugees have made a vital contribution to Canadian history. As a matter of fact, the bicultural and bilingual nature of central Canada, certainly in the 1960s, was a result of the initial arrival of United Empire Loyalists who were political refugees from the new United States of America. They were refugees as diverse as Mennonites, who came here in the realization that they could have a freer life in Upper Canada than in the United States. They were refugees as diverse as the Six Nations Indians who settled in the Red River Valley.

The United Empire Loyalist migration was fundamental to the development of a Canada and *les Canadiens*. These English and other settlers of great diversity began to build and continue to build a diverse Canada.

I am of Mennonite origin. There was the Mennonite migration of the 1870s and, more particularly, the 1920 political refugees from Soviet Russia who are very grateful to be in Canada.

Let me suggest that refugees from authoritarian and repressive regimes of the right surely are the most valuable addition we could have in this country. They seek a free society in which they can practise their faith, speak their mind, and lead the kind of open lives that it is not possible to lead in a repressive military dictatorship in Chile, the civil war situation in El Salvador brought on by the desire of a few to maintain their power and the desire of the majority to break free from it, or the Palestinian situation in the Middle East which has not been resolved in over 40 years.

One can think of the Hungarians who left after the abortive attempt to change the society of their country in the 1950s. There are the East Indians who were forced out of Uganda in the early 1970s. There are the boat people of Vietnam. Surely these are people who had some independence of mind in most cases, if not all, and have sought to maintain their freedoms and speak their minds. Surely they are the kind of people we want.

In conclusion, I plead with the Government to respect the letter and the spirit of this resolution as coming from both opposition Parties. It is expressing our intense desire that in 1987, a year after Canada was awarded the Nansen award for its openness to refugees over the years, we cannot go back and see Parliament adopt principles that are truly unfortunate in the administration of refugee requests. Let us maintain the openness that this society should have and increase the numbers we need in order to build Canada for the 21st century.

Mr. Redway: Mr. Speaker, the Hon. Member referred to the speeches of government Members in this debate as fine words with nothing in the way of substance behind them. I have concluded, after listening to the Hon. Member for some 20 minutes, that his comments were a lot of fine words and very supportive remarks for immigration, whether it be immigration of refugees or others, but lacking in specifics and substance.

Will he outline specifically what his policy and that of his Party is with respect to immigration? Is his Party's policy with respect to refugees to wipe out the recently introduced rules and regulations and return to the rules and regulations introduced in late February of this year? Is it his policy and that of his Party to wipe out all the rules and regulations relating to refugees altogether, as he seemed to imply in his comments? Is it their policy that those who are able to get out of camps or places in which they were detained and come to this country by hook or by crook are the ones whom we should accept? Should we scrap the system altogether and let anyone arrive who wants to come here? Or should we design a new streamlined system which in some way changes the procedures to speed things up? Perhaps there should be a different quota, an increased quota for refugee claimants. What specifically does the Hon. Member and his Party advocate with respect to refugee immigrants to this country? At the same time, can the Hon. Member tell us what specifically he and his Party advocates with respect to immigration generally? Again, is it to scrap all of the system and have no rules and regulations? Or should there be some rules and regulations which differ from the ones we have now? If that is what he and his Party advocate, does the Hon. Member advocate an increase in the quota? If so, has he some specifics in mind as to how much that should be? Does he advocate a broadening of the definitions of the categories of who should be allowed to come to Canada? If that is what he and his Party are advocating, what specifically should it be?

• (1640)

I think rather than being generally critical of the policies of present and past Governments—and I am certainly not immune to that sort of thing—the time has come to be positive and to tell us what he and his Party stand for, not what they are against.

Mr. Epp (Thunder Bay—Nipigon): Mr. Speaker, the Hon. Member's last words were a gratuitous shot. If I was anything, it was not negative. I spoke of what we needed to do. I celebrated immigration and refugees. The Hon. Member recognized that himself in suggesting he would like to have some specifics as to what the system actually ought to be. I noticed, incidentally, in his previous question and answer exchange with the Hon. Member for Willowdale that the Hon. Member himself was uttering a critique of the policy by suggesting that if the present system had prevailed at the time his ancestors arrived, they would not have been able to stay in this country. That is itself eloquent enough. He is an able Member of the House. If his ancestry had not been allowed to stay here it would have impoverished Canada somewhat. Surely that is what we are suffering these days.

The Hon. Member has asked a great variety of questions. I would not presume to answer them all, although I can start. The answers clearly need to come from the critic for this area rather than from one of the other members. However, to ask if what we should do is to go back to the system which prevailed before the end of February, is to ask one question which is very easy to answer. That system was so unsatisfactory and had been criticized by so many people. We are not that kind of fools. We have humanity. We want the recommendations which have been made in the area of refugee determination to be overhauled. We have more than enough studies on the matter. I remember that a year ago we finally passed the Bill which provided for an enlargement of the Immigration Appeal Board. That is something which should have been done a year earlier. What we clearly need is a procedure under which refugee determination can be carried out expeditiously. We in our Party are quite pleased to draw on the expertise of those who work with the situation. We are quite pleased to look to the work of the Canadian Council of Churches and those groups which come together under its aegis to consider the question. I could take the time to read their recommendations. There are proposals for a refugee status determination which could be completed in about 14 weeks. If it were necessary to have an appeal to the Federal Court, perhaps that would take up to another 13 weeks. That is an expeditious process, a simplified and humane process. That is the kind of action we in the New Democratic Party look for.

As far as targets of immigration are concerned, I believe I was speaking within the parameters of what the Hon. Member for Spadina, as critic, is developing in putting forward what I regard to be a positive program for immigration to Canada.

[*Translation*]

Mr. Deputy Speaker: The Hon. Member for Saint-Denis (Mr. Prud'homme) for a question or comment.

Mr. Prud'homme: Mr. Speaker, our Party has many spokesmen and I do not think that I will have an opportunity to speak today. However, I would like to make a comment and ask a question to my colleague. I was listening carefully this morning when the Minister spoke about immigration and the refugee problem.

What my colleagues and myself, and especially our immigration critic, have suggested is that Canada should now show some leadership in this issue at the international level. While I am speaking about the refugee issue, I would like to ask my colleague if he agrees with our suggestion that Canada has not only a mission and a responsibility in this regard, but also a duty to do something more in view of its good reputation throughout the world as the problem has become so prevalent internationally. Is it not time to take the first step and even to call if necessary an international conference of major Western countries to deal with the refugee problem immediately? Would the Hon. Member tell the House what Canada should do to fight against the serious international problem posed by refugees, which everyone realizes will become the major problem of the nineties? The refugee problem will obviously become the major problem of the last decade of this century. Because of our privileged situation in Canada, it is our duty to understand the refugee problem. I would like to ask my colleague if he can tell us what he thinks about this suggestion which we intend to develop and to put forward, probably even in our electoral program.

[*English*]

Mr. Epp (Thunder Bay—Nipigon): I thank the Hon. Member for that very good question. I am not sure it is going to be a crisis of the 1990s. It certainly is a crisis already in the 1980s.

Mr. Prud'homme: A world crisis.

Mr. Epp (Thunder Bay—Nipigon): Yes, it is already a world-wide crisis. We have massive movements of persons. Some of these migrations are the result of political difficulties of one sort or another, and those are the ones to which the system is sensitive. I think the Canadian Government should look down the road and recognize challenges and needs and see them as opportunities to play a leading role on the face of this earth. I am pleased to see the Secretary of State for External Affairs (Mr. Clark) taking his seat. I would suggest that we have here not simply a matter of refugee determination, not simply a matter of something which should be provided for within immigration, but we have a challenge to our role as peacemaker, if you will. I have become somewhat involved with difficulties in several parts of the world which generate refugees. It seems to me—

[*Translation*]

Mr. Deputy Speaker: The Hon. Member for Jonquière (Mr. Blackburn), on a point of order.

Mr. Blackburn (Jonquière): Mr. Speaker, I would like to draw your attention to the fact that the interpretation system has been out for several mininutes.

Mr. Deputy Speaker: I will ask to have the system restored as soon as possible.

[*English*]

Mr. Epp (Thunder Bay—Nipigon): As I was saying a moment ago, Mr. Speaker, in various parts of the world we find political situations which are producing refugees. Some of those situations we may not be able to do anything about. I suppose we can do precious little to change the Government of General Pinochet in Chile. We might be able to have some influence on other parts of the earth. I look to the Government of Canada to do its part in these areas, drawing on our Canadian experience with the federal system in which we have not always been brilliantly successful, yet we have retained a peaceable society. We have managed to absorb dissent. We have managed to overcome even violent dissent in this country. Perhaps that gives us some reason for acting in some of these areas to encourage federal solutions, if you will, perhaps a redrawing of boundaries. I do not mean to dodge the question at all. I recognize the world-wide nature of these difficulties. However, I think there are possibilities of going beyond our national defence-based role in providing peace-making forces to certain areas and trying very actively to deal with the political difficulties and to encourage solutions. If we were to do that then the Canadian people could see our activity here as an indication that we want to enable people who want to stay where they are in the world to remain there and to live in peace and security. On the other hand, those who are not able to stay, or those who do not want to, should be encouraged to come here.

• (1650)

I think a Canadian initiative through the United Nations which would come to grips with this situation is what is needed. The suggestion I have made is designed to keep the global problem within manageable dimensions. Without such manageable dimensions we cannot end repressive regimes, and wars cannot be brought to their end. From such situations we need to challenge other western countries, if they are to be the prime recipients of refugees. I suppose those are the countries about which we are aware in terms of refugees. I suppose that refugees end up in all parts of the world far from our borders and we are hardly aware of them. However, if they are confined to refugee camps in Thailand and Cambodia or in the Middle East that will never be satisfactory. We need to do something about that situation. A United Nations initiative on the part of the Government would be a splendid step to deal with that.

I thank you for your indulgence for allowing me this extra time, Mr. Speaker.

Mr. David Berger (Laurier): Mr. Speaker, in their book entitled *None is Too Many* which addressed the question of why Canada was closed to the Jews of Europe in the 1930s and 1940s Professors Irving Abella and Harold Troper wrote as follows in their preface:

> To the condemned Jews of Auschwitz, Canada had a special meaning. It was the name given to the camp barracks where the food, clothes, gold, diamonds, jewellery and other goods taken from prisoners were stored. It represented life, luxury and salvation; it was a Garden of Eden in Hell; it was also unreachable.

They go on to state that the barracks at Auschwitz symbolized what Canada was to all the Jews of Europe throughout the 1930s and 1940s—a paradise, enormous, wealthy, overflowing and full of life, but out of bounds—a haven totally inaccessible.

You might think that it is perhaps inappropriate to draw a parallel between what Canada's policies were in the 1930s and the 1940s, Mr. Speaker, and what they are today. However, I will defer perhaps to a higher authority than myself, namely, Dr. Rabbi Plaut, who authored the report on Canada's refugee policy which was presented to the Government about two years ago. In an article in *The Canadian Jewish News* of Thursday, March 12, he states:

> We have instituted measures which are effective practically, and defective morally. We have signalled a return to former practice which made Canada all too often inaccessible to those most in need of succor.

Last February 20 will go down in Canadian history as a day of shame, for it is the day that our Government closed its doors to refugees.

[*Translation*]

It was the day when this Government announced a series of cruel measures that go against the humanitarian tradition established in Canada about 40 years ago. It was on February 20 that the Government erected a barrier, not just on the U.S. border but across the world. From now on, refugees who knock on our door and ask for Canada's protection will get the following answer from the Conservative Government: Do not disturb. Don't call us, we'll call you.

The Minister of Employment and Immigration (Mr. Bouchard) tells us that our policy is unambiguous, and I quote:

> We offer asylum to all *bona fide* refugees arriving in our country.

The Minister does not say that the Government has just erected a barrier around Canada to ensure that no one will be able to enter the country. The Minister does not say either that the true objective of his policy is to discourage refugees from knocking on our door. The Minister does not say that the message transmitted throughout the world is that Canada's doors are now closed.

[*English*]

It has been made abundantly clear in recent weeks that the Minister of Employment and Immigration and a bunch of mean-spirited Tory back-benchers call the shots when it comes

to the Government's immigration policy. The Minister of State for Immigration (Mr. Weiner), the junior Minister, does not have a word to say about the formulation of policy. But he has become the major apologist for the Government. The Minister of State for Immigration says that real refugees will never be sent back. He says that every claimant will be entitled to a fair and open hearing. Should we believe him? After all, the Minister of State is an honourable man. Let us examine what has happened in the past month.

On a snowy Sunday one week after our Government closed Canada's borders to refugees I visited a refugee shelter in Plattsburg, New York, 60 miles or so from Montreal. I talked to refugees at the shelter who are fleeing violence and death threats in Central America. Many have been living underground in the United States. They were homeless, penniless, scared and, in many cases, separated from their families. They came to our border and asked for Canada's protection. We told them: "Wait for a month or two in Plattsburg and then we will admit you to Canada for an immigration inquiry".

When they were turned back at the Canadian border these people had their first encounters with U.S. immigration authorities. They were forced to sign documents voluntarily agreeing to leave the United States. Many were living underground and had not had any previous contact with U.S. immigration authorities. If not accepted in Canada they will not be allowed to stay in the United States and, presumably, they will have to return to the countries they are fleeing, or face deportation. They were not quite sure what awaited them a month or so down the road in Montreal.

[*Translation*]

Among those I met, Mr. Speaker, there was a boy with his mother and sister, all three from Guatemala, whose father had been in Montreal for some time. Our Government is obliging them to wait at the border for at least a month, in uncertainty and squalor. Why make them wait? The Government is making them stay at the border pending an inquiry in Montreal that will rule on their application for refugee status, a process that may take several years. During that time, they will be able to stay in Canada. Making them wait at the border, I should point out, makes no difference to the investigation. Does it make sense to make them wait 60 miles from Montreal while they could just as well wait for the inquiry with their father in Montreal, and enjoy the support of the churches and various organizations that provide assistance to refugees? Why make them wait? Mr. Speaker, this is harassment. The Government is making them wait for no reason at all, in squalor and uncertainty, at the Canadian border, because the Government and the Minister want to discourage and prevent refugees from entering Canada.

• (1700)

[*English*]

As of February 20, the Government also requires transit visas for refugees from some 98 countries who plan to stop over in Canada *en route* to another destination. People from these 98 countries include refugees who used to be on our non-deportable list. The countries include Afghanistan, El Salvador, Guatemala, Iran, Cambodia, Lebanon, Sri Lanka, and Viet Nam. Just to recite the names of these countries tells us that they are countries torn by violence and war to which our Government, up until now, considered it too dangerous to deport refugees. They are countries, Mr. Speaker, in which neither you nor I would want to live and would think twice about visiting these days.

Refugees from these countries are often lucky to get out with their lives. Now they are told by the Minister of Employment and Immigration to put their lives in further danger by openly presenting themselves to Canadian embassies and consulates and indicating that they want to leave their countries permanently. Does the Minister not understand that going through such bureaucratic procedures is a luxury which refugees cannot afford? Does the Minister not understand that refugees are lucky if they have the time to pack a bag and run?

The Minister says that he wants an orderly process. I can tell him that he has succeeded. Transit visas are indeed very effective, as we can see from the example of the Chileans who were caught up in Argentina. The Minister did not even have the basic decency to allow for the fact that they had already left Chile for Canada at the time the new measures were announced on February 20.

Last August the Prime Minister (Mr. Mulroney) urged Canadians to show compassion toward the Tamil boat people who had arrived on our shores. At the time he said: "It is not the presence of 155 frightened human beings searching for freedom and opportunity that is going to undermine Canada or our immigration policies". Never a finer statement was made by the Prime Minister (Mr. Mulroney), but it begs a question. If 155 Tamil boat people will not upset our whole immigration policy, why would a few thousand bus people from Central America over the Christmas holidays upset it?

In recent months the Ministers responsible for immigration have actively promoted the idea that we in Canada are facing a wave or flood of refugees. I note the use of words which convey a sense of natural disaster. However, what evidence is there that we are facing an unmanageable number of refugee claimants?

Last year, 18,000 claims were made in Canada, not more than the number of people it would take to fill an average hockey arena in Canada. The Minister of State for Immigration stated on a number of occasions that because we took in a thousand a week in the first few weeks of 1987, we would have reached some 52,000 by the end of the year. Perhaps that is what he was afraid about. However, is it accurate that this number of refugees would have continued every week throughout 1987?

What evidence is there? The Minister has not given us an iota or scintilla of evidence to prove that his forecasts were anywhere near realistic. Indeed, a recent decision of the United States Supreme Court on the rights of refugees in that

country will probably have the effect of substantially reducing the numbers that would have come to Canada.

When I was in Plattsburg, representatives of local social service agencies told me that rumours had been circulating for weeks that Canada would bring in tough new refugee rules. If this rumour had reached Plattsburg, is it not logical to assume that the unusually large numbers which we saw in the first few weeks of 1987 were people who were trying to get into Canada under the wire? I would remind the House that in the last few weeks before the Berlin Wall was put up in 1962, thousands of refugees crossed from the East to the West because they knew it would be their last opportunity to do so.

What evidence is there to suggest that Canadian society has reached its capacity to absorb or integrate refugees or immigrants? Have we reached that level? The evidence suggests that we are far from it.

Let us look at what our country was capable of doing for Indo-Chinese boat people. At that time the Government showed leadership. I am happy to see the Secretary of State for External Affairs (Mr. Clark) present in the House today. He was the Prime Minister at the time the Government appealed to the better instincts of Canadians, to the generosity of Canadians, who sent up sponsorship groups in community after community across the country. We opened up our military bases and chartered aircraft. Since 1979 we have taken in over 100,000 Indo-Chinese refugees, with over 60,000 in 1979 and 1980 alone. Today, seven years or eight years later, all these persons are contributing to our country.

The question I would put to the Government today is: Why not act in a similar fashion in 1987? Why not, if we are afraid of a large number of refugees perhaps coming to Canada because of inhumane laws in the United States, remind President Reagan of his responsibilities? Why not call an international conference on Central American refugees where each country would agree to welcome a certain number of refugees? Such a conference was held in 1979 to deal with Indo-Chinese boat people. Why not show this kind of leadership?

Instead, we have a Government which has let the situation deteriorate. It has delayed bringing in legislation to deal with refugees for over two years now. The Government has also failed to commit adequate resources and has taken no action against fraudulent counsellors and travel agents.

[*Translation*]

In Quebec, some people say our province has taken more than its fair share of refugees. In fact, that was the conclusion of a poll published in *Le Devoir* a few weeks ago. It is just not true. We have ranked fourth for at least seven or eight years, coming after Ontario, British Columbia and Alberta.

Mr. Speaker, some people insist that immigrants are taking away our jobs. I would like to thank Senator Rizzuto for suggesting the following argument: If it is true that immigrants are taking away our jobs, how come Ontario, which year after year has received three times as many immigrants and refugees as Quebec, has an unemployment rate of only 6 per cent, while Quebec's unemployment rate is 10.5 or 11 per cent or more?

[*English*]

Canadians are a generous people. If presented with the facts, they will respond positively with generosity. Canadians are capable of rising to the occasion as they did with the Indo-Chinese boat people.

I have had occasion to work with some of the people who help refugees and immigrants—non-governmental organizations, church groups, and immigrant aid societies. I visited refugee camps in southeast Asia in 1980 at the height of the crisis. People who work with immigrants and refugees are extremely dedicated and committed. If we present them with the challenge, they will respond.

These groups are dismayed with the policies of the Government. The Minister of National Health and Welfare (Mr. Epp), who was here several minutes ago, shook his head when I drew some parallels and said that the doors of our country were closed to refugees. He seemed to disagree. I ask him to speak with the people in the Mennonite Church whom he knows intimately and to ask them what is their opinion of his Government's policies. These groups, Mr. Speaker, will not accept these policies and will not stop fighting until they are changed, until this Government adopts the recommendations of the Plaut report, the report of the Standing Committee on Labour, Employment and Immigration, and introduces a refugee determination process that is independent, fast and fair. Our Government is capable of better. Canadians are capable of better.

• (1710)

If I might just close my comments on what I regard to be a rather depressing situation, perhaps one can make a point better in a humorous fashion than one can in a serious fashion. A predecessor of mine in the Liberal Party, Sam Jacobs who was the Member of Parliament for Cartier district in the 1930s, which takes in much of the same area that I represent today in the riding of Laurier, once said that Jesus of Nazareth would be barred from Canada under current government policies. Why, Mr. Speaker? There are four reasons? One, he would not have a proper passport. Two, he had no relatives in Canada. Three, he would not be travelling to Canada by a continuous journey—the same thing could be said about the refugees who now require a transit visa. Four, he was a carpenter. Who needs carpenters? Mr. Jacobs also at one point said that the policy of the present Government on immigration is like the wisdom of God, it surpasseth understanding. The same thing could be said today.

I hope that the Government will review its policy introduced last February 20, read history and listen to what people like Rabbi Plaut are saying. Again, I would ask the Minister for National Health and Welfare to speak to his friends in the Mennonite Church and ask them what they think about these policies. He was part of a much more generous Government. I

would ask the Government to show leadership and tear up the shameful refugee policies that were introduced last February 20.

Mr. Marchi: Mr. Speaker, I listened with interest to the Hon. Member for Laurier (Mr. Berger) who I think spoke with compassion and integrity. His interest in the over-all subject of immigration and the plight of refugees goes beyond a one day debate in the House of Commons. The Member has been very active on that front.

I was interested by the debate earlier on with respect to perhaps paying some attention to the international community and to the international obligations that we signed on behalf of the plight of refugees in 1951 as well as the protocol of 1968. If Canada has been a leader—and it has—then the type of policy announcements that we have seen coming down the pipeline will send a very dangerous signal to other countries. We will soon see the Great Britains and the Switzerlands begin to retract, and regrettably they will use Canada as a justification for doing so.

If we are to play that educational role in calling for an international agreement or a strengthening of those agreements through an international conference, what about a domestic international campaign which the Government ought to begin to initiate? It should present Canadians with the straight goods. The Government should begin to put this in the perspective of our declining birthrate, of our aging population, of an outflow of 50,000 Canadians each and every year, of our needs in terms in skills and labour and those jobs that you and I, Mr. Speaker, perhaps do not wish to do as well, as the other benefits we have been talking about. What are the views of the Hon. Member for Laurier in conducting that type of domestic educational campaign and structuring a positive constructive role rather than trying short-term temporary solutions that only feed off misconceptions and fear for the benefits of a political Party?

Mr. Berger: Mr. Speaker, it would be great for the Government to undertake an educational campaign but it would have to change direction 180 degrees from what it has been doing. We have a Government which is morally bankrupt. It has manipulated public opinion. People are beginning to see through this facade. There have been a number of well-thought opinion articles and editorials in newspapers across the country which point to the hypocrisy of the Minister of Employment and Immigration . . .

[*Translation*]

—who wept crocodile tears when he heard about the poll published in *Le Devoir* which said that Quebecers thought they were getting more than their fair share of refugees. This is the same Government and in fact the same Minister who let the system deteriorate for two years and procrastinated and failed to introduce the Bill all groups have been waiting for, the Bill that will correct the present situation.

I agree the Government could set up some kind of policy or campaign to educate the public, but that would require a drastic change from what we have been seeing in the past few months.

[*English*]

Mr. Epp (Provencher): Mr. Speaker, primarily I have a comment. As you know, Ministers do not very often intervene in the comment or Question Period. I think it is important for me to comment in view of some of the statements the Hon. Member for Laurier (Mr. Berger) has made which are erroneous—I cannot use an unparliamentary word to describe them. He said that the refugee numbers have decreased. The member used the 1979-1980 figures. He did not mention that it was a Government at that time, along with many volunteers, led by the Right Hon. Member for Yellowhead (Mr. Clark), now the Secretary of State for External Affairs, who initiated that policy together with the present Minister of Communications (Miss MacDonald).

Let me come to the present situation. It is not true and it is patently false when the member says that refugees are being cut off by decisions taken by our Government in February. In fact, the number of refugees has increased. The Government made a very clear point when we assumed power that we would increase immigration. Immigration flows when we came into Government were 89,000. The 10 year average is about 140,000. Most of us who had some dealings with immigration in the past know that we have to increase those numbers. That is a given fact.

We also know that if we look at demographic factors Canada is below replacement value. The demographic studies taking place now in the Department of National Health and Welfare as we look to the turn of the century show that immigration has to increase. Immigration has been good for Canada. Statements should not be made which are not in keeping with the facts.

In 1984 we had 89,000 immigrants. The Government came forward with an amendment, which I moved way back—supported at the time—that the Government of the day had to come before Parliament and give annual targets. We did that. We hoped that we would have an improvement in the economy and there would be new employment, which is taking place, and we said we would increase that figure to 105,000 in our first year and that we would increase it to approximately 125,000 the next year. What other decisions the Government will take when we have to appear before this House—I think it is in November this year—will again show an increase.

Let us look at refugees specifically. We increased the refugee numbers along with the entrepreneurial class. We went to 12,000 of government-sponsored and another 4,000 of co-sponsored refugees. Just recently, after the announcements here on the refugee matters, I was in Traiskirchen, the basic camp from which eastern Europeans come. I met with NGOs there. To a person, they told us to keep our refugee policy.

They said we cannot jeopardize a good policy. We did win the national humanitarian award. There is integrity in the system.

• (1720)

There are convention refugees who cannot come into Canada because of jumping the queue. It is not the Conservative Government that does not want more refugees and it is not the Liberal Party nor the NDP. It has nothing to do with partisanship. It bothers me when there is this twisting of the facts.

We have increased the number of refugees and, I would think, we will increase it again. That is natural in the Canadian context. Hon. Members may put forward their partisan views but I would hope that they would at least put them forward with a factual point of view rather than to score political points based simply on information that is not factual.

Mr. Berger: Mr. Speaker, I have a great deal of respect for the Hon. Minister but I must ask him to get in touch with some of the people he knows in the Mennonite Church and ask them about their position on the Government's current policies. It is not just members of the misguided Opposition who are saying what I have said. I refer to the comments of Rabbi Plaut. He said that we have signalled the return to a former practice which made Canada all too often inaccessible to those most in need of succour. Does the Minister think that Rabbi Plaut is also misguided?

I would point out that I did mention the initiative begun by the Government which was led by the Right Hon. Member for Yellowhead. That initiative was based on a much sounder moral ground than the one of the current Government. The policy as it related to Indo-Chinese refugees was very humanitarian and was carried through by our Government.

The Hon. Member spoke of refugees that we select at our visa offices abroad. I would point out that we did not fill the number of positions available for those selected abroad last year. Does the Minister think that that kind of procedure is appropriate for all refugees? Does he think that refugees should put their lives in danger in many cases by openly presenting themselves at Canadian offices abroad and indicating that they want to leave their country permanently? Does he think that this is an acceptable risk for many refugees to take?

Mr. Deputy Speaker: Questions are coming from the Hon. Member who made the speech and the Minister is answering. Is there unanimous consent to allow the Minister to make a comment and to allow the Hon. Member to make a final reply?

Some Hon. Members: Agreed.

Mr. Epp (Provencher): Mr. Speaker, I would like to answer the Hon. Member. In Mennonite communities, there is the same kind of division of opinion as that expressed by the Hon. Member. My father who is a member of the Mennonite Central Committee was a refugee who came through that system. Always there was respect for the manner in which one had to address the issues, laws and regulations of the country.

Many people do not understand immigration. Immigration has been good for Canada. However, we cannot leave the impression that those who come here through conventions or by being sponsored by voluntary organizations are not coming here under the laws of Canada. The Hon. Member has asked if people should put their lives in jeopardy. At present, Canada does take people who are not convention refugees and cannot have a hearing. The regulations are quite clear on that.

Let us take a look at the number of refugees. In 1981, the total number of refugees, both convention and otherwise, was 14,996. In 1982, it was 16,908, in 1983 it was 13,643, in 1984 it was 15,400, in 1985 it was 16,550 and in 1986 it was 18,625. The Minister of Immigration has indicated that he is looking at an increase in that number. However, it must be done in a way that does not put immigration as a whole in jeopardy. That is the point we are making, and I think many Canadians agree with that point. That has always been the bottom line for immigration in Canada.

Mr. Berger: Mr. Speaker, I would suggest to the Minister, as I have throughout my comments, that under the guise of stemming abuse, the Government has slammed the doors of Canada shut. The Minister talks about the need to respect and address the laws of the country. I suggest that our country has an obligation under international refugee conventions and our Government is not respecting the spirit and the letter of those obligations.

Refugees who would run great risks in presenting themselves at our visa offices abroad will be shut out from any recourse by the policies the Government implemented last February 20. I would ask the Minister to think about the situation in which some people find themselves. There are those who do not have the time to present themselves at a Canadian Embassy abroad and there are those to whom no such embassies are accessible. Some embassies have been closed down by the Government because of the financial straits in which it finds itself from time to time.

Refugees from Lebanon often find that their home towns are bombed flat in the middle of a war. They do not always have the time to line up at a visa office abroad.

Again, I would suggest that under the guise of stemming abuse, the Government's policy has slammed the doors shut on many refugees who really counted on Canada as being one of the last countries in the world to present an open door and a humanitarian attitude. If the Minister is really sincere about wanting to address the problem of refugees, I would suggest that he encourage his colleagues to implement as quickly as possible the recommendations of the Plaut report and the recommendations of the Standing Committee on Immigration. The standing committee recommended that a new refugee determination process be instituted, a process which would be independent, impartial, quick and fair to refugees. Refugees

should be treated in that manner rather than with the kind of cavalier attitude that we have seen from the Government since last February 20.

• (1730)

[*Translation*]

Mr. Deputy Speaker: Resuming debate. The Hon. Member for Jonquière (Mr. Blackburn).

Mr. Jean-Pierre Blackburn (Jonquière): Mr. Speaker, we have reached an exciting and significant moment in the history of Canada's refugee policy, and it is my privilege to speak to that part of the motion that is more specifically concerned with refugee issues. I am looking forward to seeing the development of a progressive policy in this area and to following the progression of that policy very closely with the Members of this House.

The Government's measures with respect to refugees continue to reflect a commitment to humanitarian principles. Canadians can be proud of what this country has achieved in the area of assistance to people who reach our borders after having been victims of oppression and persecution. I am looking forward to a debate on this policy by the Members of this House. Too often, such debates only take place when there is a crisis, and are then quickly forgotten.

The motion before the House today urges the Government to adopt a fair, humane and efficient refugee policy which would reinforce Canada's past proud tradition and honour Canada's international obligations under the Geneva Convention signed in 1951.

As far as our immigration policy is concerned, Mr. Speaker, I would like to point out that the Nansen Medal was awarded to Canada on November 13 last year in recognition of its tireless commitment to refugees from countries around the world. It is the highest honour awarded by the United National High Commission for Refugees to those involved in assistance to this group.

Mr. Speaker, awarding a prestigious medal to an entire nation is a rare event. That tribute was paid to us as a result of the co-operation and dedication of a great many individuals and organizations. We have every intention of remaining faithful to the commitment for which we, among all other nations, were found worthy of such regognition, and of maintaining our efforts on behalf of immigrants and refugees.

In 1987, for example, Canada will welcome more than 20,000 people under refugee and other humanitarian programs.

This is the kind of generosity which characterizes measures taken by Canada on behalf of refugees and which singled out our country as the deserving recipient of such a great honour.

More measures will be taken with respect to refugees. For instance, participation in the activities of international agencies abroad; settlement assistance for refugees; signing sponsorship contracts; intervention of action groups.

We agree, Mr. Speaker, the Government does have a role to play but it cannot act alone. Religious groups and non-governmental organizations can participate actively by helping refugees and immigrants. Sponsorship and initiatives in settlement cases are so important that they are covered under the Immigration Act. Indeed, the whole process began in 1979 at the suggestion of a Conservative.

For all practical purposes, it was the official aim of new co-operation which included consultation, policy drafting and participation in resolving settlement problems, determining required services, and setting immigration levels.

Now, Mr. Speaker, a few words about sponsorship. The refugee program is a model, particularly because of strong sponsorship on the part of private groups. The best example is the Nansen Medal which was awarded to us last November. We now have in excess of 50 sponsorship agreements, proof positive that the Government and private agencies are working together to relieve suffering people.

In 1979-80, 32,000 people came to Canada under the sponsorship of about 7,000 groups encouraged, once again, by the dynamism and initiative of the Conservative Government. Over the past five years, more than 18,000 refugees were sponsored by private groups which helped them get settled in this country. Hon. Members of this House cannot but applaud such worthy efforts.

Let me say a few words, Mr. Speaker, about starting costs. Despite the increasing cost of dealing with the flow of refugees and the costs involved in the adaptation assistance program, we have in no way reduced funding in that area, quite the opposite. Three years ago, $30 million were used as income support for 10,000 Government-sponsored refugees. In 1987, because we are aiming at 12,000 refugees, that amount should go up to $50 million. Those monies have already been earmarked for that purpose.

In addition, this Government does not intend to reduce the amount of assistance offered. We will seek by all means to achieve a better control over adaptation assistance program funds.

Let me now refer to agency funding. We recognize the value of services offered to newcomers by private agencies. We are committed to supporting them. The funds allotted to the immigrant settlement and adaptation program for the coming fiscal year have been increased to $4.9 million.

As far as language training is concerned, the Canada Employment and Immigration Commission has launched a pilot project, the newcomers language training program. Immigrant women outside the labour force are an important target group. This is another example of this Government's innovation. We have recognized the need to implement a federal program to meet special language training needs.

Mr. Speaker, the project allows women to get out of language ghettoes and to assume better their rightful place in Canadian society. During the coming months, the Canada

Employment and Immigration Commission and the Department of the Secretary of State will review their language training programs, with a view to strengthening the Canadian Government's role, and more importantly, to establishing a program that will meet the various needs of people who have just entered Canada.

What about legislative measures for acknowledging refugee status, Mr. Speaker? Our commitment to refugees is as steadfast as ever. It will be strengthened when legislative measures for the recognition of the status of refugee are tabled in the coming weeks. The draft proposals are in their final stages, Mr. Speaker. This is an extremely important and complex matter which requires our undivided attention.

The growing number of claims, which went from 8,400 in 1985 to 18,000 in 1986, should reach 50,000 this year. Mr. Speaker, it is important that Canadians should realize this constant increase. I repeat that the figures—8,400 in 1985; 18,000 in 1986; and probably over 50,000 this year—have forced us to take temporary control measures in order to set up a new process without having to face an overwhelming number of claims.

However, Mr. Speaker, we must make sure that we have a fair and adequate system.

Our legislation will emphasize certain elements. It will make it possible for us to protect refugees while preserving our reputation all over the world as a compassionate country. The legislation will reflect also our moral, legal and international commitments.

The new legislation will reflect the contributions of many groups, including the Standing Committee on Labour, Employment and Immigration, and that of Mr. Plaut.

Particular attention has been paid to the opinions of sponsoring groups and ethnic organizations.

Here are some of the highlights of the proposals announced last May: First, the setting up of a commission of immigrants and refugees independent of Canada Employment and Immigration Board. Second, hearings by an independent tribunal which would give claimants the benefit of the doubt. Third, an impartial climate during the hearings. Fourth, an appeal authorization before the Federal Court of Canada and, fifth, an access which would not jeopardize the integrity of our immigration program.

These elements had to be reassessed in the light of the new events which have occurred since last May, but, as a whole, the characteristics of the new process combining justice and effectiveness, will be maintained.

The new refugee determination process will discourage the abuses which have prevented the process from being effective these last few years, and the Hon. Members know what I mean by that. For instance, we found out that Turkish nationals who wanted to come to Canada were abusing the process. These abuses were eliminated. We have slowed down the rapidly increasing number of people crossing our borders, without however exposing a single one of them to being sent back to his country of origin. However, Canada will always ensure that genuine refugees have the best protection possible.

Mr. Speaker, the Canadian delegate to the United Nations High Commissioner for Refugees said the following on February 25: Canada was unfortunately the victim of such abuses, and it has unfortunately had to take a number of measures to protect itself. But even so, explained our representative to the High Commissioner for Refugees, the methods used by Canada are much less drastic than those applied by certain other countries to stop an excessive inflow of refugees.

We have to keep up our tradition.

At the international level, Canada has sponsored initiatives to organize to some extent the procedures used by various countries to face the refugee problem and prevent those who already benefit from a certain protection from bypassing the process at the expense of people who really need this assistance, that is people who really need our help. Various international organizations as well as the High Commissioner for Refugees have supported such initiatives, which will very soon have positive results.

To conclude, Mr. Speaker, I would like to add that Canada was built by immigrants and refugees. They met their challenges with pride, integrity and success. We shall continue to be proud of their achievements because they are for us all the guarantee of a brighter future. Indeed, we believe immigration to be increasingly important for the future development of Canada for a variety of reasons. First, there are economic reasons, because we believe that immigrants create more jobs than they take away from the Canadian economy. They take part in the economic growth and development of this country by contributing to the creation of capital, by increasing the demand for Canadian goods and services, by providing needed skills and dynamism to our labour force and by contributing to the tax revenue of all levels of Government.

Also, socially and demographically, I might add that my Government is convinced that immigration is a major force which contributes to the economic and social prosperity of Canada and which has allowed our country to take the lead when international solutions have been needed to solve the problem of refugees and immigrants whose cases involve humanitarian considerations.

Mr. Deputy Speaker: It being 5.45 p.m., it is my duty, pursuant to Standing Order 82(10), to interrupt the proceedings and to put forthwith all questions necessary to dispose of the Supply proceedings now before the House.

• (1740)

[*English*]

SUPPLY

CONCURRENCE IN SUPPLEMENTARY ESTIMATES (C)

Hon. Robert de Cotret (President of the Treasury Board) moved:

That Supplementary Estimates (C), 1986-87, laid upon the Table Wednesday, March 11, 1987, be concurred in.

Mr. Deputy Speaker: Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five Members having risen:

Mr. Deputy Speaker: Call in the members.

The House divided on the motion (Mr. de Cotret) which was agreed to on the following division:

(*Division No. 77*)

YEAS

Members

Andre
Beatty
Bertrand
Binns
Bissonnette
Blackburn (Jonquière)
Blais
Blenkarn
Blouin
Bosley
Brightwell
Brisco
Cadieux
Champagne (Champlain)
Clark (Brandon—Souris)
Clifford
Cochrane
Collins
Comeau
Cooper
Corbett
Cossitt
Crofton
Crosbie (St. John's West)
Crouse
Dantzer
Daubney
de Cotret
Desjardins
Domm
Dorin
Duguay
Duplessis
Edwards
Ellis
Epp (Provencher)
Fennell
Ferland
Fontaine
Forrestall
Fraleigh
Fretz
Gérin
Girard
Gormley
Gottselig
Gray (Bonaventure—Îles-de-la-Madeleine)
Gustafson
Halliday
Hamelin
Hamilton
Hardey
Harvey
Hees
Hicks
Holtmann
Jacques
James
Jardine
Jelinek
Jepson
Joncas
Jourdenais
Kilgour
Kindy
King
Ladouceur
Lanthier
Lawrence
Leblanc
Lesick
Lewis
Lopez
MacDonald (Kingston and the Islands)
MacDougall (Timiskaming)
MacKay
Mailly
Mantha
Marin
Martin
Mazankowski
McCuish
McDermid
McInnes
McKinnon
McKnight
Merrithew
Nicholson (Niagara Falls)
Nickerson
Nowlan
O'Neil
Oostrom
Pennock
Peterson
Plamondon
Plourde
Porter
Ravis
Redway
Reid
Reimer
Ricard
St. Germain
Schellenberg (Nanaimo—Alberni)
Scott (Victoria—Haliburton)
Scott (Hamilton—Wentworth)
Scowen
Siddon
Stackhouse
Stevens
Stewart
Taylor
Towers
Tremblay (Québec-Est)
Turner (Ottawa—Carleton)
Van De Walle
Vankoughnet
Vézina
Warner
Wenman
Wilson (Swift Current—Maple Creek)
Winegard—122

NAYS

Members

Althouse
Angus
Axworthy
Benjamin
Berger
Blaikie
Boudria
Caccia
Copps
de Jong
Dingwall
Epp (Thunder Bay—Nipigon)
Finestone
Foster
Frith
Fulton
Gagliano
Gauthier
Gray (Windsor West)
Grondin
Guilbault (Saint-Jacques)
Heap
Henderson
Hopkins
Hovdebo
Isabelle
Jewett
Keeper
Killens
Langdon
Lapierre
Manly
Marchi
McCurdy
McDonald (Broadview—Greenwood)
Mitchell
Murphy
Nunziata
Nystrom
Ouellet
Parry
Penner
Pépin
Prud'homme
Rompkey
Rossi
Skelly
Tardif (Richmond—Wolfe)
Turner (Vancouver Quadra)
Waddell
Young —51

• (1810)

Mr. Speaker: I declare the motion carried.

Mr. de Cotret thereupon moved that Bill C-47, an Act for granting to Her Majesty certain sums of money for the Government of Canada for the financial year ending March 31, 1987, be read the first time.

Motion agreed to and Bill read the first time.

Mr. de Cotret thereupon moved that Bill C-47, an Act for granting to Her Majesty certain sums of money for the Government of Canada for the financial year ending March 31, 1987, be read the second time and referred to Committee of the Whole.

Mr. Deputy Speaker: Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five Members having risen:

Mr. Gauthier: Mr. Speaker, I rise on a point of order. If Your Honour were to seek unanimous consent I believe you would find that there is a disposition on all sides of the House to apply the vote on the previous motion to second reading of this Bill, with the usual adjustments for those who did not make it on the first vote.

Mr. Deputy Speaker: Is the proposal of the Hon. Member for Ottawa—Vanier (Mr. Gauthier) agreeable to the House?

Some Hon. Members: Agreed.

Mr. Clark (Yellowhead): Mr. Speaker, I rise on a point of order.

Some Hon. Members: Hear, hear!

Mr. Clark (Yellowhead): This has not happened in years, Mr. Speaker.

I was one of those who did not make it on the first vote and would like to be counted with the Government in the subsequent votes.

The House divided on the motion (Mr. de Cotret), which was agreed to on the following division:

(*Division No. 78*)

YEAS

Members

Andre
Beatty
Bertrand
Binns
Bissonnette
Blackburn (Jonquière)
Blais
Blenkarn
Blouin
Bosley
Brightwell
Brisco
Cadieux
Champagne (Champlain)
Clark (Yellowhead)
Clark (Brandon—Souris)
Clifford
Cochrane
Collins
Comeau
Cooper
Corbett
Cossitt
Crofton
Crosbie (St. John's West)
Crouse
Dantzer
Daubney
de Cotret
Desjardins
Domm
Dorin
Duguay
Duplessis
Edwards
Ellis
Epp (Provencher)
Fennell
Ferland
Fontaine
Forrestall
Fraleigh
Fretz
Gérin
Girard
Gormley
Gottselig
Gray (Bonaventure—Îles-de-la-Madeleine)
Gustafson
Halliday
Hamelin
Hamilton
Hardey
Harvey
Hees
Hicks
Holtmann
Jacques
James
Jardine
Jelinek
Jepson
Joncas
Jourdenais
Kilgour
Kindy
King
Ladouceur
Lanthier
Lawrence
Leblanc
Lesick
Lewis
Lopez
MacDonald (Kingston and the Islands)
MacDougall (Timiskaming)
MacKay
Mailly
Mantha
Marin
Martin
Mazankowski
McCuish
McDermid
McInnes
McKinnon
McKnight
Merrithew
Nicholson (Niagara Falls)
Nickerson
Nowlan
O'Neil
Oostrom
Pennock
Peterson
Plamondon
Plourde
Porter
Ravis
Redway
Reid
Reimer
Ricard
St. Germain
Schellenberg (Nanaimo—Alberni)
Scott (Victoria—Haliburton)
Scott (Hamilton—Wentworth)
Scowen
Siddon
Stackhouse
Stevens
Stewart
Taylor
Towers
Tremblay (Québec-Est)
Turner (Ottawa—Carleton)
Van De Walle
Vankoughnet
Vézina
Warner
Wenman
Wilson (Swift Current—Maple Creek)
Winegard—123

NAYS

Members

Althouse
Angus
Axworthy
Benjamin
Berger
Blaikie
Boudria
Caccia
Copps
de Jong
Dingwall
Epp (Thunder Bay—Nipigon)
Finestone
Foster
Frith
Fulton
Gagliano
Gauthier
Gray (Windsor West)
Grondin
Guilbault (Saint-Jacques)
Heap
Henderson
Hopkins
Hovdebo
Isabelle
Jewett
Keeper
Killens
Langdon
Lapierre
Manly
Marchi
McCurdy
McDonald (Broadview—Greenwood)
Mitchell
Murphy
Nunziata
Nystrom
Ouellet
Parry
Penner
Pépin
Prud'homme
Rompkey
Rossi
Skelly
Tardif (Richmond—Wolfe)
Turner (Vancouver Quadra)
Waddell
Young —51

Mr. Deputy Speaker: I declare the motion carried.

Bill read the second time and the House went into committee thereon, Mr. Danis in the chair.

The Chairman: Shall Clause 2 carry?

Some Hon. Members: On division.

Clause agreed to.

The Chairman: Shall Clause 3 carry?

Some Hon. Members: On division.

Clause agreed to.

The Chairman: Shall Clause 4 carry?

Some Hon. Members: On division.

Clause agreed to.

The Chairman: Shall Clause 5 carry?

Some Hon. Members: On division.

Clause agreed to.

The Chairman: Shall Clause 6 carry?

Some Hon. Members: On division.

Clause agreed to.

The Chairman: Shall Clause 7 carry?

Some Hon. Members: On division.

Clause agreed to.

The Chairman: Shall the Schedule carry?

Some Hon. Members: On division.

Schedule agreed to.

The Chairman: Shall Clause 1 carry?

Some Hon. Members: On division.

Clause agreed to.

The Chairman: Shall the preamble carry?

Some Hon. Members: On division.

Preamble agreed to.

The Chairman: Shall the title carry?

Some Hon. Members: On division.

Title agreed to.

Bill reported.

Mr. de Cotret moved that the Bill be concurred in.

Motion agreed to.

Mr. de Cotret moved that the Bill be read the third time and passed.

Mr. Deputy Speaker: Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five Members having risen:

Mr. Gauthier: I rise on a point of order, Mr. Speaker. I make the same request as I did previously. I believe if you looked around the Chamber, Mr. Speaker, you would find that there is unanimous consent to proceed with this vote in a similar manner to the one which preceded it with all those who did not make it for the first, second or third vote counted.

Mr. Deputy Speaker: Is it agreed?

Some Hon. Members: Agreed.

The House divided on the motion (Mr. de Cotret), which was agreed to on the following division:

(*Division No. 79*)

YEAS

Members

Andre
Beatty
Bertrand
Binns
Bissonnette
Blackburn
(Jonquière)
Blais
Blenkarn
Blouin
Bosley
Brightwell
Brisco
Cadieux
Champagne
(Champlain)
Clark
(Yellowhead)
Clark
(Brandon—Souris)
Clifford
Cochrane
Collins
Comeau
Cooper
Corbett
Cossitt
Crofton
Crosbie
(St. John's West)
Crouse
Dantzer
Daubney
de Cotret
Desjardins
Domm
Dorin
Duguay
Duplessis
Edwards
Ellis
Epp
(Provencher)
Fennell
Ferland
Fontaine
Forrestall
Fraleigh
Fretz
Gérin
Girard
Gormley
Gottselig
Gray
(Bonaventure—Îles-de-la-Madeleine)
Gustafson
Halliday
Hamelin
Hamilton
Hardey
Harvey
Hees
Hicks
Holtmann
Jacques
James
Jardine
Jelinek
Jepson
Joncas
Jourdenais
Kilgour
Kindy
King
Ladouceur
Lanthier
Lawrence
Leblanc
Lesick
Lewis
Lopez
MacDonald
(Kingston and the Islands)
MacDougall
(Timiskaming)
MacKay
Mailly
Mantha
Marin
Martin
Mazankowski
McCuish
McDermid
McInnes
McKinnon
McKnight
Merrithew
Nicholson
(Niagara Falls)
Nickerson
Nowlan
O'Neil
Oostrom
Pennock
Peterson
Plamondon
Plourde
Porter
Ravis
Redway
Reid
Reimer
Ricard
St. Germain
Schellenberg
(Nanaimo—Alberni)
Scott
(Victoria—Haliburton)
Scott
(Hamilton—Wentworth)
Scowen
Siddon
Stackhouse
Stevens
Stewart
Taylor
Towers
Tremblay
(Québec-Est)
Turner
(Ottawa—Carleton)
Van De Walle
Vankoughnet
Vézina
Warner
Wenman
Wilson
(Swift Current—Maple Creek)
Winegard—123

NAYS

Members

Althouse
Angus
Axworthy
Benjamin
Berger
Blaikie
Boudria

Caccia
Copps
de Jong
Dingwall
Epp
(Thunder Bay—Nipigon)
Finestone
Foster
Frith
Fulton
Gagliano
Gauthier
Gray
(Windsor West)
Grondin
Guilbault
(Saint-Jacques)
Heap
Henderson
Hopkins
Hovdebo
Isabelle
Jewett
Keeper
Killens
Langdon
Lapierre
Manly
Marchi
McCurdy
McDonald
(Broadview—Greenwood)
Mitchell
Murphy
Nunziata
Nystrom
Ouellet
Parry
Penner
Pépin
Prud'homme
Rompkey
Rossi
Skelly
Tardif
(Richmond—Wolfe)
Turner
(Vancouver Quadra)
Waddell
Young —51

Bill read the third time and passed.

* * *

INTERIM SUPPLY

Hon. Robert de Cotret (President of the Treasury Board) moved:

That a sum not exceeding

$10,458,957,258.08 being composed of:

(1) three-twelfths ($7,830,304,719.75) of the total of the amounts of the items set forth in the Main Estimates for the fiscal year ending March 31, 1988, which were laid upon the Table Monday, March 2, 1987, except those items below:

(2) eleventh-twelfths of the total of the amounts of Agriculture Item 60, Transport Items 15 and 20 and Treasury Board Item 10 (Schedule A) of the said Estimates, $193,214,083.33.

(3) nine-twelfths of the total of the amount of Treasury Board Item 5 (Schedule B) of the said Estimates, $270,000,000.00.

(4) seven-twelfths of the total of the amounts of Energy, Mines and Resources Item 35 and Public Works Item 20 (Schedule C) of the said Estimates, $61,409,833.33.

(5) six-twelfths of the total of the amounts of Regional Industrial Expansion Item 15 and Transport Item 30 (Schedule D) of the said Estimates, $2,099,000.00.

(6) five-twelfths of the total of the amounts of Communications Item 80 and Indian Affairs and Northern Development Item 15 and National Health and Welfare Item 55 and Transport Item 35 (Schedule E) of the said Estimates, $701,948,625.00.

(7) four-twelfths of the total of the amounts of Communications Items 30 and 70, Consumer and Corporate Affairs Items 1 and 25, Environment Item 1, Indian Affairs and Northern Development Items 10, 35, 40 and 45, Labour Item 1, National Health and Welfare Item 10, Regional Industrial Expansion Item 40, Science and Technology Item 1, Supply and Services Item 1, Transport Item 1, Treasury Board Item 30 and Veterans Affairs Items 5 and 25 (Schedule F) of the said Estimates, $1,399,980,996.67;

be granted to Her Majesty on account of the fiscal year ending March 31, 1988.

Mr. Deputy Speaker: Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five Members having risen:

Mr. Gauthier: Mr. Speaker, I rise on a point of order. In this case, once again, if Your Honour were to seek unanimous consent of the House I believe you would find that we could proceed with this vote by applying the same results as we had previously, except for those Hon. Members who missed it.

Mr. Deputy Speaker: Is it agreed?

Some Hon. Members: Agreed.

The House divided on the motion (Mr. de Cotret), which was agreed to on the following division:

(*Division No. 80*)

YEAS

Members

Andre
Beatty
Bertrand
Binns
Bissonnette
Blackburn
(Jonquière)
Blais
Blenkarn
Blouin
Bosley
Brightwell
Brisco
Cadieux
Champagne
(Champlain)
Clark
(Yellowhead)
Clark
(Brandon—Souris)
Clifford
Cochrane
Collins
Comeau
Cooper
Corbett
Cossitt
Crofton
Crosbie
(St. John's West)
Crouse
Dantzer
Daubney
de Cotret
Desjardins
Domm
Dorin
Duguay
Duplessis
Edwards
Ellis
Epp
(Provencher)
Fennell
Ferland
Fontaine
Forrestall
Fraleigh
Fretz
Gérin
Girard
Gormley
Gottselig
Gray
(Bonaventure—Îles-de-la-Madeleine)
Gustafson
Halliday
Hamelin
Hamilton
Hardey
Harvey
Hees
Hicks
Holtmann
Jacques
James
Jardine
Jelinek
Jepson
Joncas
Jourdenais
Kilgour
Kindy
King
Ladouceur
Lanthier
Lawrence
Leblanc
Lesick
Lewis
Lopez
MacDonald
(Kingston and the Islands)
MacDougall
(Timiskaming)
MacKay
Mailly
Mantha
Marin
Martin
Mazankowski
McCuish
McDermid
McInnes
McKinnon
McKnight
Merrithew
Nicholson
(Niagara Falls)
Nickerson
Nowlan
O'Neil
Oostrom
Pennock
Peterson
Plamondon
Plourde
Porter
Ravis
Redway
Reid
Reimer
Ricard
St. Germain
Schellenberg
(Nanaimo—Alberni)
Scott
(Victoria—Haliburton)
Scott
(Hamilton—Wentworth)
Scowen
Siddon

Stackhouse
Stevens
Stewart
Taylor
Towers
Tremblay
(Québec-Est)
Turner
(Ottawa—Carleton)
Van De Walle
Vankoughnet
Vézina
Warner
Wenman
Wilson
(Swift Current—
Maple Creek)
Winegard—123

NAYS

Members

Althouse
Angus
Axworthy
Benjamin
Berger
Blaikie
Boudria
Caccia
Copps
de Jong
Dingwall
Epp
(Thunder Bay—
Nipigon)
Finestone
Foster
Frith
Fulton
Gagliano
Gauthier
Gray
(Windsor West)
Grondin
Guilbault
(Saint-Jacques)
Heap
Henderson
Hopkins
Hovdebo
Isabelle
Jewett
Keeper
Killens
Langdon
Lapierre
Manly
Marchi
McCurdy
McDonald
(Broadview—
Greenwood)
Mitchell
Murphy
Nunziata
Nystrom
Ouellet
Parry
Penner
Pépin
Prud'homme
Rompkey
Rossi
Skelly
Tardif
(Richmond—Wolfe)
Turner
(Vancouver Quadra)
Waddell
Young —51

Mr. Deputy Speaker: I declare the motion carried.

Mr. de Cotret moved that Bill C-48, an Act for granting to Her Majesty certain sums of money for the Government of Canada for the financial year ending March 31, 1988, be read the first time.

Motion agreed to and Bill read the first time.

Mr. de Cotret moved that Bill C-48, an Act for granting to Her Majesty certain sums of money for the Government of Canada for the financial year ending March 31, 1988 be read the second time and referred to Committee of the Whole.

Mr. Deputy Speaker: Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

Mr. Deputy Speaker: All those opposed to the motion please say nay.

Some Hon. Members: Nay.

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

And more than five Members having risen:

[*Translation*]

Mr. Gauthier: Mr. Speaker, once more, to save time, I would like to ask that the results of the previous vote apply also to this one.

[*English*]

Mr. Deputy Speaker: Is it agreed?

Some Hon. Members: Agreed.

The House divided on the motion (Mr. de Cotret), which was agreed to on the following division:

(*Division No. 81*)

YEAS

Members

Andre
Beatty
Bertrand
Binns
Bissonnette
Blackburn
(Jonquière)
Blais
Blenkarn
Blouin
Bosley
Brightwell
Brisco
Cadieux
Champagne
(Champlain)
Clark
(Yellowhead)
Clark
(Brandon—Souris)
Clifford
Cochrane
Collins
Comeau
Cooper
Corbett
Cossitt
Crofton
Crosbie
(St. John's West)
Crouse
Dantzer
Daubney
de Cotret
Desjardins
Domm
Dorin
Duguay
Duplessis
Edwards
Ellis
Epp
(Provencher)
Fennell
Ferland
Fontaine
Forrestall
Fraleigh
Fretz
Gérin
Girard
Gormley
Gottselig
Gray
(Bonaventure—Îles-de-
la-Madeleine)
Gustafson
Halliday
Hamelin
Hamilton
Hardey
Harvey
Hees
Hicks
Holtmann
Jacques
James
Jardine
Jelinek
Jepson
Joncas
Jourdenais
Kilgour
Kindy
King
Ladouceur
Lanthier
Lawrence
Leblanc
Lesick
Lewis
Lopez
MacDonald
(Kingston and
the Islands)
MacDougall
(Timiskaming)
MacKay
Mailly
Mantha
Marin
Martin
Mazankowski
McCuish
McDermid
McInnes
McKinnon
McKnight
Merrithew
Nicholson
(Niagara Falls)
Nickerson
Nowlan
O'Neil
Oostrom
Pennock
Peterson
Plamondon
Plourde
Porter
Ravis
Redway
Reid
Reimer
Ricard
St. Germain
Schellenberg
(Nanaimo—Alberni)
Scott
(Victoria—Haliburton)
Scott
(Hamilton—Wentworth)
Scowen
Siddon
Stackhouse
Stevens
Stewart
Taylor
Towers
Tremblay
(Québec-Est)
Turner
(Ottawa—Carleton)
Van De Walle
Vankoughnet
Vézina
Warner
Wenman
Wilson
(Swift Current—
Maple Creek)
Winegard—123

NAYS

Members

Althouse	Gray (Windsor West)	Mitchell
Angus	Grondin	Murphy
Axworthy	Guilbault (Saint-Jacques)	Nunziata
Benjamin	Heap	Nystrom
Berger	Henderson	Ouellet
Blaikie	Hopkins	Parry
Boudria	Hovdebo	Penner
Caccia	Isabelle	Pépin
Copps	Jewett	Prud'homme
de Jong	Keeper	Rompkey
Dingwall	Killens	Rossi
Epp (Thunder Bay—Nipigon)	Langdon	Skelly
Finestone	Lapierre	Tardif (Richmond—Wolfe)
Foster	Manly	Turner (Vancouver Quadra)
Frith	Marchi	Waddell
Fulton	McCurdy	Young —51
Gagliano	McDonald (Broadview—Greenwood)	
Gauthier		

Mr. Deputy Speaker: I declare the motion carried.

Bill read the second time and the House went into committee thereon, Mr. Danis in the Chair.

The Chairman: Shall Clause 2 carry?

Some Hon. Members: On division.

Clause agreed to.

The Chairman: Shall Clause 3 carry?

Some Hon. Members: On division.

Clause agreed to.

The Chairman: Shall Clause 4 carry?

Some Hon. Members: On division.

Clause agreed to.

The Chairman: Shall Clause 5 carry?

Some Hon. Members: On division.

Clause agreed to.

The Chairman: Shall Schedule A carry?

Some Hon. Members: On division.

Schedule agreed to.

The Chairman: Shall Schedule B carry?

Some Hon. Members: On division.

Schedule agreed to.

The Chairman: Shall Schedule C carry?

Some Hon. Members: On division.

Schedule agreed to.

The Chairman: Shall Schedule D carry?

Some Hon. Members: On division.

Schedule agreed to.

The Chairman: Shall Schedule E carry?

Some Hon. Members: On division.

Schedule agreed to.

The Chairman: Shall Schedule F carry?

Some Hon. Members: On division.

Schedule agreed to.

The Chairman: Shall Clause 1 carry?

Some Hon. Members: On division.

Clause 1 agreed to.

The Chairman: Shall the preamble carry?

Some Hon. Members: On division.

Preamble agreed to.

The Chairman: Shall the title carry?

Some Hon. Members: On division.

Title agreed to.

Bill reported.

Mr. de Cotret moved that the Bill be concurred in.

Motion agreed to.

• (1820)

Mr. de Cotret moved that the Bill be read the third time and passed.

Mr. Deputy Speaker: Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five Members having risen:

Mr. Gauthier: Mr. Speaker, here again, if you would seek unanimous consent to apply the result to this vote as we did to

previous votes with those who did not make it, I think you would find it.

Mr. Deputy Speaker: Is the proposal of the Hon. Member for Ottawa—Vanier (Mr. Gauthier) acceptable?

Some Hon. Members: Agreed.

The House divided on the motion (Mr. de Cotret), which was agreed to on the following division:

(Division No. 82)

YEAS

Members

Andre
Beatty
Bertrand
Binns
Bissonnette
Blackburn
(Jonquière)
Blais
Blenkarn
Blouin
Bosley
Brightwell
Brisco
Cadieux
Champagne
(Champlain)
Clark
(Yellowhead)
Clark
(Brandon—Souris)
Clifford
Cochrane
Collins
Comeau
Cooper
Corbett
Cossitt
Crofton
Crosbie
(St. John's West)
Crouse
Dantzer
Daubney
de Cotret
Desjardins
Domm
Dorin
Duguay
Duplessis
Edwards
Ellis
Epp
(Provencher)
Fennell
Ferland
Fontaine
Forrestall
Fraleigh
Fretz
Gérin
Girard
Gormley
Gottselig
Gray
(Bonaventure—Îles-de-la-Madeleine)
Gustafson
Halliday
Hamelin
Hamilton
Hardey
Harvey
Hees
Hicks
Holtmann
Jacques
James
Jardine
Jelinek
Jepson
Joncas
Jourdenais
Kilgour
Kindy
King
Ladouceur
Lanthier
Lawrence
Leblanc
Lesick
Lewis
Lopez
MacDonald
(Kingston and the Islands)
MacDougall
(Timiskaming)
MacKay
Mailly
Mantha
Marin
Martin
Mazankowski
McCuish
McDermid
McInnes
McKinnon
McKnight
Merrithew
Nicholson
(Niagara Falls)
Nickerson
Nowlan
O'Neil
Oostrom
Pennock
Peterson
Plamondon
Plourde
Porter
Ravis
Redway
Reid
Reimer
Ricard
St. Germain
Schellenberg
(Nanaimo—Alberni)
Scott
(Victoria—Haliburton)
Scott
(Hamilton—Wentworth)
Scowen
Siddon
Stackhouse
Stevens
Stewart
Taylor
Towers
Tremblay
(Québec-Est)
Turner
(Ottawa—Carleton)
Van De Walle
Vankoughnet
Vézina
Warner
Wenman
Wilson
(Swift Current—Maple Creek)
Winegard—123

NAYS

Members

Althouse
Angus
Axworthy
Benjamin
Berger
Blaikie
Boudria
Caccia
Copps
de Jong
Dingwall
Epp
(Thunder Bay—Nipigon)
Finestone
Foster
Frith
Fulton
Gagliano
Gauthier
Gray
(Windsor West)
Grondin
Guilbault
(Saint-Jacques)
Heap
Henderson
Hopkins
Hovdebo
Isabelle
Jewett
Keeper
Killens
Langdon
Lapierre
Manly
Marchi
McCurdy
McDonald
(Broadview—Greenwood)
Mitchell
Murphy
Nunziata
Nystrom
Ouellet
Parry
Penner
Pépin
Prud'homme
Rompkey
Rossi
Skelly
Tardif
(Richmond—Wolfe)
Turner
(Vancouver Quadra)
Waddell
Young —51

Mr. Deputy Speaker: I declare the motion carried.

Bill read the third time and passed.

* * *

SUPPLY

CONCURRENCE IN SUPPLEMENTARY ESTIMATES (A)

Hon. Robert de Cotret (President of the Treasury Board) moved:

That Supplementary Estimates (A) for the fiscal year ending March 31, 1988, laid upon the Table, Monday, March 2, 1987, be concurred in.

Motion agreed to.

Mr. de Cotret thereupon moved that Bill C-49, an Act for granting to Her Majesty certain sums of money for the Government of Canada for the financial year ending March 31, 1988, be read the first time.

Motion agreed to and Bill read the first time.

Mr. de Cotret thereupon moved that Bill C-49, an Act for granting to Her Majesty certain sums of money for the Government of Canada for the financial year ending March 31, 1988, be read the second time and referred to Committee of the Whole.

Motion agreed to, Bill read the second time and the House went into committee thereon, Mr. Danis in the chair.

Clauses 2 to 6 inclusive agreed to.

The Chairman: Shall the schedule carry?

Some Hon. Members: On division.

Schedule agreed to.

The Chairman: Shall Clause 1 carry?

Some Hon. Members: On division.

Clause agreed to.

The Chairman: Shall the preamble carry?

Some Hon. Members: On division.

Preamble agreed to.

The Chairman: Shall the title carry?

Some Hon. Members: On division.

Title agreed to.

Bill reported.

Mr. de Cotret moved that the Bill be concurred in.

Motion agreed to.

Mr. de Cotret moved that the Bill be read the third time and passed.

Motion agreed to, Bill read the third time and passed.

Mr. Deputy Speaker: It being 6.25 p.m., this House stands adjourned until tomorrow at 2 p.m., pursuant to Standing Order 3(1)

The House adjourned at 6.25 p.m.

HOUSE OF COMMONS

Wednesday, March 25, 1987

The House met at 2 p.m.

Prayers

STATEMENTS PURSUANT TO S. O. 21

[*English*]

ENERGY

CANADIAN EXPLORATION AND DEVELOPMENT INCENTIVE PROGRAM

Mr. Maurice Foster (Algoma): Mr. Speaker, just a little over a year ago the Government discontinued grants under the Petroleum Incentives Program after denouncing them for several years.

Today the Minister of Energy, Mines and Resources (Mr. Masse) announced in Edmonton the Canadian Exploration and Development Incentive Program, which is a new system of incentive grants to stimulate exploration and development in the oilfields. He is providing some $350 million in grants which will provide about $1 billion in exploration and development and create some 20,000 jobs.

• (1405)

It is interesting that the Independent Petroleum Association indicated that the net costs, after taking into account unemployment insurance, welfare and social costs in a $350 million program like this, would be about $60 million for the Government. If those figures are correct, why is the Government so timid? Why did it not provide a program which would create more than $1 billion worth of exploration and development when, over the past year, we have lost $5 billion worth of exploration and development? If the Premier of Alberta had not threatened to split the Tory Party unless there was action on this issue, we wonder whether there would have been any program at all to assist the oil industry.

* * *

VIA RAIL

TORONTO-GUELPH-KITCHENER-LONDON SERVICE

Mr. William C. Winegard (Guelph): Mr. Speaker, last week in this House I expressed my extreme dissatisfaction with VIA Rail and the arrogant way in which it makes its decisions. So far I have received no response either to my letter to Mr. Hanigan or to my comments in this House.

My request to VIA is really a very simple one—and if my Liberal friends would keep quiet, it could be heard. I want all plans to remove trains or to change train times on the Toronto-Guelph-Kitchener-London run delayed until these plans have been discussed with the liaison committee in Guelph which was established for just such a purpose. If VIA will not do this on its own initiative, I ask the Minister to step in and see that common courtesy is given to the people of Guelph.

* * *

ENVIRONMENTAL AFFAIRS

ACID RAIN—U.S. CONGRESSMAN'S RECORD

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, yesterday I asked the Prime Minister (Mr. Mulroney) whether he approved of the Minister of the Environment (Mr. McMillan) accusing U.S. Congressman Gerry Sikorski of engaging in partisan tripe when he was critical of the Canadian approach to President Reagan. I had hoped that the Prime Minister might moderate the tone of his Minister's words and, consistent with his own rhetoric about Canada-U.S. relations, show some respect for differences among friends. Instead, the Prime Minister made matters worse. He either pretended not to have heard of Sikorski before—a deliberate insult—or has not actually heard of him. I am not sure about which we should be most upset.

Yes, Mr. Sikorski has not persuaded many in his own Party to act on acid rain, but he has an extremely well-known record as one of the handful of people in the U.S. Congress who have persistently tried to get both Republicans and Democrats to wake up to this issue. For our Prime Minister either not to know or not recognize this is ignorance on a level that should make all of us embarrassed.

Perhaps Mr. Sikorski's unforgivable sin in the eyes of the Prime Minister was his devastatingly accurate comparison between the Prime Minister and Charlie Brown, who, every year, takes a kick at the football held out for him by Lucy. Every year she pulls it away and Charlie is the laughing stock. President Reagan is holding out the acid rain ball again, and the P.M. has got his kicking shoes on.

S. O. 21

AGRICULTURE

SPECIALTY CROPS—SUGGESTED INCLUSION IN SPECIAL CANADIAN GRAINS PROGRAM

Mr. Jack Scowen (Mackenzie): Mr. Speaker, many of our progressive western farmers have been looking to alternative crops to grow rather than the traditional wheat, feed grain and oil-seeds. The farmers and export companies have developed markets to the extent that there are now about 1 million acres in Saskatchewan alone producing specialty crops, thereby reducing grain acreage. Dry peas, beans, lentils, mustard, canary seed and dehydrated alfalfa products are the main specialty crops grown.

When the Special Canadian Grains Program was instigated this year, these crops were left out of the payments. Because this acreage is out of grain production, the farm groups who were in charge of the program should reconsider their decision and see that a payment is made this time around out of the balance due later this spring.

* * *

[*Translation*]

ACID RAIN

DECAY OF MAPLE TREES—UPA DEMAND THAT GOVERNMENT INTERVENE

Mr. Alain Tardif (Richmond—Wolfe): Mr. Speaker, although irrefutable scientific proof is not yet available, an increasing number of researchers and scientists, both in Canada and abroad, agree with the UPA that acid rain is causing the deterioration of our maple trees.

The UPA is therefore asking the Government of Canada to get involved and intervene quickly and decisively in this matter by negotiating a genuine bilateral agreement with the United States; by establishing a calendar for these negotiations and the implementation of the agreements that will be negotiated; by assigning research teams to finding ways of at least putting a halt to further deterioration of our maple trees and other hardwoods; and finally, by compensating producers for the losses and damages suffered which amount to $100 million.

* * *

• (1410)

[*English*]

AGRICULTURE

SUGGESTED CONVERSION OF SURPLUS GRAIN INTO ETHANOL

Mr. Gordon Taylor (Bow River): Mr. Speaker, the Western Canadian Wheat Growers Association is progressive, active, and innovative. Its analysis shows that wheat farmers are facing a crisis because of loss of overseas markets for wheat, but instead of crying the blues this association looked for opportunities to redirect the lost export volume of wheat and have come up with a significant plan to convert surplus grain into fuel ethanol for blending with methanol and gasoline. The economy of western Canada depends upon grain just as much as it depends upon oil and gas. This innovation would create jobs, keep people on the farm, support livestock on animal feed which is the by-product of methanol manufacture, and even help the petroleum industry.

The leadership of the federal Government is needed. The refiners can help by realizing that alcohol blends serve the interests of the region, contribute to energy security and have significant environmental benefits. Congratulations to the Western Canadian Wheat Growers Association. With the help of government, we can have another industry in western Canada.

* * *

ABORIGINAL RIGHTS

PROCEEDINGS IN STANDING COMMITTEE

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, when Canadians elect representatives to speak for their concerns in Ottawa, they do so in the hope that, when appropriate, all Parties will work toward constructive ends. As the spokesman on aboriginal issues for the New Democratic Party, I have and continue to hold the view that partisan concerns and parochial attitudes do nothing to further the cause of Canada's first people.

Yesterday the Indian, Inuit and Métis people of Canada were reminded again of that truism. In an anonymous office tower, behind closed doors and safely tucked away from probing microphones, four Members of Parliament abrogated their responsibilities to aboriginal people. In a recorded vote, the Hon. Member for Selkirk—Interlake (Mr. Holtmann), the Hon. Member for Timiskaming (Mr. MacDougall), the Hon. Member for Erie (Mr. Fretz), and the Hon. Member for Mackenzie (Mr. Scowen) voted to block the report of the Standing Committee on Aboriginal Affairs and Northern Development in breach of the committee's traditions and the spirit of the McGrath reforms.

Tomorrow the Prime Minister (Mr. Mulroney) will chair the last First Ministers' Conference on the self-government aspirations of our first citizens. He and the other 16 participants at the table will decide on the constitutional rights of future generations. We in the New Democratic Party hope Governments will take the opportunity to deal fairly and to end many years of injustice. It is a sad comment on democracy that the views of the Standing Committee on Aboriginal Affairs will not be heard.

REGIONAL INDUSTRIAL EXPANSION

SUGGESTED LOCATION OF THERMAL GENERATING UNIT IN DALHOUSIE, N. B.

Mr. Albert Girard (Restigouche): Mr. Speaker, recent statistics have again demonstrated that the County of Restigouche suffers from chronically high levels of unemployment and the lack of a dynamic industrial base. With lay-offs at CN and two other major industries in my riding, the federal Government and the Government of New Brunswick must continue to work together to create more durable employment in Restigouche.

To that end, I would urge the Government of my province and the New Brunswick Electric Power Commission to locate in Dalhousie their proposed carbo-gel thermal generating unit. This new process, developed with generous assistance from the federal Government, uses New Brunswick coal mixed with Venezuelan oil, and would be a natural for the second unit at the Dalhousie thermal plant.

We have the port facilities in Dalhousie for the transportation of the raw materials, and we have the manpower. We are located close to the New Brunswick-Quebec interconnections. Restigouche needs the 200 permanent jobs that this project would create.

* * *

HUMAN RIGHTS

CZECHOSLOVAKIA AND ROMANIA—PLIGHT OF HUNGARIAN MINORITIES

Hon. Bob Kaplan (York Centre): Mr. Speaker, I would like to call to the attention of Canadians a serious minority rights problem within the communist bloc. The Canadian-Hungarian community is crying out for pressure to be brought on the communist Governments of Czechoslovakia and Romania over the plight of the Hungarian minority living in those two countries since the partition of Hungary following World War I.

Four million ethnic Hungarians live in Transylvania and Slovakia. They are forced to give up their national identity, language, religion, and culture. A growing protest is being registered by the community mainly through the Hungarian Human Rights Foundation which is sponsored by religious and community organizations in Canada.

Canadians fully understand the importance of cultural expression as a part of human identity. The Liberal Party urges the Government to send a strong message to Romania and Czechoslovakia in the cause of human rights denied.

[*Translation*]

LIBERAL PARTY

PARTY FINANCING

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, the Liberals still think they own Canada and Quebec. Their political stars from Quebec still want to rule the roost.

The Hon. Member for Laval-des-Rapides (Mr. Garneau) and Senator Rizzuto are practising a form of blackmail against municipal authorities. Is the Liberal Party in such financial straits that it has to resort to threats to get back in the black?

On February 23, 1987, the municipal authorities of the riding of Saint-Jean received—

• (1415)

[*English*]

Mr. Speaker: Order. I think the Hon. Member might want to reconsider his statement and discuss it with the Speaker. Perhaps he can rise again tomorrow.

* * *

EXTERNAL AFFAIRS

ELGIN MARBLES—CALL FOR RETURN TO ATHENS

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, today Canadians join with Greeks all over the world to celebrate Greek National Day. On this day, March 25, in 1821 began the uprising which resulted eight years later in independence from Turkish rule. Greek men and women then endured brutal repression to secure their freedom. As we salute them we remember the courage of other peoples all over the world who still live under foreign domination and continue to struggle for freedom. Today we remember especially the people of Cyprus where our own troops guard the fragile Green Line which demarcates the Turkish Army occupation zone.

There is still some unfinished business from the period of Turkish domination of Greece which is of particular concern to Canadians and other members of the Commonwealth. I refer to the removal of the so-called Elgin Marbles from the Parthenon to London. All civilized people must denounce this act of cultural terrorism and call for it to be undone, specifically by the return of this great work of art to its original home in Athens.

The Late Alexander Small

SCIENCE AND TECHNOLOGY

SUPPORT FOR GOVERNMENT POLICY AND MEASURES

Mr. David Daubney (Ottawa West): Mr. Speaker, in recent weeks the Opposition has been uncharacteristically silent about science policy. I have not refrained from criticizing government policies when I felt they needed criticism, but fairness demands that when real progress is made we are as even-handed with our praise as we are with our criticism.

Real progress is being made. First, the Prime Minister (Mr. Mulroney) established and now chairs a National Advisory Council on Science and Technology. Second, the Estimates tabled recently give the Minister of State for Science and Technology (Mr. Oberle) and the research councils substantial real increases in funding. Third, the Minister negotiated a genuinely historic agreement with the provinces to co-ordinate national science policy. Yesterday he gave us the broad, general direction of the federal strategy to promote scientific and technological development in Canada. There is more to come. The situation is not perfect but this House really should applaud the Prime Minister, the Minister and the Government for the real progress made in recent months in bringing science and technology policy to the forefront of our national priorities.

* * *

[*Translation*]

IMMIGRATION

MINISTER'S ROLE

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, the problem of 17 Lebanese immigrants was raised in the House by my colleague for York West (Mr. Marchi), and the Minister of Employment and Immigration (Mr. Bouchard) missed a golden opportunity to show compassion by using his discretionary power to relieve the sufferings of these 17 people.

A Minister of Immigration ought to know the value of human life. His main responsibility consists in preserving the dignity of men and women who are hoping to find refuge in Canada.

But what does he do? He hides behind the mountain of paperwork to justify his actions and his decisions. He is totally insensitive to the fact that 17 desperate and helpless individuals are carted around from one country to another and from one airport to the next.

Instead of being adamant and unflexible the Minister should contact the Canadian embassy in Damascus to find a temporary refuge for these people while waiting for his officials to deal with the required red tape formalities.

In addition, since some of these immigrants have relatives waiting for them in this country, my own riding included, in this case the Minister should use his discretionary power to reunite the families involved as soon as possible, thus saving them from further torments and worries.

* * *

[*English*]

THE LATE ALEXANDER SMALL

TRIBUTE TO FORMER TABLE OFFICER AND DISTINGUISHED EX-SERVICEMAN

Mr. Speaker: Hon. Members will want to pay some attention to the following statement which it is my unhappy duty to make. I ask for the attention of all Hon. Members.

Hon. Members will no doubt have learned that Mr. Alexander Small, a former officer of this House, died on Saturday, March 21. I am sure all Hon. Members would agree that it is fitting for me to pay tribute to him for his past services and express, on behalf of the House, our deepest sympathy with his family.

Alex Small joined the House of Commons staff in 1952 as a committee clerk. He gained steady promotion, becoming Assistant Chief of English Journals in 1958 and Chief of Journals in 1961. In 1964, as part of an administrative reorganization of the House of Commons, he became Director of Legislative Services and Third Clerk Assistant. In 1969 he was appointed Second Clerk Assistant, a position that he retained until his retirement in 1982.

• (1420)

Alex Small served as a Table Officer for a considerable part of his career and his face was familiar to many of us who are still Members of this House.

Alex Small also had a distinguished war record in the Royal Canadian Air Force and was held as a prisoner of war during the last year of the war.

He died following a courageous fight with cancer, and will be greatly missed by his friends and all who knew him.

On behalf of Members of the House of Commons I will convey a copy of this message to his family.

ORAL QUESTION PERIOD

[*English*]

PHARMACEUTICAL INDUSTRY

PATENT ACT AMENDING LEGISLATION—U.S. REPORT ON FOREIGN TRADE BARRIERS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, although I thought I saw the Minister of Consumer and Corporate Affairs earlier, in his absence I will direct a question to the Secretary of State for External Affairs. I see we have now flushed him out, Mr. Speaker.

The Minister has always taken the position in this House that he never came under American pressure to change our drug price legislation. Will the Minister confirm that on pages 54 and 55 of the official 1986 United States Report on Foreign Trade Barriers, which I cited to the House of Commons during the trade debate, it states that Canadian "practices cost U.S. pharmaceutical interests significant lost revenues each year. The United States continues to raise its concerns at senior government levels." "The United States "urges speedy submission of modifying legislation"."

Why did the Minister and his colleagues cave in to that style of American pressure on drug prices and sell out our elderly and poor and those dependent upon drugs on a daily basis?

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, as I have said in the House on many occasions, I have never been approached by the American Government. The Minister for International Trade has never talked to me about this being a trade issue. We are introducing this legislation because it is good for Canada. It is going to generate $1.4 billion of incremental new research and development, at least 3,000 jobs, and better health care for Canadians. It is a good Bill for Canadians. The only people who are preoccupied with what the Americans think about this are the members of the Opposition.

REPORTED LOBBYING OF AMBASSADOR

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, will the Minister confirm that Mr. Edmund J. Pratt, Chairman of President Reagan's United States Advisory Committee for Trade, personally lobbied Canada's Ambassador to the United States to change our drug price legislation? Will the Minister also confirm that the same Mr. Pratt is the chairman of Pfizer Corporation, one of the world's largest drug companies? How could the Minister sell out Canadians under this kind of pressure?

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, I was aware of those accusations. The Canadian Ambassador to the United States informs us that his recollection of the conversation is entirely different.

Will the Leader of the Opposition confirm that when he was chairman of Sandoz, a Swiss-based pharmaceutical company, he, according to the president of another Swiss company, Ciba-Geigy, on many, many occasions expressed his opposition to compulsory licensing and the damage it was doing to the pharmaceutical industry in Canada?

Some Hon. Members: Shame, shame!

Some Hon. Members: Oh, oh!

Mr. Turner (Vancouver Quadra): Mr. Speaker, I do not deny the appointment, but I never made such a statement because I brought that legislation into the House of Commons in 1969.

Some Hon. Members: Hear, hear!

POSITION OF UNITED STATES GENERIC PHARMACEUTICAL INDUSTRY ASSOCIATION CHAIRMAN

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I have a sworn affidavit in my hand from Mr. William Haddad, Chairman of the Generic Pharmaceutical Industry Association of the United States, which states in part that on September 10, 1986, "the ambassador" that is our ambassador, "said that Mr. Pratt took strong positions on the Canadian drug legislation and placed it high on the list of U.S. demands on Canada, but that it was not clear whether in doing so he was speaking for Pfizer or the U.S. Government".

• (1425)

I will put my question to the Secretary of State for External Affairs. Since his embassy received a copy of the affidavit 48 hours ago, he must be up to date on the information. Will he confirm that the Canadian Government came under high level pressure to change our drug price legislation and that the Canadian Government yielded to that pressure?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I will not confirm that because that is false.

GOVERNMENT POSITION

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, my question is directed to the Minister of Consumer and Corporate Affairs. It concerns a question he was asked about drug prices in the Patent Act. On November 19, 1986, as reported at page 1320 of *Hansard*, the Minister said:

> No one made representations to me either from the United States, through the trade office or through the External Affairs office or in any other way.

This sworn affidavit clearly indicates that the Canadian Ambassador felt that the Canadian Government was under heavy pressure from the United States Government. Will the Minister reconcile these two contradictory statements and confirm that the Canadian Government was under great pressure from the multinational corporations?

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, the Secretary of State for External Affairs has just denied and said that that affidavit is in fact not true. But when talking about pressure, part of the pressure that was applied was of the type of pressure the Hon. Member for Sudbury and other colleagues brought to bear. The Member for Sudbury said in a Canadian pharmaceutical magazine:

> I may be branded as a heretic amongst Liberals in this country—but I happen to believe in intellectual property rights, and I think the patent laws of 1969 went too far in one direction.

That is the kind of pressure to which we are responding. Those changes went too far.

REQUEST FOR WITHDRAWAL OF AMENDING LEGISLATION

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, when will the Minister stand up to protect the elderly in this country as opposed to the multinational corporations? The Minister knows that drug prices will rise dramatically in this country. Is he prepared to withdraw this unfair and unjust legislation in view of the evidence which has been submitted by affidavit and proves beyond a shadow of a doubt that Canada was lobbied by multinationals and undue pressure was put on the Canadian Government? Will he not do that?

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, I have a letter that a colleague received from a 35-year-old physician who has two children and was just diagnosed as having leukemia. He wrote:

> —please do not oppose the new drug Patent Act for soon forgotten political points and newspaper coverage.
>
> Please remember that to oppose this legislation will deny the hope of new treatment and cures for patients like myself . . . . Please give the hope of new drugs—

Some Hon. Members: Sit down.

Mr. Andre: I am listening to that person.

Mr. Speaker: Order. The Hon. Member for Kenora—Rainy River.

* * *

ABORIGINAL RIGHTS

FIRST MINISTERS' CONFERENCE—GOVERNMENT POSITION

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, after more than five years of negotiation, countless meetings and boatloads of promises, the Prime Minister will chair the First Ministers' Conference on Aboriginal Rights tomorrow. In echoing the voices of hundreds of thousands of native people in Canada, will the Minister of Justice tell us what success the Government believes is possible in these talks if the Government is not prepared to move from its position that the right to self-government should be contingent rather than inherent?

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker, I thank the Hon. Member for asking this question, which is very appropriate on the eve of most important meetings between aboriginal leaders and the leaders of Governments of our country. I must say, though, that the premise to his question is not correct. The fact is that it is not the federal Government that has been inflexible in terms of positions it has been putting forward with respect to constitutional amendment. We have been giving leadership and, according to independent impartial observers, the Prime Minister has been recognized as doing more in moving this debate toward a positive conclusion in the interest of the aboriginal people than any other Prime Minister. We are going into these discussions with the determination that we will do everything possible in order to achieve the amendment within the constitutional period set down, in the interest of aboriginal people and, indeed, in the interest of all Canadians.

Mr. Parry: If the Minister of Justice seriously believes that he can put that message out unchallenged, he had better buy some commercial time.

SELF-GOVERNMENT—ABORIGINAL PEOPLE'S CLAIM OF INHERENT RIGHT

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, the Minister knows that the aboriginal people of this country are looking for a recognition of their inherent right to self-government. Is the Government prepared to sacrifice these talks on the legalism of contingent right in the face of the fact that the aboriginal people of this country have never, through treaty or otherwise, renounced their right to self-government?

• (1430)

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker, I hope the Hon. Member and his Party will not resort to partisanship with respect to an issue which I believe should transcend partisanship. I think this is far too important to try to achieve cheap political points. I say to the Hon. Member that when he is making these kinds of allegations with respect to positions which have been put forward, he should be mindful of the fact that we have been working tirelessly—the Prime Minister has given this a very high priority—in order to achieve an explicit recognition of the right to self-government, and we want to find the wording which will be appropriate to all the participants.

I remind the Hon. Member that it requires the co-operation of provincial Governments. We need seven provinces representing 50 per cent of the population of this country in order to have a constitutional amendment. I say to the Hon. Member that he should go to some of his political friends and tell them what he thinks about this matter and ask them to be a little more flexible in this area.

Mr. Parry: We will soon find out whose political friends are found wanting in this matter.

CONFERENCE AGENDA

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, since the Prime Minister is so committed to finding a formula to which all can agree, would the Minister of Justice tell this House why his telex read that the first part of the conference will focus neither on the specific language nor on specific proposals? How do we get a constitutional amendment in this country without specific language?

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker, the Hon. Member by his question indicates he does not know what this meeting will be dealing with. The telex is clear. If the Hon. Member were fair he would know that the telex indicates we will use as a basis, or what we are proposing to put forward as a basis for some

discussion, the Nova Scotia third draft, with amendment, as representing the basis upon which all the items which require to be attended to at this conference could be addressed. So there is a specific piece of paper, and other participants are now coming forward with their suggestions.

Let me put it this way—I hope there will be flexibility. I hope other Governments and the aboriginal people will follow the lead of the federal Government which has shown leadership, the determination to work toward an agreement, and that it is prepared to be flexible in order to achieve agreement.

CONTINGENT RIGHTS ISSUE

Mr. Keith Penner (Cochrane—Superior): Mr. Speaker, my question is also addressed to the Minister of Justice. Would the Minister explain to the House, to the aboriginal people of Canada and to the citizens of Canada, why his Government would take the position that an aboriginal right must be contingent upon agreements being made, when with respect to other rights, for example, the rights of women and linguistic rights, we have never insisted they be contingent upon agreements negotiated and signed with the Government. Why, Sir, are aboriginal people being treated so differently in the seeking of their rights?

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker, again I think the Hon. Member attempts to put labels on the position put forward by the federal Government. If the Hon. Member were to consider the position of Liberal Governments across this country, he may be dealing with a contingent concept, but he cannot make that accusation with respect to the federal Government. What we are saying is that we want to recognize an explicit right. We want the right of self-government to be within the Canadian Confederation. I hope the Hon. Member shares that basic and fundamental precept with respect to these discussions. Indeed, a recent polling has indicated that most Canadians support the idea that the articulation of self-government should be through negotiated arrangements. This is the Canadian way. This is the appropriate way in order to achieve self-government.

We recognize, and we are prepared to recognize explicitly and clearly in the Constitution, the right to self-government. We say we are going to include in the agreement a non-derogation provision which will say that nothing in this amendment derogates in any respect whatsoever from any rights the aboriginals have under our Constitution. That is our position. I would like to know what the Liberal position is.

REQUEST THAT GOVERNMENT SUPPORT INHERENT RIGHT CONCEPT

Mr. Keith Penner (Cochrane—Superior): Mr. Speaker, I want to ask the Minister of Justice whether he will carefully reconsider the position being taken by the federal Government at this time and follow the lead offered by the Leader of the Official Opposition in his motion last Friday, and make a declaration when he goes to that conference tomorrow that the right to self-government is both an inherent right and an inalienable right? Will the Minister do that?

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker, I have to say with all deference to the Hon. Member—who I acknowledge has had a long interest in this matter and I commend him for that; he has been very much involved in aboriginal matters—that I have a very difficult time understanding the position put forward by his Leader on the basis of last week's discussion. I do not know what else we can possibly do in a constitutional document, and I remind the Hon. Member again, it is not a matter which can be dealt with unilaterally by the federal Government. We must have with us seven provinces representing 50 per cent of the population of this country in order to get—

Mr. Turner (Vancouver Quadra): Show the leadership.

Mr. Hnatyshyn: We want to ensure that we can build a plateau upon which the aboriginal people can go forward. We are putting forward propositions which meet all the criteria of the things the aboriginal people have asked for, yet do reflect the fact that our preferred route is through negotiated settlements. I hope the Hon. Member will support us in our endeavours.

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PHARMACEUTICAL INDUSTRY

PATENT ACT—GOVERNMENT POLICY

Mr. Neil Young (Beaches): Mr. Speaker, my question is directed to the Minister of Consumer and Corporate Affairs. As the Minister knows, since 1969, when Canada changed its Patent Act insofar as pharmaceutical products were concerned, there have been no less than four major studies which have examined that policy and concluded that it was a sound one for Canada. Would the Minister now stand in his place, in face of this additional evidence, and simply tell the Canadian people that the only reason the Government is now changing that policy is because of pressure from the industry in the United States and President Ronald Reagan?

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, if the Hon. Member had participated in the committee deliberations on this Bill, and I might remind the Hon. Member the House has already approved of the Bill in principle, he would have seen the studies and examination, and had he kept an open mind he would realize that this Bill provides an enormous net benefit to Canada. I frankly cannot understand why the New Democratic Party is opposed to more research in this very important health care area here in Canada. Why do the New Democrats insist we let the rest of the world do that research and that Canada should opt out of this important area, thereby denying hope to people like the young sufferer of leukemia about whom we talked?

Mr. Young: Mr. Speaker, the only person who believes that flimflam is the Minister and his Conservative colleagues, no other Canadians.

REQUEST FOR WITHDRAWAL OF AMENDING LEGISLATION

Mr. Neil Young (Beaches): Mr. Speaker, I want to ask the Minister whether he will now come clean with Canadians, and rather than trying to make a case about who pushed hardest for changes in this policy, the previous Government or this Government, will he just stand in his place and tell Canadians he is prepared to stand up for Canadians and withdraw the legislation?

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, standing up for Canadians is precisely what we are doing in the face of hysterical, false accusations as to the impact on the consumer, in the face of misrepresentations by the New Democratic Party, and in the face of so-called financial analyses, the authors of which deny they put together. In the face of all of that, we are standing up for Canadians because this Bill is good for Canada, and reasonable Canadians know that.

* * *

• (1440)

APARTHEID

SOUTH AFRICA—PRIME MINISTER'S SCHEDULED MEETING WITH PRESIDENT OF AFRICAN NATIONAL CONGRESS

Mr. Bill Attewell (Don Valley East): Mr. Speaker, my question is for the Secretary of State for External Affairs. It concerns communication with the South African Government. The Prime Minister visited several front line States a few weeks ago. Yesterday I read a report that the Prime Minister may meet with a senior African National Congress spokesman here in Ottawa. In our earnest efforts to help bring about an end to apartheid can the Secretary of State assure us that constructive dialogue is still taking place with President Botha and the South African Government? Will he, or the Prime Minister, be visiting South Africa this year or next?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, neither the Prime Minister nor I have any present intention to visit South Africa. However, if it would serve a constructive purpose toward bringing an end to apartheid, I would certainly be prepared to undertake a visit of that nature. The Prime Minister and I will both be meeting with Mr. Oliver Tambo, the President of the African National Congress, when he is here sometime over the next several weeks.

With regard to relations with South Africa, embassies are open in both countries. Despite my natural modesty, I draw to the attention of the Hon. Member remarks in a speech I made in Montreal the other day when I said:

> —we must all seek means to keep lines open to all parts of South Africa—black and Botha, Buthelezi and Tambo, Mandela and Afrikaner. The worst result would be for us to cause the Botha Government to change its view, and then not have the channels to effect that change.

Some Hon. Members: Hear, hear!

* * *

IMMIGRATION

PORTUGUESE REFUGEES—ALLEGATIONS CONCERNING CONSULTANTS AND OFFICIALS

Mr. Sergio Marchi (York West): Mr. Speaker, my question is for the Minister of Employment and Immigration. It concerns the revelations that Canadian immigration officers in Portugal are linked with unscrupulous consultants in an extensive immigration scam. We have an immigration policy that is misguided, a program paralyzed by confusion, and now allegations of visa officers peddling visas for $4,000.

Given that I urged the Minister of State for Immigration last May to conduct a full investigation and to take action on the ring of unscrupulous consultants behind the movement of Portuguese refugees, I want to ask the Minister why the Government failed to take this affair seriously. Why has there been no action or charges laid by the RCMP after a full year of investigation? Why did the Government appoint this morning a second RCMP investigation when we already have one which is ongoing? Canadians want action, not whitewashing.

[*Translation*]

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, the Hon. Member for York West may very well ask me why the RCMP did not take action, but he should direct his question to them. What I can tell him for now is that indeed I was told Monday night about the case he is referring to. I did ask the RCMP to make a full investigation in this matter, and I would suggest we would be ill-advised to comment any further since the police are investigating.

[*English*]

REQUEST FOR REVIEW OF DEPARTMENT

Mr. Sergio Marchi (York West): Mr. Speaker, a once proud immigration record in the department has become a national disgrace, something which Canadians regret. I ask the Minister again why his Government failed to act on the network of phoney consultants when, as a Party and as Members of Parliament, we brought them to his attention fully one year ago. These consultants are now turning their eyes on other countries such as Brazil. Will the Minister agree to a full and public review of the entire Department of Immigration so that we can clean up this mess once and for all and regain the confidence of Canadians?

Some Hon. Members: Hear, hear!

[*Translation*]

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, the Hon. Member is entitled to express his opinion on the Department of Immigration and its employees, but as far as I am concerned I think that the people who work for the Department of Immigration are quite competent.

As to his question concerning these allegations, I said a moment ago that the matter is under investigation, and I should think that the RCMP are qualified and competent enough to assess such cases. We will act in accordance with their recommendations.

* * *

[*English*]

INDIAN AFFAIRS

BRITISH COLUMBIA LAND CLAIMS—FUNDING OF FEDERAL COURT CASE

Mr. Jim Fulton (Skeena): Mr. Speaker, my question is for the Minister of Justice regarding the dispute being fought between the Minister of Fisheries and Oceans and the Minister of Indian Affairs and Northern Development before the Federal Court of Canada. Since Canada approved a policy to negotiate comprehensive land claims in British Columbia just three months ago will the Minister explain to the House why the Department of Justice and the Minister of Indian Affairs are supporting and funding the position of the Nishga Tribal Council and the Government of Canada before the Federal Court, while the Minister of Fisheries has approved at the same time funding of up to $100,000 for the plaintiffs who wish to strip the federal Government of its powers to negotiate a settlement constitutionally?

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker, I take it the Hon. Member is acting as the justice critic for his Party even though that is usually the job of the Hon. Member for Burnaby who I see is now here breathing fully again in the House. We are glad to see him back.

As far as the position put forward is concerned, I want to say to the Hon. Member that, naturally, we are looking after the Department of Justice which, in fact, is looking after the expenses of the federal position. Other departments will in fact entertain and receive applications in respect of funding. I know that the Hon. Member is supportive of an application for funding concerning the aboriginal peoples' position in this litigation. Each department will look at particular interests and determine whether or not appropriate funding should be made available for important constitutional issues that should be clarified before the courts. That is the simple explanation to the Hon. Member.

FEDERAL POSITION

Mr. Jim Fulton (Skeena): Mr. Speaker, the facts of the matter are that B.C. fishermen and B.C. Indians are being used as cannon-fodder in a dispute between two Ministers. Will the Minister of Justice tell the House if the cabinet policy passed in December of 1986 to negotiate comprehensive land claims in British Columbia still stands? If it does, why is the Government of Canada paying for the plaintiffs, the Department of Justice, as well as for the defendants there in the Federal Court? Why does the Government not resolve this issue at the cabinet table or the negotiation table rather than dragging it through the courts at the cost of millions of dollars?

Some Hon. Members: Hear, hear!

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker, when the Hon. Member gets sued some day and decides that he will not enter a defense he will understand the position we have taken here. We are not the ones who initiated this litigation. The fact of the matter is that we have been brought into this litigation as a defendant.

Mr. Fulton: But you are paying for it.

Mr. Hnatyshyn: We are dealing with these matters. I can only speak for my own department. We are dealing with these matters in order to resolve important issues because we have been brought in by motions of the party who initiated these actions, that is, the Province of British Columbia, in order to put forward the federal Government's position in terms of the claims made. We have done that. The Hon. Member has approved of the position taken by the federal Government in this matter, which I think is a responsible one. We have done it for the purpose of having the matter determined by the courts. Our preference is a politically negotiated settlement. I repeat that. It is something I have said a number of times to the Hon. Member. I know that he would accept that as being the better way of doing things.

* * *

PHARMACEUTICAL INDUSTRY

PATENT ACT AMENDING LEGISLATION—MINISTER'S POSITION

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, my question is directed to the Minister of Consumer and Corporate Affairs. Last November 19 I asked the Minister whether during the trade negotiations or by any other diplomatic means there had been any form of negotiation or representation by U.S. Governments on the Patent Act, something which was categorically denied. We now have a sworn affidavit from Mr. Haddad, Chairman of the Generic Pharmaceutical Industry Association in the United States, which seems to indicate that the Minister has been suffering from an extensive lapse of memory for the last several months.

In light of the information revealed in this affidavit is the Minister still prepared to say that at no time, or by any means, has a representative of the United States Government, or its advisers, made representations to the Government concerning the Patent Act, especially in light of the statements made by Ambassador Gotlieb that Mr. Pratt was directly involved in those trade negotiations and discussions and that the drug matter was raised? Is he still prepared to stand by his words of November 19?

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Yes, Mr. Speaker, I am. The previous Government, the Government of which the Hon. Member was a part, issued a paper in 1983 stating that the Patent Act needed to be changed in respect of pharmaceuticals because it was damaging Canada. It did not get any further than that declaration. We have taken it further because we agree with the previous Liberal Government which said that the Patent Act as amended in 1969 went too far. We put in place a package that protects consumers and provides enormous benefits to Canadians. That is why we are doing it. We do not care what Mr. Haddad has to say, what Mr. Pratt has to say, or what anybody else has to say. We are doing it because it is good for Canada.

REQUEST THAT CANADIAN AMBASSADOR APPEAR BEFORE COMMITTEE

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, perhaps I will direct my supplementary question to the Secretary of State for External Affairs. Considering the major discrepancy between the Minister's continued declarations and the sworn affidavit of the Chairman of the Generic Pharmaceutical Industry Association, is the Secretary of State prepared to authorize Ambassador Gotlieb to appear before the Standing Committee on External Affairs and International Trade to testify concerning the meetings that were held between Canadian and U.S. officials on the Patent Act to determine if in fact there was undue pressure put on by Mr. Pratt acting in his capacity as a major trade adviser to the U.S. President?

• (1450)

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, if the Hon. Member were a rookie who had just rolled in here from nowhere, a question of that kind might be accepted as being on the basis of simple innocence. However, the Hon. Member is a former Minister of the Crown. He knows that what he is asking is nonsense. He knows that on every—

Mr. Axworthy: You are afraid, Clark, to go before the committee. You are chickening out.

Mr. Clark (Yellowhead): I am accused of being afraid by this man who cannot even support his Leader on any one of 15 questions.

Some Hon. Members: Hear, hear!

Mr. Axworthy: What are you afraid of?

Mr. Clark (Yellowhead): He does not cause me any fear but, by golly, he causes his Leader to shake and tremble.

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ENERGY

ANNOUNCEMENT OF CANADIAN EXPLORATION AND DEVELOPMENT INCENTIVE PROGRAM

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, my question is directed to the Deputy Prime Minister. It concerns the statement of the Minister of Energy, Mines and Resources in Edmonton today. I want to tell him that I generally regard the measures as positive for small oil companies. However, why did it take the Government so long to announce the program? Why was there so much squabbling associated with it? Why did the Government not use our proposal, which was to take the money raised from the one cent per litre tax on gasoline, or about $450 million, and earmark that amount for grants for small oil companies? It would have been a greater amount, and it would have been a better amount.

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I appreciate the Hon. Member's support for the announced initiatives. We believe that they will go a long way toward enhancing exploration and development, creating new energy activity and, most important, creating some jobs—anywhere between 10,000 and 15,000 direct and probably 10,000 indirect jobs. We expect some 2,000 wells to be drilled.

This policy was developed in concert and close discussions with the industry. We believe the industry will be very supportive of the initiative, as well as the producing provinces. In so far as the Hon. Member's suggestion is concerned that there was a delay, I remind him that the Government has taken firm action in the energy area since it assumed office, with the Western Accord which was signed in early 1985, plus further action on the PGRT and other very important measures. However, most of all, it is the result of the economic policies of the Minister of Finance and the Prime Minister which brought down interest rates to the lowest level in 15 years. This will be most complementary to the initiative announced this morning.

GOVERNMENT INITIATIVES

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, the Hon. Deputy Prime Minister must know that the energy industry and the economy of Alberta are in disastrous circumstances. Now that we have PIP-2 today, these grants, would the Minister tell the House why we are getting an energy policy by dribs and drabs? There are already rumours that this might be it, that this might be the last initiative. Will more initiatives be taken, or is this the last one? When will the

Government come out with a real, coherent energy policy rather than bits and pieces from time to time?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, we on this side of the House know that the Hon. Member was a very strong advocate of the NEP. We do not share that view. In the last election we campaigned on a platform of dismantling the NEP, and we did that. We brought in the Western Accord, which has been very well accepted. That is the basic policy. The fact of the matter is that when there was a rapid decline in oil prices, as the Hon. Member is aware, the Government responded. This was the latest response. The province has responded. The industry has responded. We hope the Hon. Member will respond by being co-operative and seeing that the legislation is passed with all due dispatch.

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[*Translation*]

REGIONAL INDUSTRIAL EXPANSION

USE OF LAPRADE FUND—REQUEST FOR EXPLANATION

Mr. Gilles Grondin (Saint-Maurice): Mr. Speaker, my question is directed to the Minister of Regional Industrial Expansion. The Minister denied what was said by Mr. Mackay of DRIE before the Standing Committee on Research, Science and Technology on March 18, namely that for the time being, he was unaware to what extent the $40 million from the Laprade and Lower St. Lawrence Fund in the Gaspé would be specifically earmarked for these regions or for regions immediately adjacent.

Mr. Speaker, is there a possibility that part of the Laprade Fund will leave our area to go to one of the regions immediately adjacent to ours? Who is telling the truth? The Minister or Mr. Mackay?

Hon. Michel Côté (Minister of Regional Industrial Expansion): Mr. Speaker, the Hon. Member can rest assured that no part of the Laprade Fund will be earmarked for regions other than those originally specified. The Hon. Member can also rest assured that the reason we are using permanent jobs as one of the criteria, unlike the temporary jobs originally created by the former Laprade Fund, is because we have regional Members who are taking the interests of local workers to heart.

NEED TO ALLOCATE SUFFICIENT FUNDS TO ACHIEVE OBJECTIVES

Mr. Gilles Grondin (Saint-Maurice): Mr. Speaker, I have a supplementary. I said I was going to be the Laprade Fund watchdog, and I intend to play that role to the end.

Mr. Speaker, I want to urge the Government to promote the development of the aerospace industry in our region. My question is directed to the President of the Treasury Board.

Since when have local economic partners been aware of this new development approach for the Mauricie—Bois-Franc region being promoted by the Government through its use of the Laprade Fund? Will the Minister retain sufficient funds to complete the industrial, commercial and tourism infrastructures already identified by local economic partners?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, as I have said time and time again, when we came to power in September 1984, there was $87.3 million left in the Laprade Fund. These $87.3 million will be spent in the Laprade region. They will be spent on creating permanent jobs. They will be spent in the areas identified by local economic partners and by local Members who have made many representations urging the development of a program for the creation of permanent employment, instead of the program for temporary employment on which the previous Government spent $112.7 million, with very few economic results.

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HEALTH

TOBACCO—PROPOSED GOVERNMENT MEASURES TO PROTECT CANADIANS' HEALTH

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, my question is for the Minister of National Health and Welfare. It concerns the regulations and legislative measures he intends to introduce in the House soon to protect the health of Canadians. Can he assure the House that these measures will be as adequate as or perhaps even better than the provisions of my own Bill C-204? Will all non-smoking employees under federal jurisdiction, including the Armed Forces, the Royal Canadian Mounted Police, Crown corporations and Parliament Hill staff be entitled to a smoke-free workplace? And will tobacco advertising be banned outright?

[*English*]

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I repeat today what I have said many times, that is, the Government is working on a tobacco policy and when it is ready it will be announced.

GOVERNMENT'S TOBACCO POLICY

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, I think Canadians and all health agencies that are supporting my Bill C-204 want to know whether this is a serious attempt or whether this is an attempt to undermine the growing support for that Bill. Will the Minister assure the House that the measures he will introduce will be serious ones and, particularly in the case of advertising, that they will not be a half measure which will make things worse by allowing advertisers to shift from one type of advertising to another? Will it be a serious measure, or is he just playing with Canadians for his own publicity purposes?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, regarding tobacco policy, right from the first Speech from the Throne the Government said that health promotion and disease prevention were a major plank. I have been working on that very diligently. In fact, I have often been accused of being too active in that field. When our policy is announced, I hope the Hon. Member will endorse it and will obviously see it as a great improvement on what she has done.

* * *

AGRICULTURE

SPECIAL CANADIAN GRAINS PROGRAM—PAYMENTS TO FARMERS

Mr. Lee Clark (Brandon—Souris): Mr. Speaker, my question is for the Minister of Agriculture who knows that there is considerable uncertainty at the moment in respect of the extent of landlords' entitlement to a share of the $1 billion Special Canadian Grains Program. Would the Minister explain to the House whether a payment should be considered as part of grain receipts, and whether a landlord should be entitled to a share of that payment?

• (1500)

Hon. John Wise (Minister of Agriculture): Mr. Speaker, in an effort to clarify this matter the department sent a letter to all permit bookholders the first part of this month. I welcome this opportunity to clarify the matter further. As you know, Mr. Speaker, the cheques will be issued directly to the producers or to the farmers themselves. We would expect that the normal tenant-landlord agreement will be applied with respect to the Special Canadian Grains Program.

* * *

[*Translation*]

CANADA POST CORPORATION

OPERATIONAL PLAN—MINISTER'S POSITION

Mr. Alfonso Gagliano (Saint-Léonard—Anjou): Mr. Speaker, my question is directed to the Minister responsible for Canada Post. According to the Canadian Press, the Minister stated that he does not believe the chairman of the Standing Committee on Government Operations that studied the postal plan intended it to give rural residents a veto on post office closures or changes to postal services as recommended in the unanimous report released March 23. Did the Minister meet with the committee chairman and, if so, what made him retract his unconditional support for this unanimous report?

[*English*]

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, as I indicated yesterday, the recommendations of the report are already policy. The Hon. Member would know that if he read the letter that I sent to all Members. Under the Canada Post Corporations Act, which was supported by all Parties in this House, the Post Office has the responsibility to manage. I have indicated that I will guarantee that Canada Post will do that in a sensitive and a proper way and a way which reasonable people can understand, appreciate and agree with. That remains a commitment. If that remains at odds with what the committee recommended, then so be it. I have to fulfil my responsibilities.

RURAL POST OFFICES

Mr. Alfonso Gagliano (Saint-Léonard—Anjou): Mr. Speaker, can the Minister tell this House what the misunderstanding is? The committee report was unanimous. In clear language we find this is the report:

> (a) that no closure of a rural post office or change in rural service be undertaken without meaningful consultation and the consent of the community affected.

How clear can it be? Why is the Minister playing with words and creating fear in the community?

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, it is the Hon. Member and people like him who are creating fear. In the letter I wrote to the Hon. Member—and again I plead with him to reread it—I indicated that in the event of any change Members of Parliament will be the first to be told. There will be consultations with the people affected and the changes should be of the sort that reasonable people can agree to. I do not know how much clearer I can make that statement. It is just a repetition of what is in the letter. Why does the Hon. Member not read the letter?

Mr. Speaker: The Hon. Member for Humboldt—Lake Centre. I would ask the Hon. Member for one question, please.

* * *

AGRICULTURE

TOBACCO—ALTERNATE CROPS PROGRAM

Mr. Vic Althouse (Humboldt—Lake Centre): Mr. Speaker, my question is for the Minister of National Health and Welfare. Would the Minister of Health tell us whether his proposed tobacco program will contain more assistance to reduce tobacco acreage than has already been proposed under the Alternate Crops Program, which is a $15 million program to find alternate crops to tobacco, or is the $15 million crop payment to take tobacco acres out of production? Is the Minister proposing any further programs to that in his soon to be announced tobacco program?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, that was a fairly convoluted question. My answer is specific. When the announcement will be made, it will be clear.

* * *

FINANCE

SALES TAX CREDIT PROGRAM—REQUEST FOR GREATER PUBLICITY

Mrs. Mary Collins (Capilano): Mr. Speaker, my question is for the Minister of National Revenue. Last year the Government introduced an important new program for low-income Canadians, the Sales Tax Credit Program, $50 for an adult and $25 for a child. In order to get the credit for 1986, one needs to file an income tax return. The problem is that many Canadians who are eligible for the credit, such as students, seniors, and social welfare recipients do not have enough income to be taxable and do not file income tax returns. What steps is the Minister prepared to take, along with cabinet colleagues, to make sure that all eligible Canadians are aware of this program and do receive the tax credit?

Hon. Elmer M. MacKay (Minister of National Revenue): Mr. Speaker, I do want to thank my colleague for her interest in making certain that eligible Canadians are aware of this very progressive tax measure brought in under the auspices of my colleague, the Minister of Finance. We have received good co-operation from the media in getting out the message. I will be putting out a press release to remind Canadians of this program.

We have a volunteer program which helps Canadians file income tax. They will be asked to stress this measure this year. Any Canadian who neglects to file his or her income tax return and is unable to get the credits this year will be eligible to receive those benefits for the next two years.

Mr. Speaker: I very much regret I cannot recognize any other Member. We are significantly over the time for Question Period. I will try very hard to see the Hon. Member for Montreal—Saint-Marie *demain.*

Some Hon. Members: Oh, oh!

ROUTINE PROCEEDINGS

[*Translation*]

ELECTORAL BOUNDARIES READJUSTMENT

TABLING AND REFERENCE OF REPORT OF COMMISSION—QUEBEC-1987

Mr. Speaker: Order, please. It is my duty, pursuant to Section 9 of the Representation Act, 1985, Chapter 8, Statutes of Canada, 1986, to lay upon the table a certified copy of the 1987 report of the Electoral Boundaries Commission for the Province of Quebec.

Pursuant to the Act, this report is deemed to have been referred to the Standing Committee on Elections, Privileges and Procedure.

* * *

JUSTICE

TABLING OF REPORT OF CANADIAN SENTENCING COMMISSION—*SENTENCING REFORM-A CANADIAN APPROACH*

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker, as Minister of Justice I am pleased to table, in both official languages, the report of the Canadian Sentencing Commission on sentencing entitled *Sentencing Reform-A Canadian Approach.*

* * *

[*English*]

CANADA DEVELOPMENT INVESTMENT CORPORATION

TABLING OF SUMMARY OF 1987 CORPORATE PLAN AND CAPITAL BUDGET

Hon. Barbara McDougall (Minister of State (Privatization)): Mr. Speaker, pursuant to Standing Order 67, I have the honour to table in both official languages, the summary of the 1987 corporate plan and capital budget of the Canada Development Investment Corporation.

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[*Translation*]

INTERPARLIAMENTARY DELEGATIONS

TABLING OF REPORT OF THE INTERPARLIAMENTARY CONFERENCE ON THE ENVIRONMENT

Ms. Carole Jacques (Montreal—Mercier): Mr. Speaker, pursuant to Standing Order 101, I have the privilege of tabling, in both official languages, the report of the Canadian Parliamentary Delegation that took part in the work of the *ad hoc* committee responsible for evaluating the implementation of the recommendations of the Interparliamentary Conference on the Environment, held in Nairobi, Kenya, from February 23 to February 25, 1987.

Committee Reports

[*English*]

COMMITTEES OF THE HOUSE

BILL C-37—REPORT OF LEGISLATIVE COMMITTEE

Mr. J. R. Ellis (Prince Edward—Hastings): Mr. Speaker, I have the honour as chairman of the committee to present the report of the legislative committee on Bill C-37, an Act respecting the imposition of a charge on the export of certain softwood lumber products, with amendment, in both official languages.

AGRICULTURE—SECOND REPORT OF STANDING COMMITTEE

Mr. Lee Clark (Brandon—Souris): Mr. Speaker, I have the honour to present in both official languages the second report of the Standing Committee on Agriculture.

* * *

[*Translation*]

PETITIONS

SMOKING—HEALTH HAZARD

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, I have three petitions.

[*English*]

The first petition is from residents of Manitoba. They indicate that cigarette smoking is Canada's major preventable health hazard and is responsible for 35,000 Canadian deaths each year, that secondary smoke is implicated in the deaths of 500 involuntary smokers each year and that Bill C-204 seeks to protect the health of Canadians by restricting the promotion of tobacco and guaranteeing smoke-free air to Canadian workers and travellers.

OPPOSITION TO CANADA POST CORPORATE PLAN

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, the second petition, which is extensive, deals with Canada Post. It indicates that the federal Government's proposal to seek financial self-sufficiency for Canada Post Corporation will result in cut-backs, deterioration of service of the Post Office and consequently will be at the expense of service to Canadian consumers.

• (1510)

OPPOSITION TO PROPOSED CHANGES TO PATENT ACT

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, the third petition is an extensive one and has to do with the Patent Act. These petitioners from my riding indicate that the federal Government's proposal to change the Patent Act relating to prescription drugs will increase drug prices for Canadian consumers and will severely restrict the ability of average Canadians to buy necessary prescription drugs. The petitioners call upon the Government to withdraw its patent drug legislation.

OPPOSITION TO CANADA POST CORPORATE PLAN

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, I have a petition to present on behalf of the residents of Bird Cove on the great northern peninsula of Newfoundland. The petition is signed by some 270 residents of Bird Cove who live on the northern peninsula, an area of small and isolated communities. The petition asks of the Members of the House of Commons, under the ancient and traditional rights of residents of Bird Cove or any other small community to make themselves heard, to consider the postal plan announced by the Minister responsible for the Post Office that would set up a system of supermailboxes across Canada and would affect in a very negative way the quality and means of rural postal delivery in all parts of Canada and particularly in the community of Bird Cove. The petitioners call upon Members of Parliament and more important the Government of Canada to bear in mind the essential nature of the postal services in a community such as Bird Cove which is located some 400 or 500 miles north in a very isolated part of Newfoundland where this service is essential to the rural way of life.

I have a petition signed by 60 people from the community of the River of Ponds in the great historic area of St. Barbe again concerned with the postal plan as enunciated by the Government of Canada and in particular the notion of withdrawing from the petitioners their rural postal delivery. It should be noted that in communities such as Bird Cove and River of Ponds, when we talk about a post office, we are talking about the only federal service or facility directly available to those people. We are not talking about the kind of services available in urban communities.

I have a petition from residents of Piccadilly, Pointe au Mal, Port au Port East and Port au Port West on the great historic Port au Port Peninsula of Newfoundland's southwest coast, a great historic area, and these petitioners as well seek the attention of the House for their concerns that rural postal delivery be maintained in that part of Newfoundland.

I have a petition which comes from the Burin Peninsula of Newfoundland which is not in my riding but is on the South Coast and is also a great historic and beautiful area. The petition is signed by some 30 people from a number of communities all of which are composed of under 500 people, again concerned that their right to expect postal delivery and service in their communities be maintained.

I have a petition from the people of St. John's East which is on the East Coast of Newfoundland. People from the community of Portugal Cove wrote to me and I sent them back a petition. Some 27 people from this small but vibrant and dynamic community signed this petition again availing of their ancient right to be heard in Parliament petitioning the Government of Canada to ensure that those people who live in these small rural communities are able to maintain this service which is so essential to their way of life.

I have a petition signed by 95 people from the community of Trout River in the great historic area of Bonne Bay and Gros Morne National Park which represents the crown jewel and the gem that is western Newfoundland. These 95 people living in this community at the end of the line petition the Parliament of Canada to never forget that some people live off the beaten track and away from the towers of concrete, glass and steel. They demand that the only federal service available to them, a post office, is maintained so that the quality of their lives is not seriously jeopardized by the actions of an uncaring, unthinking, insensitive Government. I know if Hon. Members think about it, they will cant this action.

Mr. Speaker: I warn all Hon. Members that that will be a hard act to follow. If any Hon. Members want to follow it, perhaps they could send the Speaker a map.

SMOKING—HEALTH HAZARD

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, I appreciated the travelogue. I have the honour to present two petitions today from citizens of my riding and that of my neighbour, the Hon. Member for Thunder Bay—Nipigon (Mr. Epp). The first is a petition regarding smoking and the need to do something to eliminate the health hazard of smoking in the workplace and in the modes of transportation. The petition was prepared by my colleague, the Hon. Member for Broadview—Greenwood (Ms. McDonald), and is in support of her Private Member's Bill C-204. It is interesting to note that I know one of the people who signed the petition. She is an entertainer in Thunder Bay and wants to be able to work in a smoke-free environment while she sings and plays the organ before crowds in Thunder Bay.

OPPOSITION TO TRANSFER OF UIC DIRECT MAIL UNIT

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, the second petition is from residents of the Thunder Bay area who are concerned about a decision by the Unemployment Insurance Commission to transfer the direct mail unit from the CEIC office in Thunder Bay to Belleville thereby necessitating very lengthy delays in the processing of UI claims and the returning of cheques to the citizens of Thunder Bay and northwestern Ontario. These petitioners call upon the Government to re-establish that very important service.

OPPOSITION TO PROPOSED CHANGES TO PATENT ACT

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, I have the honour to present a petition from my constituents from Prince Albert, Birch Hills, Kenistino and Lac La Ronge. The petitioners feel that the passing of the Patent Act will increase the costs of drugs to Canadians and it should be stopped.

SUPPORT FOR NON-SMOKERS' HEALTH ACT

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, the second petition comes from people from Dartmouth, Halifax and Dalhousie University in the Province of Nova Scotia. The petitioners are speaking up in support of the non-smokers' health Act, Bill C-204, and would appreciate it if this Act were to be passed by Parliament.

[*Translation*]

OPPOSITION TO CLOSURE OF POST OFFICE AND REDUCTION OF POSTAL SERVICES IN CADILLAC

Mr. Guy St. Julien (Abitibi): Mr. Speaker, I have the honour and the duty to present, pursuant to Standing Order 106, a petition signed by 121 residents of Cadillac and by myself. Petitioners are strongly opposed to any cuts in staff and services to which rural areas are entitled. They object to the closing of the Cadillac post office and will not tolerate Cadillac being penalized through lesser postal services. Mr. Speaker, they ask that Parliament confirm that people in rural areas will suffer no discrimination through the quality of their postal services and that the Cadillac post office will not be closed either now or in the future.

[*English*]

OPPOSITION TO PROPOSED CHANGES TO UNEMPLOYMENT INSURANCE BENEFITS

Mr. Ernie Epp (Thunder Bay—Nipigon): Mr. Speaker, I have petitions from residents of the City of Thunder Bay and surrounding areas. The petitioners are residents of the riding represented by my colleague, the Hon. Member for Thunder Bay—Atikokan (Mr. Angus), as well as the one represented by me and are from the city as well as areas outside the city like Kaministiquia, Red Rock and Nipigon. These residents show that the report of the Commission of Inquiry on Unemployment Insurance, the Forget report, proposes to eliminate regional extended benefits, taking $1 billion in income transfers out of Quebec, $660 million out of the Atlantic provinces and $670 million out of the West, devastating the regions with the highest unemployment rates in Canada. They point out that the Forget proposals to annualize the UIC program would reduce benefits to the unemployed overall by 31 per cent and that the Forget recommendations would also eliminate any contribution to benefits from federal Government revenues, putting the full burden of regional disparities and employment opportunities onto the provinces and individuals in hard-pressed regions of the country. Therefore they humbly pray that the Parliament of Canada will not pass any legislation designed to eliminate federal contributions to the unemployment insurance program or reduce benefits for unemployed Canadians.

• (1520)

LOW-LEVEL FLIGHTS AT ARMED FORCES BASE AT GOOSE BAY

Mr. Dan Heap (Spadina): Mr. Speaker, it is my honour and duty to present a petition from a number of residents of Canada in Halifax, Gabarouse, Wolfville and Port Williams, Nova Scotia, and from Toronto. The petitioners point out that the Goose Bay low-level flight training program not only disrupts the traditional way of life of native people in that area, but is also a regressive war-fighting action which tends to endanger world peace rather than protect Canada. Therefore

the undersigned petitioners humbly pray and call upon Parliament to ensure that the Prime Minister (Mr. Mulroney) end all low-level flight training at the Goose Bay Canadian Forces Base and cease negotiations with NATO for establishment of a larger base there.

UNIVERSAL ACCESS TO FAIR ORAL HEARINGS BEFORE REFUGEE BOARD

Mr. Dan Heap (Spadina): Mr. Speaker, I have another petition from a number of residents of Toronto, Scarborough, Richmond Hill and other parts of Ontario who point out that Canada needs to improve its standard of refugee protection and to adopt the proposal of the standing committee tabled 18 months ago, supported by the major religious groups in Canada, the Bar Association and other groups. Therefore they humbly pray and call upon Parliament to enact legislation which will embody the principle of fair and complete oral hearings of claimants before a refugee board independent of the Immigration Commission. There should be universal access to such hearings by every claimant, and there should be a fair chance for those concerned to arrive in Canada to present their claim.

SMOKING—HEALTH HAZARD

Mr. Dan Heap (Spadina): Mr. Speaker, I also have a petition from residents of Burlington, Willowdale, Oakville, Hamilton, Toronto, St. Clair Beach, Kingsville, Amherstburg and other parts of Ontario. They point out that cigarette smoking is Canada's major preventable health hazard responsible for 35,000 Canadian deaths each year. They request attention to Bill C-204 which seeks to protect the health of Canadians by restricting the promotion of tobacco, guaranteeing smoke-free air to Canadian workers and travellers, and call upon Parliament to enact the non-smokers' health Act, Bill C-204.

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, I have the honour to present a number of petitions. I am pleased by the support growing across the country from health agencies and concerned Canadians for Bill C-204, the non-smokers' health act. The petitioners are Ontario residents and they point out that cigarette smoking is Canada's major preventable health hazard, responsible for the deaths of some 35,000 Canadians every year. They point out that secondary smoke is implicated in the deaths of 500 involuntary smokers each year. Bill C-204 seeks to protect the health of Canadians by restricting the promotion of tobacco and guaranteeing smoke-free air to Canadian workers and travellers. They ask the House to enact Bill C-204.

OPPOSITION TO PROPOSED CHANGES TO PATENT ACT

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, I also have the honour to present another petition largely from citizens in my own riding of Broadview—Greenwood. The federal Government's proposals to change the Patent Act relating to prescription drugs will increase drug prices for Canadian consumers and restrict the ability of average Canadians to buy necessary prescription drugs. Accordingly, the petitioners call upon Parliament to reject these proposals which will increase prescription drug prices for Canadians.

SUPPORT FOR NON-SMOKERS HEALTH ACT

Ms. Pauline Jewett (New Westminster—Coquitlam): Mr. Speaker, I have a petition from residents of my own riding of New Westminster—Coquitlam, in Port Coquitlam, Port Moody, Burnaby, Maple Ridge, Surrey and Delta, some 90 signatories in all. They humbly pray and call upon Parliament to enact the Non-Smokers' Health Act, Bill C-204, introduced by my colleague, the Hon. Member for Broadview—Greenwood (Ms. McDonald). That Act seeks to protect the health of Canadians by restricting the promotion of tobacco and guaranteeing smoke-free air to Canadian workers and travellers. It is my duty to present this petition.

RIGHT TO LIFE OF UNBORN BABIES—PROTECTION OF CHARTER OF RIGHTS AND FREEDOMS

Mr. Elliott Hardey (Kent): Mr. Speaker, it is my honour and duty to present to this House a whole host of petitions from my riding of Kent. The number of signatures is in excess of 1,100. The petitions are properly certified by the Clerk of Petitions. The petitioners humbly pray that Parliament will support Motion No. 37 and allow unborn babies to be protected by the Charter of Rights.

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CANADA-UNITED STATES DAYS OF PEACE AND FRIENDSHIP

DESIGNATION OF JULY 2 AND 3, 1987

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I think you will find unanimous consent to deal with a government motion standing in my name. There have been all-Party discussions on this and if you would seek unanimous consent of the House so I can put the question, I will then proceed.

Hon. Herb Gray (Windsor West): Mr. Speaker, I can confirm there have been such discussions and there would be unanimous consent to have the motion in question put before the House at this time.

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, there is unanimous consent.

Mr. Mazankowski: Mr. Speaker, it is with a great deal of pleasure that I move this motion, seconded by the Hon. Member for Windsor West (Mr. Gray) and the Hon. Member for Yorkton—Melville (Mr. Nystrom). There is a blank space in the motion which we hope will be filled in by the Senate to incorporate the Senate of Canada. The motion is as follows:

That the House of Commons and—

resolve that July 2 and 3, 1987, coming between July 1, Canada Day, and July 4, U.S. Independence Day, be designated "Canada-United States Days of Peace and Friendship" in recognition of the close and peaceful relations that exist between the two countries, the warm, personal links that prevail between neighbouring communities along the length of the common border and the commitments to freedom, democracy and human rights shared by the two nations.

And that a Message be sent to the Senate requesting that House to unite with this House in the said resolution by filling in the blank with the words, "The Senate of Canada".

Mr. Speaker, Canada and the United States share a unique relationship, one in which all of us take pride. Our two nations are friends and allies. We share the world's longest undefended border. We share common ideals and institutions. We stand for freedom, democracy, human rights, justice under law, and the desire for global peace.

• (1530)

The motion which I put forth today symbolizes the bond of friendship and the desire to further advance our mutual objectives through diplomacy and goodwill. A similar resolution commemorating continued peace and friendship between our two countries was passed in the United States Congress in the fall of 1986. Therefore, it is with great pleasure that I put this motion before the House. I trust that all Members will share in its spirit and trust and will support the Canada-United States Days of Peace and Friendship.

Hon. Herb Gray (Windsor West): Mr. Speaker, this resolution has special meaning for my own city of Windsor, Ontario. It has special meaning for myself as the Member for Windsor West. I say this because for the past 29 years Windsor and the adjacent city of Detroit, Michigan, have been doing, in a practical and meaningful way, exactly what the resolution calls for through a major event known as the Windsor-Detroit International Freedom Festival. The festival was founded to jointly celebrate the national holidays of Canada and the United States.

Twenty-nine years ago, in creating the International Freedom Festival, the people of our two cities recognized and anticipated the ideas in this resolution, to use its words, "the close and peaceful relations that exist between the two countries, the warm, personal links that prevail between neighbouring communities along the length of the common border and the commitments to freedom, democracy and human rights shared by the two nations".

The festival has grown since 1959. Instead of covering only the 1st and 4th of July and the two days in between, it now extends for 17 days and is attended by some three million people at events on both sides of the international border. I am told it has become one of the nine largest outdoor festivals in North America. In Windsor the Canada Day celebration, marked by a major flag-raising ceremony and parade, is likely the largest such celebration outside of Ottawa, the national capital. Later there is a huge fireworks display set off from barges moored in the Detroit River, one of the largest such displays in North America.

In Windsor the many festival events involve the entire community and are organized by 3,000 volunteers. I want to pay tribute today to the efforts of the volunteer board of directors and the 3,000 volunteers who are responsible for the success of the festival year in and year out. The festival also includes the annual Freedom Awards and an international dialogue on Canadian-American relations. I want to extend an invitation to all Canadians and Americans to attend our International Freedom Festival.

[*Translation*]

All Canadians and Americans are invited to participate in this festival.

[*English*]

Celebrating together, through the International Freedom Festival, our respective national holidays and our friendship and shared values does not mean that we overlook or ignore that our two countries are different and that we each have and want to maintain our distinctive heritages, our traditions and our independence. We do not forget that, even as good friends and good neighbours, Canada and the United States can and do have differences. However, as the resolution says, we do share a common border. As Robert Frost, the late distinguished United States poet wrote: "Good fences make good neighbours". Knowing and recognizing what we have in common yet how we are distinctive is part of being and remaining good neighbours. Yet, any differences between our two countries and the strong desire of Canadians that their country is and continues to be truly independent and sovereign do not in any way diminish or detract from the highly valid sentiments of this resolution.

Therefore, personally as the Member for Windsor West and on behalf of my Party, I am pleased and honoured to second the motion for the adoption of this resolution by this House of Commons.

Some Hon. Members: Hear, hear!

Ms. Pauline Jewett (New Westminster—Coquitlam): Mr. Speaker, on behalf of all members of the New Democratic Party in the House of Commons I should like to support this resolution. As we have already indicated, we would like to give it unanimous support. Canadian communities, particularly those along the great, long undefended border with the United States have, over many, many years, developed very close links, and often very special occasions to celebrate those close links, with their neighbours to the south.

To strengthen these links we in the New Democratic Party think it is a very good idea to choose two particular days in 1987 to be designated as days of peace and friendship between Canada and the United States. July 2 and 3 of this year are very appropriate days for this.

As a Member of Parliament from the greater Vancouver area in southern British Columbia, I can say that we have continuing ties involving visits, the attending of seminars, and business and labour relations with our great neighbour to the south. Indeed, in the last many years many of us have been engaged in the cause of peace and disarmament. There are people on both sides of the great border who have a strong and common view on the need for de-escalating and finally eliminating nuclear arms. We meet very frequently indeed on this matter as well as on many others.

Our foreign policies on many matters are different, of course. We are an independent country. We in this Party strive to ensure that we have and retain an independent foreign policy on matters on which we are at variance with the views of the United States. This does not prevent friendship. In fact, it enhances friendship when two mature societies can argue their differences peacefully. Therefore, it is with great pleasure that we in the New Democratic Party join in the designation of July 2 and 3, 1987, as Canada-United States Days of Peace and Friendship.

Mr. Pat Nowlan (Annapolis Valley—Hants): Mr. Speaker, it is indeed an honour and privilege for me, as co-chairman of the Canada-U.S. Interparliamentary Group, to associate myself with the remarks of my House Leader and those of the House Leader for the Official Opposition and the Member for New Westminster—Coquitlam (Ms. Jewett).

I would like to give credit in particular to David Boyer, a private U.S. citizen who, through persistence and diligence both in the United States and Canada, has brought this matter to fruition. He exerted proper lobby pressure in the United States to have this motion passed through both the Senate and the House of Representatives and we are now in effect closing the circle.

As one who has practised what we are preaching here today, having married an American many years ago, I am hoping that the Canada-United States Days of Peace and Friendship will extend to the days in one's matrimonial home.

The purpose of this motion is to encourage and formalize community arrangements for joint national days along the undefended border. I do want to pay tribute today to Mr. Boyer for making us move on this in a symbolic way. Symbolism is part of the spice of life. In further congratulation, I would like to give credit to my colleagues, the Member for Erie (Mr. Fretz) and the Member for Lethbridge—Foothills (Mr. Thacker) who, in their respective constituencies, already have joint national days between the two countries. Through their diligence and persistence they got the executive of the Canada-U.S. Interparliamentary Group to consider this motion. It is as a result of the unanimous recommendation of the Canada-U.S. Interparliamentary Group that this be sent to the House Leaders that the matter is before the House today. This is indeed a very happy day to be dealing in such a positive frame of mind with such a positive resolution.

• (1540)

Mr. Blaine A. Thacker (Lethbridge—Foothills): Mr. Speaker, it is indeed an honour to rise and comment on this resolution. I want to express my thanks to the Deputy Prime Minister (Mr. Mazankowski) as well as the House Leaders of the other Parties for putting this resolution through with unanimous consent. I also want to express my thanks to my colleague, the Member for Erie (Mr. Fretz) for his support over the last few months, as well as to my colleague, the Member for Annapolis Valley—Hants (Mr. Nowlan), for the support given by the Canada-U.S. Interparliamentary Group.

This resolution is the direct result of a unique hike celebrating the one hundredth anniversary of Parks Canada and the seventy-fifth anniversary of the Glacier National Park, which was taken in Waterton and Glacier National Parks during July, 1985.

The sponsors were Mr. Bernie Lieff, Superintendent of Waterton Lakes National Park and Mr. Bob Haraden, Superintendent of Glacier National Park.

The hike was along a trail from the top of Logan Pass in Glacier National Park to Waterton town site in Alberta. During the hike, which involved a camp-over, the idea was brought forth, discussed and agreed to that the two nations should celebrate July 2 and July 3, between July 1, our national holiday and July 4, the U.S. national holiday.

I want to pay particular attention to the unheralded work done by Mr. David Boyer who, over the months since July, 1985, nurtured the idea, put in many hours of work on it which resulted in its ultimate passage through Congress and now Parliament.

Because of the historic nature of the hike, and because we hope that these "Days of Peace and Friendship" continue for hundreds of years, I want to put on the record the names of the 17 participants who undertook the unique hike. We were led by Mr. Bernie Lieff, Superintendent of Waterton Lakes National Park and Mr. Bob Haraden, Superintendent of Glacier National Park. U.S. Congressman Pat Williams participated, as did the Hon. Fred Bradley, Minister of the Environment for Alberta and Member of the Legislative Assembly. Other participants were: Mr. Lowell Georgia of *National Geographic* magazine; Joanne Speelman, editor of *Kalispell Weekly News*; Lori Dowling, Marketing Consultant with Travel Alberta; Duanne Barrus, Chief Interpreter, Waterton Lakes National Park; David Boyer, *National Geographic* magazine; Ray Baker, Tamarack Mall, Waterton Lakes National Park; John Flink, Press Secretary for U.S. Senator Max Baucus; Bob Frauson, retired District Ranger, Glacier National Park; Brian Kennedy, editor of *Hungry Horse News*; Charlie Russell, rancher, Twin Butte, Alberta; Michael Drew, *Alberta Report* magazine, *Mountain Standard Times*, Lethbridge, Alberta; Jo Ann Meisser, Kootenay Bayshore Hotel, Waterton, Alberta; and myself. It was a unique experience and I am indeed honoured that flowing out of that experience will develop these "Days of Peace and

Friendship" between Canada and the United States of America.

Mr. Girve Fretz (Erie): Mr. Speaker, it is a privilege and certainly a pleasure to speak to this motion on Canada, the United States, and friendship. I owe a debt of gratitude to the Government and the Deputy Prime Minister (Mr. Mazankowski) for his interest in this important matter. I thank the Opposition for their support today. We can look at a map and see a great frontier stretching over 3600 miles, scratch our heads and ask what is defending it, and know there is nothing but the sound common sense and goodwill of two practical nations. That is what Admiral David Beatty said before the Canadian Club in Toronto in November, 1921. Sixty years later, common sense and goodwill prevail with the knowledge that over 70 million people cross our border without a passport. While it is true that Thomas Jefferson wrote in the year 1812 that the acquisition of Canada would only be a mere matter of marching, and one hears the same talk today of Canada becoming the fifty-first state, it is utter nonsense. Such myopic views have proven and will continue to prove to be groundless. Common sense and goodwill are the key ingredients that make us special neighbours and an example of the peaceful and amicable coexistence of two neighbours which ought to be upheld for all countries who share their borders to see.

Arthur Meighen may have described the special relationship between us and the United States best when he commented: "We are not in the same boat but we are pretty much in the same waters". Indeed, we are not the same and we have our differences, but we can discuss and negotiate our differences in a friendly fashion, without war.

The motion before us today began in earnest nearly a year ago when Mr. David Boyer, whose name was mentioned today, as senior editor for the *National Geographic* magazine, the Hon. Member for Lethbridge—Foothills (Mr. Thacker) and I met and discussed the merits of a proposal to recognize not only the unique worth but the warm and friendly feelings that each country holds for the other.

The "Canada-United States Days of Peace and Friendship" will begin in 1987, centred on July 2 and July 3, between Canada Day on July 1 and Independence Day on July 4. Hundreds of American and Canadian towns and cities will pair themselves off and celebrate the close ties that each have shared historically and geographically.

I want to pay special tribute to the Chairman of the Canada-U.S. Interparliamentary Group who has worked with the Member for Lethbridge—Foothills and myself so closely. We appreciate his effort in bringing it before the group.

Not only was I fortunate to play a role in the "Canada-United States Days of Peace and Friendship" motion, I am also the Member from the riding of Erie at a time when this summer the communities of Fort Erie, Ontario, and Buffalo, New York, will stage a four-day celebration between July 1, Canada Day, and July 4, Independence Day, inclusive. It will mark 175 years since the War of 1812. What better symbol to emphasize the peace and friendship that has existed between these sister communities than the Peace Bridge over the Niagara River? The Peace Bridge was initially planned to be a memorial to be completed and officially opened in 1914 to mark the one hundred years of peace between Canada and the United States since the War of 1812-14. However, due to wars elsewhere, about which Canadians are only too familiar, it was not officially opened until August, 1927. Nearly sixty years later, the Peace Bridge remains the largest port of entry between the United States and Canada. It is still useful and still vital, much in the same way as the ties of peace and friendship between Americans and Canadians, two great neighbours.

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, I want to join with all those Members who have spoken in the House today in lending my support to this resolution moved by the Deputy Prime Minister (Mr. Mazankowski) and seconded by the member for Windsor West (Mr. Gray). I am now aware that it comes about in large measure because of the work of three members of the Canada-U.S. Interparliamentary committee who just spoke. I want to commend this motion which would designate July 2 and July 3 as "Canada-United States Days of Peace and Friendship".

The people of Newfoundland have long had an historical relationship with the people of the United States that, in fact, predates our days as members of the Canadian Confederation. During the Second World War Newfoundland was an independent colony and not a member of the Canadian federation. The American Air Force and Navy established bases at Goose Bay, Labrador, Harmon Air Force Base at Stephenville, Pepperrel at St. John's, and the navy installation at Argentia, just off Newfoundland's Avalon Peninsula.

• (1550)

In those days, Newfoundland, as an independent nation, became very much a part of the Commonwealth war effort. We worked hand- in-hand with the people in the Government of the United States of America. We developed a relationship which to this day is still important to many people in Newfoundland and, I believe, very important to many people in the United States. Historically, preceding those days, Newfoundland's main trading partner was not, as some would assume, the country called Canada, or the province of Canada, but the eastern seaboard of the United States.

I am typical as a Newfoundlander in that my father was employed for 30 years with the United States Air force as a fireman and ultimately a fire chief. I grew up and lived a good part of my life on an American air force base. I recall now with some amusement that as a teenager, and a Newfoundlander living on an American air force base, living in American housing with young people from all across the great United States, I was saying things like: "Right on, man", and dancing the "bump" before most Newfoundlanders on the Island. I also recall with some amusement that quite a few of my American

friends were saying things like : "Guaranteed, my son", and most of them could dance a pretty mean jig by the time they were 16 or 17 years old. The influence which was felt, the environmental effects, were shared on both sides.

I think this motion is important because Canada and the United States are in the midst of a number of negotiations and discussions on defence matters, on trade questions and other matters which can lead from time to time to a high degree of rhetoric from both sides of the border. From time to time some of us on both sides of the border find ourselves wrapped in the flag and saluting the National Anthem. What this motion really does is remind us that despite the differences we may have from time to time between governments on questions of policy, our two peoples share this North American Continent as good neighbours. Neither of us, particularly those on the northern side of the border, are tenants. We are co-owners. As my friend, the Hon. Member for Windsor West, said, good fences make good neighbours, but there can be no question that despite the debates which are ongoing in this country and in this Parliament, and with our differences, the people of the United States of America and the people of Canada have been and shall remain the best of friends on this continent.

Mr. Speaker: Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to.

* * *

[*Translation*]

QUESTION PASSED AS ORDER FOR RETURN

Mr. Doug Lewis (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, if Question No. 15 could be made an order for return, the return would be tabled immediately.

Mr. Speaker: Is it the pleasure of the House that Question No. 15 be deemed to have been made an order for return?

Some Hon. Members: Agreed.

[*Text*]

BROADCAST OF HOUSE OF COMMONS PROCEEDINGS

Question No. 15—**Mrs. Cossitt:**

1. Has a broadcasting licence been granted to the Canadian Broadcasting Corporation to broadcast the House of Commons proceedings and, if so, what are the details of the licence?

2. Has the CBC ever utilized the parliamentary channel to broadcast non-parliamentary programs or events and, if so, what were they and, in each case, on what dates?

3. Did the CBC obtain prior authority and (*a*) if so (i) from whom (ii) on what date (*b*) if not, for what reason?

4. Was advertising revenue realized from any of the broadcasts and, if so, in what amount?

Return tabled.

[*Translation*]

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

Mr. Deputy Speaker: Shall the remaining questions stand?

Some Hon. Members: Agreed.

* * *

MOTIONS FOR PAPERS

Mr. Doug Lewis (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I ask that all notices of motions for the production of papers be allowed to stand.

Mr. Deputy Speaker: Shall all notices of motions stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

TERRITORIAL LANDS ACT

MEASURE TO AMEND

Hon. Bill McKnight (Minister of Indian Affairs and Northern Development) moved that Bill C-43, An Act to amend the Territorial Lands Act, be read the second time and referred to a Legislative Committee.

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, it is a great pleasure for me to be able to speak on Bill C-43 this afternoon, an Act which would amend the Territorial Lands Act. If I might be permitted a personal comment, it is a double pleasure, not only because this is good legislation, but it is also something with which I have been constantly and intimately involved for at least a dozen years. Although this place operates slowly, if one is persistent and waits long enough, one can achieve success, and the people of the Territories are achieving success this afternoon.

The objective of this legislation is to allow the Northwest Territories to take over the responsibility for forest protection and management and to allow for the possibility of the Yukon doing likewise in the future, should it so wish. It is interesting to note that for many years now, forest protection, forest fire fighting in the Territories, was done pursuant to Territorial legislation. It was done by the Forest Protection Ordinance now called the Forest Protection Act of the Legislative Assembly of the Northwest Territories. However, it was administered federally. As a result of negotiations, a transfer date of April 1, 1987, has been set for this transfer to take place. Hence, the need for expeditious passage of the Bill. I am

pleased to note the co-operation of both the Official Opposition and the New Democratic Party in dealing with this legislation this afternoon. We are also dealing this afternoon with what might be described as a companion Bill, Bill C-45, which amends the Northern Canada Power Commission Act, which will allow for the transfer of certain assets of NCPC to the Yukon.

There is something of a friendly rivalry between the Northwest Territories and the Yukon Territory as they proceed along the road to provincial status. There is a certain amount of leap-frogging taking place. The Territories, for instance, can claim that it was first in taking the responsibility for imposing its own income tax. The Yukon can claim a first in terms of its adoption of a system of political parties in its legislature. This afternoon, both the territories will be able to claim a first. For the Northwest Territories it will be in the case of forestry. For Yukon it will be in the case of the responsibility for electric power and electric energy. I hope that they will catch up with each other in the near future.

• (1600)

I know that discussions have been ongoing since the fall of 1985 with respect to the transfer of responsibility for electrical energy in the Northwest Territories. When the former Minister announced, in the fall of 1985, that the federal Government was prepared to devolve this responsibility to the Territories, Yukon was out of the starting gates. It had its act together already.

The question may be a little more complex in the Northwest Territories. The nature of the assets is different. It got off to a slower start. But since the responsibility for negotiations at the territorial level has been given to the Hon. Tom Butters, the Minister of Finance there, I suspect that progress will be much more swift. I note with approval that negotiations between officials of the Department of Indian and Northern Affairs and the territorial Governments are progressing.

To a casual observer Bill C-43 and Bill C-45 might seem to be technical amendments. Such a casual observer might ask: "This is so simple and so obvious. Why was it not done many, many years ago?" For someone who has devoted most of their adult life to the struggle for responsible Government in the Territories, these companion Bills this afternoon mark a major milestone. It is only a generation and a half ago that we had no vote in the Territories. We did not vote for Members of Parliament. Local government at the municipal level did not exist. There was not provincial or territorial government. The government of that day was in fact a federal public servant appointed by Ottawa who resided in Ottawa. Our laws were made by a committee of public servants in Ottawa. We had no say ourselves in what our laws were to be or how we were to be governed. We have come a long way since those days. We will not rest until we enjoy the same rights to provincial government as are enjoyed by southern Canadians.

In the last Trudeau Government the progress that was being made, and had been made up until that time, virtually came to a halt. I can think of only one transfer that took place in that period of four-and-a-half years or so, and it was a very minor one in terms of dollars and numbers of people involved. It was a transfer of responsibility for mining inspection services.

With the new government in 1984 things really began to happen. Very major transfers are now under way. We have the issues for forestry, electrical power and energy with which we are dealing this afternoon, as well as the provincial-type health services, a very major transfer. If the previous Government was guilty of going too slow then what we are doing now is probably at a speed at which it is difficult for the territories themselves to keep up and to assimilate those things which we are prepared to devolve upon them. For myself, it is a nice position to be in.

The federal and the territorial Governments work together hand-in-glove and rapid and responsible progress is being made. Responsible government leading to provincial status is being achieved in the North. We have come a long way since the colonial days of 20 years ago. I compliment what I would call the Canadian political genius. It is something about which we do not hear very much. It is a genius that we have in this country for compromise, fair play and the orderly conduct of public affairs. All that has happened during this period has happened not only without one incident of violence, but without a single incident of an unlawful act being committed that I can think of. We have done that all through the political processes that we have in place in Canada. I think that that is something about which we can be proud. Canadians and Canadian politicians of all political stripes can be proud that we can make these changes in Canada and that we can do so in a peaceable and sensible manner.

I would just like to make a few remarks about the history of the forestry transfer. In the early 1970s, in the sixth Legislature of the Northwest Territories, at a time when it was not even a fully elected legislature, the forestry area was one which was identified as a provincial-type responsibility which ought to be taken over by the territorial Government. For many years there has been a continuing debate at the grass roots level, tinged with dissatisfaction that exists with the fire-fighting side of things rather than the forest management side. I refer to questions such as designated priority areas for fire-fighting, expenses involved and local involvement in the decisions with respect to forest fire-fighting. These are difficult problems to resolve. I do not think they can ever be resolved to everybody's satisfaction. But at least the decision ought to be made locally and not handed down from on high.

The Drury Report of 1979, published in 1980, the report of the special representative of Prime Minister's of the day on constitutional development in the North, recommended the two transfers with which we are dealing today. Mr. Drury did an excellent job. The actual start of negotiations for the transfer on forestry started in July of 1985. In September of that year an agreement in principle was arrived at. In December of 1986 a final transfer package was approved by the Government. Pretty good progress was made.

This month, this year, Treasury Board gave its final blessing, and of course Bill C-43 has been introduced into the House of Commons. The transfer involves about $25 million worth of assets in land, buildings, equipment, et cetera, and about $24 million in ongoing annual O&M expenses.

It is always difficult to forecast precisely how much one will have to spend on forest fire-fighting, since it depends on the weather and a number of other factors. Thus, for a three-year period, special arrangements are being put in place just in case there is an exceptionally bad fire season. After that, the territories will be on their own and will have to finance it out of the normal moneys that are made available under the financial formula.

There are 122 person-years involved in the transfer and about 200 actual living souls. Some of them are full-time and some of them are part-time. It is important that the interests of the employees be safeguarded. It is my understanding that all present federal employees have been offered positions with the territorial Government and that arrangements have been made for the portability of pension credits, et cetera. I have had the opportunity to attend at least one meeting which was designed to integrate federal employees into the territorial public service, and everything seemed to be going well.

• (1610)

I should like to make a few concluding remarks. I can assure the House that the legislation will be very popular and very well received in the Northwest Territories. The people there, by virtue of the Bill, will gain that which is justly theirs—the right to determine how their forests will be managed and how they will be protected. This is no longer to be done by an absentee landlord, however benevolent the landlord might have been.

My thanks go to the politicians involved at the local level, the territorial level, and the federal level. They have recognized the wisdom of the move and have given the necessary sense of direction reflecting the issues of the people they represent. Of course, special thanks should go to the Minister of Indian Affairs and Northern Development (Mr. McKnight).

Some of the unsung heroes of the move are the bureaucrats at all levels of government involved who undertook a very complex series of negotiations. They deserve some credit which they seldom receive.

My thanks also go to the employees of the Northwest Lands and Forest Service for their understanding and willingness to undertake this transfer, which of course will mean some change to their lives.

Finally, I note that today is a happy day in the constitutional history of both territories north of the 60th parallel.

Some Hon. Members: Hear, hear!

Mr. Keith Penner (Cochrane—Superior): Mr. Speaker, I well appreciate the importance which the Hon. Member for Western Arctic (Mr. Nickerson) attaches to Bill C-43. For many years he was an active member of the Standing Committee on Indian Affairs and Northern Development. Along with many other members of that committee representing all three Parties, there was a constant demand before various Ministers that the devolutionary process for territorial Governments be speeded up. I appreciate my hon. friend's delight that we are taking one of those steps in the House today.

Bill C-43 is a simple but very important housekeeping amendment to the Territorial Lands Act. In essence, it will delete reference to the federal forest management role in the Northwest Territories and also incidentally in Yukon, but that will only come about at a later date fixed by regulation. With this Bill Parliament is transferring the forest and fire management programs to the Government of the Northwest Territories. The territorial Government, in what is a quasi-provincial manner at present, will administer legislation for the management of forest resources and the prevention and control of forest fires. I am convinced that resource management will be improved by integrating forestry with the current responsibility of the Government of the Northwest Territories for wildlife and local economic development.

The Hon. Member for Western Arctic and I are on the same wavelength in terms of our satisfaction with the legislation. I guess the only place where we would part company would be on the history of the transfer. The Hon. Member left the impression that the previous Government had dragged its feet and had not moved quickly enough in the devolutionary process. My hon. friend was rather selective in his chronology, and I should like to fill in some of the gaps, if I may. I am sure this will be familiar history to the Hon. Member for Western Arctic.

In 1979 and 1980 there were severe forest fires in the Northwest Territories. The Dene nation and the Métis association expressed serious dissatisfaction with the fire management policy of the Department of Indian and Northern Affairs. They insisted that fire management be transferred to local control.

In 1980 and 1981 some meetings were held among federal and territorial officials and the Dene and Métis. However, the meetings were put on hold at the request of the Government of the Northwest Territories, not the Government here in Ottawa. The Government of the Northwest Territories had been unable to reach an agreement with the Dene and Métis in terms which were satisfactory to them in respect of the transfer and involvement of the Dene and Métis in the fire management program after the transfer.

In April 1984, just before the last administration went out of office, the transfer issue was raised in the Legislative Assembly in Yellowknife. In July 1985, when the present Government was in power, the territorial Department of Renewable Resources officially requested the transfer of the forest resource program. That is a very important date. I do not think my hon. friend was suggesting that the transfer should have begun unilaterally with Ottawa. It was right and

proper, as the Government has done, to wait for the request from the Northwest Territories, and it came in July 1985.

In September, as my hon. friend mentioned, an agreement to transfer was signed between the Department of Northern Development and the territorial Department of Renewable Resources.

In September 1986—and this is crucial to the entire agreement and to the legislation today—the Dene nation and the Métis association announced their full support for the transfer. We came full circle. Therefore, the timing of the legislation is right and proper. I fail to see how it could have come much sooner without the concurrence of the territorial department, of the Dene nation, and of the Métis association.

I want to take a moment to relate briefly, for the benefit of those who are unfamiliar with what is involved in forest management, what is involved. In the north, forest management involves, for example, issuing timber permits to authorize the cutting of timber on a small scale. It also involves the negotiation of timber management agreements with major operators and the implementation of inventory projects to develop knowledge of the location, the quality and the extent of harvestable timber, and the management of forest fire operations. Forest fire fighting to protect people, property, and resources is one of the major responsibilities which the Government of the Northwest Territories will now be assuming.

I, along with my hon. friend from Western Arctic, strongly favour an accelerated devolution of responsibility from the federal Government to the territorial Governments. Along with him I take satisfaction that all affected employees under the Department of Northern Development will be offered a job. If for one reason or other they do not wish to accept that job, they will be receiving benefits under the federal workforce adjustment policy. Along with the devolution, I also favour a rapid winding down of the northern development section of the Department of Indian and Northern Affairs. My hon. friend will know from many committee meetings on the subject that there is an excessive amount of overlap in what is done by the federal Department of Northern Development, the territorial Government, and the territorial public service. In these days when we have to be concerned about rising Government expenditures, the national debt and the continuing deficit which is mortgaging future generations, here is one area where an effective step could be taken by winding down that part of the department and transferring responsibilities to the territorial governments. I share as well with the Hon. Member that in time, and let it be the not too distant future, the Territories will achieve full provincial responsibility within our federal system.

• (1620)

The Hon. Member knows, as do all members of the Standing Committee on Aboriginal Affairs and Northern Development, that before that can happen, as desirable as it is, there are some outstanding and unresolved issues. They include a fair, equitable and satisfactory settlement of all the comprehensive aboriginal claims north of 60. I am pleased to note with respect to this legislation that the actual ownership of the forests will be transferred to the Government of the Northwest Territories only after there is an enactment of a Dene-Métis land claims settlement, after we ratify such an agreement in this House. I am also delighted that in no way is this piece of legislation today in any way affecting native claims.

There is also the need to deal with the recognition of aboriginal self-government in the north, the conclusion of successful negotiations regarding jurisdiction, funding and resource revenue sharing. Those matters must also be dealt with before devolution can be hastened. Then, of course, we must know how aboriginal Governments will interrelate with those territorial authorities. None of those matters are beyond resolution. They require reasonable exchanges, leadership at the federal and territorial levels, and further improvement in our comprehensive claims policy, but in all those areas we are moving in the right direction. Devolution also depends on resolving the matter of dividing the Northwest Territories into two separate Territories.

Since I and my Party are not in any way opposing this Bill— we want it to go through its various stages as quickly as possible—I simply conclude by urging the Government of Canada and the Yukon Territorial Government, which has now agreed in principle to a similar transfer, to get on, conclude this transfer for the Yukon as quickly as possible under the authority of this Act and to proclaim that transfer affecting forest and fire management at the earliest possible date on which it can be done. I say to the Minister, and again to the Member from the Western Arctic, that what we are doing today is a correct, progressive and welcome step for the great north of this country.

Mr. Jim Fulton (Skeena): Mr. Speaker, like the two previous speakers, I am very pleased to speak to Bill C-43, an Act to amend the Territorial Lands Act. It is a timely move on devolution of federally-held powers to NWT and very shortly down the road—I am sure the Minister and others would agree—to Yukon as well. As my friend, the Hon. Member for Cochrane—Superior (Mr. Penner) has pointed out, the Bill we are dealing with today is done without any prejudice whatever to the settlement of comprehensive claims in NWT. This is a legislative mechanism, as other Members have pointed out, for forest management and protection. It adds $24 annually to the NWT formula and transfers assets in terms of buildings and so on of $24.5 million. There is no prohibition on the use of funds provided today to the Northwest Territories. I think it is very appropriate that the decisions will now be made by northerners as they see northern forest issues.

One thing I want to flag though, Mr. Speaker, is the three-year period within which the NWT can come back to the federal Government for funds to fight forest fires. Over the last half a dozen years the costs for fighting fires has ranged dramatically from $3 million to $18 million, which averages out at about $8 million a year. As Members of this House

know, a huge amount of territory and forest land north of 60 has been burned by some of the massive fires that have swept through in recent years. I hope the federal Government might take a look, perhaps two or three years from now, to see whether or not some kind of ongoing adjustment can be made; perhaps in terms of a transfer of payment for fire fighting costs, as was done by the federal Government through the Supplementary Estimates instead of being a separate budgetary item. Until the Northwest Territories has a larger capacity for creating its own revenue, fighting fires can put the Territory in a very difficult position.

This Bill is supported by the territorial legislature, by the Dene and the Métis and for those reasons it has been declared acceptable to the Inuit, as has been pointed out. The Bill affects the transfer of 122 person-years, which is about 200 persons, almost all of which are PSAC members. There are some IBEW members and some members from the professional institute. As of April 1, as I understand it, all will become members of the Public Service Association of NWT, although somewhere down the road a short pace that situation may change as a result of the case now being tested before the territorial courts by the professional institute in relation to the Baffin Regional Health Services transfer which took place September, 1986. That court case is a challenge of the ordinance that Territorial employees must belong to the Public Service Association of NWT. As of now, should they wish to be transferred to positions in NWT and become members of the Public Service Association of NWT they can, but that situation may change not too far down the road.

I am advised there are no problems with transfers or employee benefits. I assume that the officials who provided me with that information in a briefing are correct and that the same process is now under way for Yukon in moving to transfer employees and forest management and protection to Yukon.

The amendment to Section 19(e), which is interesting, was done at the request of the NWT legislature. It was in relation to concerns about experimental plots and national forests, that there might at some point be unilateral actions possibly taken by Ottawa prior to the actual and final transfer of ownership of forests and the lands north of 60. The wording as members will see was deleted from Bill C-43.

This indirectly affects the 10 sawmills in NWT and about 50 workers will be affected indirectly by this transfer of legislative responsibility in new licensing and so on. As of April 1, and I am sure we will pass this Bill in a few minutes, there will be no residual forest responsibility left within DINAC which will take an enormous weight off the back of the hard-working Minister of Indian Affairs and Northern Development (Mr. McKnight). The Canadian Forest Service, however, will still have some residual responsibilities and those may be sustained for some time to come. Northerners and all Canadians would agree that it is appropriate to have a national body co-ordinating some of the work done by CFS in finding new biological ways of dealing with disease, root rot and that kind of thing.

I am also advised by officials who were very helpful to me that there is a straight indemnification of all matters relating to this Bill as of this point. They still rest with DINAC. On April 1, they will become the responsibility of the NWT. The reason I raise it and will long continue to raise it is that I have a long memory for Bill C-44 which passed through this House a couple of years ago. We all have to reflect on the hatchet job done to John C. Turner as a result of the passage of Bill C-44. A few days ago, I wrote again to the Prime Minister (Mr. Mulroney) asking that he have one of his senior people and perhaps Dalton Camp meet with Mr. Turner to have a look at the effects of Bill C-44 on him.

• (1630)

I have been given the assurances that I now always seek from officials that there is no large-scale litigation and that there is not a need for a legal grandfathering clause in this Bill. There is a straight indemnification at this point in time and, as of April 1, it will be transferred to the NWT.

I trust the Government will move promptly to complete the process of settling comprehensive claims north of 60, not only in the Northwest Territories but in Yukon, and that we will move forward diligently in the spirit of a Bill such as this with self-government and assist with the Territories' very obvious desire for devolution to provincial status. Perhaps there will be three new provinces before the end of the decade, the Western Arctic, Nunavut and Yukon. I welcome this small step which is clearly a step in the right direction. I think all Members would agree that the Minister is making a good move today.

Mr. McKnight: Mr. Speaker, I believe, with the unanimous agreement of the House, all Parties would be prepared to see this legislation move to Committee of the Whole and proceed through all stages this day.

Mr. Penner: Mr. Speaker, the Minister is quite correct. There have been discussions along these lines and my Party would be prepared to proceed to the next stage in the passage of this Bill.

Mr. Fulton: I think that would be most appropriate, Mr. Speaker.

Mr. Deputy Speaker: Mr. McKnight, seconded by Mr. de Cotret, moves that Bill C-43, an Act to amend the Territorial Lands Act, be read the second time and, by unanimous consent, referred to Committee of the Whole.

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

Some Hon. Members: Agreed.

Motion agreed to, Bill read the second time and, by unanimous consent, the House went into committee thereon, Mr. Danis in the chair.

Clauses 1 to 7 inclusive agreed to.

Title agreed to.

Bill reported, read the third time and passed.

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NORTHERN CANADA POWER COMMISSION YUKON ASSETS DISPOSAL AUTHORIZATION ACT

MEASURE TO ENACT

Hon. Bill McKnight (Minister of Indian Affairs and Northern Development) moved that Bill C-45, an Act to authorize the disposal of certain assets in the Yukon Territory that are held or used by the Northern Canada Power Commission and to provide for other matters in connection therewith, be read the second time and referred to a legislative committee.

He said: Mr. Speaker, I am pleased to rise at this time to say a few words on Bill C-45, a Bill to transfer the Northern Canada Power Commission's Yukon assets and dispose of them through an Act of Parliament. Before I do, I would like to say how much I appreciated both the co-operation of the Hon. Members who spoke on the previous Bill which transferred forestry to the Northwest Territories and their recognition of its importance. I share in the pleasure that was expressed and I was pleased to be able to hear my colleague, the Hon. Member for Western Arctic (Mr. Nickerson), discuss the matter from a first-hand point of view, something which I would not be able to do.

Under the agreement we are discussing now, all Yukon assets of the Northern Canada Power Commission will be transferred from federal to territorial control. The assets being taken over by Yukon are substantial and include four hydro stations, five diesel generating stations with a total capacity of more than 106 megawatts as well as related transmission and distribution facilities. Yukoners will have full ownership and control of this very important utility.

This is a major step for Yukon and its citizens who are anxiously awaiting the agreement's completion. It is consistent with the philosophy and policy of the Government that government services should be provided as close as possible to those who are directly involved and affected. This policy struck a particularly responsive chord in Yukon and the Northwest Territories. A few moments ago, we spoke about forestry being transferred to the Northwest Territorial Government with provision for transfer to Yukon at a future date. The transfer of NCPC to Yukon is being made and we are now having discussions with the Northwest Territorial Government regarding the transfer of the utility to that Government.

In the past few years, there has been very remarkable progress made in the political development of both Yukon and the Northwest Territories. To a much greater degree, territorial Governments are ready and willing to take over more responsibility in areas such as resource management, utilities and other provincial-type powers. That is as it should be. The transfer of the powers and federal responsibilities to the territorial Governments is at the heart of the process of political development in the North.

The transfer of NCPC to Yukon is an important, positive and very concrete step in achieving not all but some aspirations of northerners. I would like to acknowledge particularly the role of my predecessor, the Hon. Member for Rosedale (Mr. Crombie), the former Hon. Member for Yukon, Erik Nielsen, and representatives of the previous Government of Yukon who worked together to set in motion the negotiations which led to this agreement. I would like to pay tribute to officials both from the federal Government and the Yukon Territorial Government who spent many, many months negotiating to see this agreement completed.

The memorandum establishes certain basic principles which provide a common framework for negotiations on both sides. These principles are that the quality and integrity of the electrical service be maintained, that the legal and financial integrity and mandate of NCPC be maintained during the transition period, that the interests of northern consumers be protected, and that NCPC employees affected be given fair and equitable treatment. Throughout these negotiations, both parties sought to achieve an agreement that would be fair to the Canadian taxpayer, fair to Yukon and its people and fair to NCPC and its employees. We also sought an agreement that would ensure the viability of NCPC's operations under territorial control. We wanted to ensure that the utility would operate on a financially sound basis for the benefit of the people of Yukon in the years ahead.

The agreement was announced in Whitehorse last month and I had the privilege of being there along with the Leader of the Government of Yukon. The agreement meets the objectives I enunciated earlier. It is a good agreement, one that has been achieved through the application of much patience and much persistence. I believe it is one of the best kinds of agreements because it is good for both sides.

• (1640)

Briefly these are the main elements of the agreement. The financial value of NCPC's Yukon assets have been set at $95 million. The current debt on operations is an estimated $128 million. In effect, the federal Government is agreeing to the $95 million price and in doing so we are writing off some $33 million in debt. Yukon will assume $39 million in equity in the new utility called Yukon Power Corporation, half of which will represent a cash payment by Yukon and half will be an equity transfer by the federal Government to be provided through conversion of existing NCPC debt to equity. The remaining $56 million will consist of two bonds to be held by the federal Government, $16 million on commercial terms and $40 million on flexible terms, for which the interest cost will decrease or even be eliminated should there be a major decline in power consumption in any given year. This flexible bond was designed to protect Yukon consumers from the adverse effect

of any possible industrial slow-down. All in all, the financial agreements agreed to are deemed to be fair and equitable, a fair price has been paid, and with the substantial debt write-off by the federal Government, Yukon should be able to have an operating, viable utility in both the short and long term.

Power rates under the agreement will be frozen at the present level for at least two years. This decision has been well received, to say the least, by Yukoners. This will also provide for a stable environment for the new ownership during transition. Care has been taken to ensure fair treatment for employees, and I am pleased to announce that as a result of the agreement all Yukon NCPC employees will be offered jobs with comparable salaries and benefits. We believe that is very important.

The Bill provides for the Minister to authorize NCPC to sell its Yukon assets to the Yukon Development Corporation, an agency of the Government of Yukon. It writes off the debt and authorizes the Minister to transfer to the Government of Yukon our contribution towards equity. It contains a number of related provisions such as the protection of pension rights for NCPC employees, and the transfer of water and land use rights for operating the utility. Yukon is now ready, willing and certainly able to take the responsibility for NCPC and provide to the consumers in Yukon its own utility at a reasonable rate. It is very important for the people of Yukon and to Members of this House. I feel confident in saying that with the support of all members and all Parties in the House, this transfer will go forward, to the benefit not just of Yukoners but of all Canadians.

I thank the House for its attention.

Mr. Keith Penner (Cochrane—Superior): Mr. Speaker, in speaking to this Bill I would like to begin by relating a brief incident which took place in the Standing Committee on Aboriginal Affairs and Northern Development yesterday. We were considering presenting a report to Parliament regarding the amendment to the Constitution on aboriginal rights, specifically referring to the right of Indian self-government. Unfortunately, government Members decided there would be no report and used their majority to stop such a report from being tabled in the House of Commons today. I am not raising that as an issue at this moment. I simply want to point out that during the vigorous debate which took place in the committee one member said that the reports of parliamentary committees were no more than tokens. He asked why we should involve ourselves in tokenism.

My reason for mentioning this is that what we are doing today in this House is proof positive that timely committee reports can be effective.

It was on March 12, 1981, that the then Standing Committee on Indian Affairs and Northern Development established a subcommittee, the terms of reference for which were to study all aspects of the operations of The Northern Canada Power Commission. That subcommittee reported to Parliament on April 7, 1982. Quite a number of members played a very key and important role in that committee, and in passing I would like to make reference to them. One was the then Hon. Member for Abitibi, Mr. René Gingras. There was the then Hon. Member for Nunatsiaq, Mr. Peter Ittinuar. There was the Hon. Member for Western Arctic (Mr. Nickerson), who introduced the forest transfer Bill today. The then Hon. Member for Edmonton East, Mr. Bill Yurko, was there, and also the Hon. Member for Cowichan—Malahat—The Islands (Mr. Manly), who is also a Member of this Parliament. I might just say it was my privilege to be the Chairman of that subcommittee, but without the help of the Hon. Member for Western Arctic, who has an engineering background, and that of the then Hon. Member for Edmonton East, himself a chemical engineer, I do not think we could have successfully undertaken such a difficult task. It really required a huge amount of technical information to be absorbed and then appropriate recommendations had to be made. It was one of the more difficult assignments I have had as a Member of Parliament. Therefore, I would like to spend a little time on the recommendations of that report, and I will not be unduly long.

The subcommittee recommended that complete federal devolution to the territorial Crown corporations be accepted quickly, along with the forgiveness of federal debt and the commencement of a process of discussion by the territorial Government involving private utilities as well as the Northern Canada Power Commission. The recommendation reflected the findings of the subcommittee that the federal Government's decision-making and budgetary powers did not make the NCPC fully accountable to the people it serves. The territorial Governments have almost no legislative and regulatory jurisdiction over the NCPC. In our hearings in the North we detected a strong level of hostility against this arrangement.

The subcommittee's report also recommended that all electrical power utilities operating in the Yukon should be fully subject to regulation by the Yukon Utilities Board. Most Canadians would find it surprising if that were not the case, but in fact there was only an understanding that NCPC would appear before the Utilities Board. They had no genuine or real power over them. Devolution of the NCPC responsibility to territorial utilities would remove the existing obstacle to effective regulation, namely the fact that NCPC was not subject to the Yukon Utilities Board. The subcommittee also concluded that the power rates paid by Northerners were excessive. It specifically recommended that the existing debt of the NCPC to the Government of Canada should be written off in its entirety and that the flexible financing arrangements which we thought were possible should be established for loans to finance any hydro facilities.

Now, Sir, the agreement made between Canada and Yukon to transfer the NCPC, which is being done through this legislation, will mark the fulfilment of not all but many of that report's recommendations, certainly with respect to devolution of the NCPC, ownership and regulation. The specific financial

terms for this transfer also recognize other aspects of our recommendations, namely, the provision of the flexible bond arrangements to prevent consumer costs from escalating to unacceptable levels during those periods when local power loads are insufficient to permit economic use of major hydro facilities such as is sometimes the case at the Whitehorse No. 4 structure.

• (1650)

Through Bill C-45 we are ratifying an agreement between Canada and Yukon to transfer the Yukon portion of the Northern Canada Power Commission from the federal Government to territorial control and ownership. I want to say how pleased I am that in that agreement there is to be a freezing of power rates for the next two years. I take satisfaction as well from the fact that job security will be provided for all the Yukon-based employees of the Northern Canada Power Commission. That is a matter which came up subsequent to the report. I strongly urged those in the decision-making role in Yukon to ensure that employee interests be protected in a fair and equitable manner. I have every reason to believe that that is the case unless something develops of which we are not aware at the moment.

Members will note, as indicated in the Minister's speech, that not all of the existing debt has been written off but that the debt has been written down. There is a little confusion with regard to the figures. Perhaps in Committee of the Whole I might ask the Minister about this. The Minister's statement indicates that the current debt on operations is an estimated $128 million. My information is that the total debt amounts to $142 million. Perhaps there is something other than the operational side involved. I would appreciate an explanation from the Minister on that later.

Nevertheless, whether it is a total debt of $128 million or $142 million, the fact is that it has been written down by the Government of Canada to $95 million, which reflects the true value of the NCPC assets in Yukon. The Yukon Government will put up $19.5 million in cash and the Government will turn the same amount of debt, $19.5 million, into equity. Of the $95 million we are left with $56 million. I have already referred to the flexible financing arrangements, the $60 million bond of the federal Government on commercial terms, and another $40 million on flexible terms and conditions.

I had a meeting with Mr. Penikett, the Leader of the Government in Yukon, and he told me that he and the other members of his Government are pleased with the terms and conditions. If that is the case, far be it from me to say that they could have got a better deal. I accept their decision and view that this is a satisfactory arrangement with respect to price and financing.

I believe I am correct in asserting that the Northern Canada Power Commission was a target for privatization. I may be corrected, but I think it was on the list of the Minister of State for Privatization (Miss McDougall). I am pleased that the Government of Canada has agreed to Yukon retaining public ownership through the Yukon Development Corporation. A new public sector group is not being created in Yukon at this time to manage the assets that are being transferred from the Northern Canada Power Commission. Instead, and I think this will interest the House, a private sector contract management was selected. This approach effectively combines the benefit of public sector ownership on the one hand and efficient and effective management from the private sector on the other. That is suited to the present needs in Yukon.

Of course, the future may change all that. As Yukon continues to develop and in due course achieves provincial status, it may very well want to follow the pattern which is standard across the country except, I think, in the Province of Alberta where there are entirely publicly owned electrical utilities. At that time the Yukon Government may decide it wants its own electrical power commission, Yukon Hydro or whatever they want to call it. I want to stress that by way of this transfer agreement that option remains open even though for the present time the assets will be managed by the Yukon Electrical Company Limited which is a private sector company.

I will conclude by saying that this Bill represents an important step forward as the Minister indicated in his remarks. There remains now the problem of how to do something similar in the Northwest Territories. There are some different issues there. I think that in some ways the situation there is a little more complex, although I would yield to the opinion of the Hon. Member for Western Arctic on that point. There are some unresolved questions such as the matter of division of the Territories. The Minister and I have had private discussions from time to time about the very high-cost diesel generating units which are scattered throughout the Eastern Arctic and how they could be best managed and controlled by the Government of the NWT.

I believe this is a difficult and more complex challenge than that in Yukon. If we were dealing only with the Western Arctic I think we could quickly put the same plan into effect. However, when dealing with the entire Northwest Territories the Eastern Arctic poses additional difficulties. I hope that we will not back away from those challenges and will carry out the rest of the recommendations in the report of the special subcommittee to make a similar transfer there at the earliest possible time.

Mr. Jim Fulton (Skeena): Mr. Speaker, I, as well, am pleased to speak this afternoon on Bill C-45. I do not think it would be appropriate to speak on this Bill without paying tribute to the hard work done by the Minister in relation to all the negotiations on this Bill. I would like to pay tribute as well to Tony Penikett, the Government Leader in Yukon, and to my colleague, the Member for Cochrane—Superior (Mr. Penner), who has just spoken. It is hard to pat oneself on the back, and I am glad to do it for him. I know how much work he and other members of that committee did in 1982, particularly in taking a long look at what could realistically be done for Yukon and also for the NWT.

The disposal of the NCPC assets from Canada to Yukon symbolizes another small step in terms of devolution of powers from the federal sector to Yukon, in this case, and in the case of forestry, to NWT. As other Members including the Minister have said, I hope the day is not too far away when Yukon will provide for management and protection of forests and there will be a devolution of control over power production to all of NWT.

The Northern Canada Power Commission was set up in 1948 in the NWT and Yukon basically to provide power to the mines that were opening at that time. Eighty per cent of the power produced in the Yukon is hydro electric from four main hydro stations and 20 per cent is from diesel from five diesel generation stations. Some other power is provided by Yukon Electric, a privately owned Alberta power corporation. It mainly distributes power but also has control of the systems in Watson Lake and Old Crow.

The annual report deals with a number of things but other Members have touched upon it and I will not go into it in any detail. I want to deal with the recommendations from the 1982 standing committee which did the real groundwork to set this transfer in motion. The matter was picked up by the previous Minister responsible for northern development and very effectively continued by the present Minister, and with the new Government of Yukon, including the initialling of the original MOU by Piers McDonald.

• (1700)

The proposed writing off or writing down of the debt is the key to making this proposal operational. After its hearings in 1983-84, the National Energy Board recommended in 1985, principally for fiscal reasons, that NCPC remain as one unit. I believe a rather imaginative approach has been taken to deal with the matter of power. The mine at Faro uses about 45 per cent of the gigawatt hours produced in Yukon. The viability of the system hinges on the amount of power produced and the amount produced per kilowatt hour.

The interest payments in relation to the $40 million flexible bond is really the key in that entire area. Presently, 394 gigawatt hours are produced. When production goes below 310 gigawatt hours, an interest rate formula kicks in. Once it is down to 200 gigawatt hours of production, all interest payments are forgiven below that point and the principal is frozen. It is a very imaginative way of dealing with that part of the interest payments.

We all know and are too often saddened to see that the mines not only in Yukon and Northwest Territories but in my area of northwestern British Columbia tend to be cyclical in relation to world mineral markets. I think we are all waiting to see what happens with the Red Dog mine in Alaska and what may well happen in relation to Cyprus Anvil.

I addressed the question of liability in relation to Bill C-43. We are now dealing with Bill C-45 and have skipped Bill C-44, that great nightmare for Canada's Parliament. Again, I take the opportunity to flag it for Ministers who are here and for the Government and Prime Minister (Mr. Mulroney), in reminding them that the Turner matter must be dealt with.

I have pursued this with officials before coming to speak today. I am absolutely assured that there are no major suits pending or hidden and that the liabilities are presently carried until the proclamation of this Bill on April 1 by the federal Government. The liabilities then will be carried by the new owner on April 1, which is effectively the Government of Yukon.

Various exploratory studies have been conducted on ways of preserving power, improving conservation and so on. In Yukon, although the majority of power is produced through hydro turbines, the Yukon Government will now have an opportunity to study seriously such things as coal, wood waste, wind and particularly conservation. Governments and electrical companies, particularly north of 60, must carefully consider conservation in order to make the best use of that high cost power.

Now that this has been transferred to the Government of Yukon, I am sure no future Yukon Government would ever consider placing a dam on, at, near or around Atlin Lake, the largest lake in British Columbia, which happens to be in my constituency. For some time, the Northern Canada Power Commission has been looking at it as an opportunity for more power. I am sure the Minister, the Member for Cochrane-Superior (Mr. Penner) and I will mount a massive battle in Parliament to stop anyone with NCPC—

Mr. Nickerson: So long as you don't go after Liard.

Mr. Fulton: My friend, the Hon. Member for Western Arctic (Mr. Nickerson), says as long as the Liard is not dammed. We are certainly on the same wavelength about damming some of these vital northern water systems.

The employees of the NCPC are principally members of the Public Service Alliance of Canada. The process has begun for them to become members of the Yukon Electric Employees Association. I am advised that PSAC certification ends on March 31, which is a coincidence, and that the certification will then move to Yukon Electric Employees Association on April 1. There has not been a great deal of concern about this.

Let me point out some of the benefits for Yukoners. The concept is good, in terms of devolution. Furthermore, there will be a power rate freeze for at least two years and there will be local control over rates, subsidies, equalization and services. There will be local control over decisions to proceed with capital projects and to use the territorial electrical system to stimulate greater economic development and diversification in Yukon.

There is job security for present employees of NCPC. Another benefit is the reduction of the leakage of funds from the territory for head office charges and so on. There is full equity financing of NCPC-based assets, and the establishment of the flexible debt terms, to which I referred in relation to the largest bond instrument in this proposal. There are reduced

interest rates on the debt from an average of 11 per cent presently being paid to an average of 7.6 per cent to be paid on the new utility.

We have already dealt with the transfer of employees from NCPC to YECL, which appears to be well in hand, with no major hurdles to overcome.

This transaction ensures that the utility is financially viable, that the electrical rates are frozen during the first two years of the process, and that Yukon consumers are protected from a major slowdown in economic activity through the flexible bond issue.

Canadian taxpayers will receive fair value for the transferred assets. The federal Government's role in decisions respecting the provision of electricity and subsidies in Yukon is terminated.

The new utility is accountable to Yukoners, which is really the key to the whole process.

The NCPC employees in Yukon are being offered jobs and receive comparable benefits and full credit for their past service and experience with NCPC. The pension rights of all NCPC transferred employees are protected in accordance with federal statutes and policy.

I believe a tribute should be paid to some members who are in the House today. I know the Leader of the Government in Yukon is here and I know he is very pleased that this will pass and become law on April 1.

Mr. McKnight: Mr. Speaker, I rise on a point of order. There have been discussions and I believe if you seek agreement, there will be consent to proceed with all stages of this Bill at the present time.

Mr. Penner: Mr. Speaker, I concur with what the Minister said. There have been such discussions and this Party is ready to proceed.

Mr. Fulton: That is fine with me as well, Mr. Speaker. I do not want to be beaten up by Tony Penikett later in the day.

Mr. Deputy Speaker: Is the House ready for the question?

Some Hon. Members: Question.

Mr. Deputy Speaker: Mr. McKnight, seconded by Mr. Crosbie, moves that Bill C-45, an Act to authorize the disposal of certain assets in the Yukon Territory that are held or used by the Northern Canada Power Commission and to provide for other matters in connection therewith, be read the second time and, by unanimous consent, referred to Committee of the Whole.

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

Some Hon. Members: Agreed.

Motion agreed to, Bill read the second time and, by unanimous consent, the House went into Committee thereon, Mr. Danis in the chair.

Northern Canada Power Commission Yukon Assets Disposal Authorization Act

The Chairman: Order, House in Committee of the Whole on Bill C-45, an Act to authorize the disposal of certain assets in the Yukon Territory that are held or used by the Northern Canada Power Commission and to provide for other matters in connection therewith.

On Clause 2:—*Definitions.*

Mr. Nickerson: Mr. Chairman, Clause 2 refers to the agreement that has been signed, sealed and delivered between the Government of Yukon and the Government of Canada. For many weeks I have been trying to get a copy of that agreement. Now that we have a public Act of Parliament which refers within it to an agreement, I wonder if the Minister could give us the undertaking to table that agreement or at least to make it available to Hon. Members who would like a copy?

• (1710)

Mr. McKnight: I do not know under what reason or rationale the agreement has not been made available. I will give a commitment to check and if those reasons are not substantial, I will make the agreement available.

Mr. Penner: Mr. Chairman, I would like to get a clarification from the Minister regarding the size of the write-down of the debt. I was led to understand that the current debt obligations of NCPC Yukon were approximately $142 million, in which case the write-down would amount to $47 million. The Minister in his statement says the current debt on operations is $128 million. That makes the write-down $33 million. I wonder if I could have an explanation from the Minister as to this discrepancy?

Mr. McKnight: The Hon. Member is correct. The existing debt is $141,357,999, approximately. The difference between $128 million, which is the debt on operations, and the $141 million, is accrued interest on the operations which will accrue at the end of March, 1987, and it is some $13,321,000 plus. That is added in to arrive at the $141-$142 million mentioned by the Hon. Member.

Mr. Nickerson: I had originally intended to wait until we got to Clause 6 which deals with the financial implications, but seeing as the matter has been brought up now, I would seek clarification on whether the $128 million debt includes the $19.5 million which will be transferred from debt into equity and then those shares given to the Government of the Yukon, or prior to the transference of that $19.5 million from debt into equity, was the total debt $128 million plus $19.5 million?

Mr. McKnight: No, Mr. Chairman, the total debt on the outstanding operations was $128 million. The $13 million to which I referred is the accrued interest which is also outstanding, which comes to a total of $141 million plus. The $19.5 million which the Government of Canada used was taken from debt and converted to equity and put in as equity.

Message from the Senate

Mr. Nickerson: Before this transfer from debt into equity took place, the debt then stood at $128 million plus $19.5 million, is that correct?

Mr. McKnight: The total debt was identified. Then there was a number selected which would be fair. That was $95 million. We started at $95 million, taking that from $128 million which gives us $33 million. Then there is $13.2 million which is the interest. That brings us back up to $46.2 million. There is then $19.5 million which brings us up to $65.7 million. Then the bonds of $16 million and $40 million amount to $56 million, plus the equity of $39 million amounts to $95 million.

Clause agreed to.

Clauses 3 to 12 inclusive agreed to.

On Clause 13.

Mr. Nickerson: Mr. Chairman, when the Bill passes, as it undoubtedly will, the Board of the Northern Canada Power Commission will have to be rearranged pursuant to Clause 13. When this happens, how many vacancies will then exist which will have to be filled by residents of the Northwest Territories? And when does the Minister expect to make the new necessary appointments?

Mr. McKnight: It is my understanding that the vacancies will be created with the total board on transfer date. I believe right now there are three members, if I am accurate, from Yukon. That will mean we will have three additional members which will be appointed to the Board of NCPC in due course.

Mr. Penner: I would just inquire of the Minister regarding the facilities of the Northern Canada Power Commission in Edmonton. Is there now excess capacity in those facilities? Does the Minister have some plans to utilize the extra facilities in order to cover the cost of the overhead of that facility? What are the Minister's plans for the headquarters in Edmonton?

Mr. McKnight: That certainly is a reasonable question to ask. The headquarters in Edmonton will not be utilized to total capacity at this time. Until we have concluded discussions with the Northwest Territories, I am reluctant to make any changes or to ask that they be made. As the Hon. Member is fully aware, the Crown corporation, the Northern Canada Power Commission, is held by a shareholder of the Government but does recognize the ability of the Government to establish policy. Therefore, until the discussions have concluded with NWT, I would be reluctant to ask for a change in policy.

Clause agreed to.

Clauses 14 to 17 inclusive agreed to.

Clause 1 agreed to.

Title agreed to.

Bill reported.

Mr. Deputy Speaker: When shall the Bill be read the third time? By leave, now?

Some Hon. Members: Agreed.

Mr. McKnight moved that the Bill be read the third time and passed.

He said: I regretted that in my previous remarks I was not able to identify the Members from the other place who gave pre-study to this legislation and through their efforts allowed speedy passage and the date of April 1 to be met.

• (1720)

Mr. Murphy: Mr. Speaker, with respect to the Minister's last comment, we are certainly prepared to let the legislation go forward. However, I object to the process of using the other place for pre-study.

Some Hon. Members: Hear, hear!

Motion agreed to and Bill read the third time and passed.

* * *

MESSAGE FROM THE SENATE

Mr. Deputy Speaker: I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate has passed Bill C-47, an Act for granting to Her Majesty certain sums of money for the Government of Canada for the financial year ending March 31, 1987.

[*Translation*]

A message has also been received from the Senate informing the House that the Senate has passed, without amendment, the following bills: Bill C-3, an Act to amend the Radio Act, and Bill C-40, an Act to provide borrowing authority.

* * *

THE ROYAL ASSENT

Mr. Deputy Speaker: I have the honour to inform the House that a communication has been received as follows:

Government House
Ottawa

25 March 1987

Sir,

I have the honour to inform you that the Honourable Antonio Lamer, Judge Puisne of the Supreme Court of Canada, in his capacity as Deputy Governor General, will proceed to the Senate Chamber today, the 25th day of March, 1987, at 5.45 p.m., for the purpose of giving Royal Assent to certain Bills.

Yours sincerely,
Anthony P. Smyth
Deputy Secretary, Policy and Program

GOVERNMENT ORDERS

[*English*]

TELEGLOBE CANADA REORGANIZATION AND DIVESTITURE ACT

MEASURE TO ENACT

The House proceeded to the consideration of Bill C-38, an Act respecting the reorganization and divestiture of Teleglobe Canada, as reported (with amendments) from a legislative committee.

Mr. Brian Tobin (Humber—Port au Port—St. Barbe) moved:

That Bill C-38 be amended in Clause 35 by striking out lines 33 to 35 at page 19 and substituting the following therefor:

"35. This Act shall come into force on a day or days to be fixed by proclamation but not until an agreement incorporating an employee compensation program has been negotiated and accepted by the employer and the employees of the new corporation established pursuant to section 4 of this Act."

He said: Mr. Speaker, I am pleased to note that the Hon. Member who seconded the motion, the Hon. Member for Churchill (Mr. Murphy), and members of the New Democratic Party will support this eminently sensible amendment to Bill C-38.

The entire process by which the Legislative Committee on Bill C-38 had to undertake its work was flawed from the word go. For the first time in the history of the reform of Parliament we have seen in the work of a legislative committee an entirely new set of circumstances, circumstances which we have never encountered before. In studying a Bill in a legislative committee which gives legal authority to the privatization of a Crown corporation, Bill C-38, members of all Parties were disconcerted to discover that in contemplating amendments to it we were constantly and consistently told by officials of the Minister of State for Privatization (Mrs. McDougall) that while they recognized the primacy of Parliament, the right and authority and responsibility of Parliament to study a Bill and, if it chooses, to make amendments to it, if we were to uncross any "t's" or undot any "i's" or if we were to make any changes to Bill C-38, the effect of those changes which we are entitled to make could be to abrogate the agreement signed between the Government of Canada and Memotec, the new owner of Teleglobe. In effect, Members of Parliament were subjected to a scenario that, in effect, affected our privileges as Members of Parliament. We were being told by the Government of Canada: "Here. Study the Bill. Examine it and improve it, that is your role. However, if you make any changes to it you will have abrogated a legally-binding sales agreement between the Government of Canada and a private company. If you do that, my friends, the Government could be liable to a court action and the Government would be obligated to rebid the entire process again because you might have changed the terms of the sale after the fact". That was the scenario that was consistently and shamefully laid out in a wanton manner by the Minister and her officials. Members of Parliament were told, in effect, in a normal way, as opposed to a back-handed way, that the entire legislative committee process is a sham. We were being told: "You are entitled to investigate, you are entitled to make recommendations, but if you do you will have undone, you will have abrogated, the agreement that was entered into between the Government and a private company. That is the ramification of your doing exactly what you have been charged to do by the people of Canada in your legislative committee".

Let me say from the outset that that type of problem is one that I will not permit myself to tolerate ever again. I am saying to the Minister and to the Government that if they ever come again before a parliamentary committee with a Bill to privatize a Crown corporation, they had better be prepared to ensure that the privatization of another Crown corporation is pre-studied, pre-examined by way of a White Paper or whatever is necessary before it ever hits the legislative committee stage. If the Government is going to tell Members of Parliament, in particular this Member of Parliament, that the legislative committee process is a necessary sham, then I will not participate. When I say that I will not participate, what I am saying to you, Mr. Speaker, is that the matter will never get out of a legislative committee in the future.

Thus, every single amendment that was put at the legislative committee stage on this privatization Bill, the first one we have had in Parliament, was defeated by members of the government majority, not because they were necessarily exercising their best judgment with respect to the Bill but because they had held over their heads the threat that accepting an amendment could in fact indirectly abrogate a private agreement reached between the Government and a private owner. In fact, Parliament was hijacked.

Let the Government be warned that that type of process will never, ever, be tolerated again in the legislative committee process. Mr. Speaker, you will never see again a Bill come out of the legislative committee process if that is to take place. We will keep it there until Rip van Winkle wakes up and goes home if it is ever tried again. Any self-respecting Member of Parliament from any one of the three Parties will not tolerate it. I know that Conservative Members of Parliament, at least on the principle that Parliament not be shanghaied if not on specific amendments, were as concerned as I am concerned today in putting forward these comments.

The amendment I move today is an amendment that would have the effect of ensuring that Bill C-38 not come into force until such time as the Government, specifically the Treasury Board and Memotec, and the employees and representatives, particularly the *ad hoc* committee on pensions, have reached an understanding with respect to the acquired pension rights of employees.

There are 1,107 employees of Teleglobe Canada who today, as this Bill completes the legislative committee stage and awaits introduction at third reading stage, as it gets ready to rocket itself out of Parliament to become law, have not as yet reached a satisfactory conclusion with either the Government

of Canada, Treasury Board, or with Memotec, on what exactly is involved when the Government and Memotec say that employees who find themselves coming under new owners will have an identical pension plan. In fact, the Government has used a different set of actuarial assumptions in calculating the amount of money to be transferred from the Government of Canada to Memotec to cover the acquired pension rights which those employees have accumulated. It has used a different set of assumptions than it used in the case of the privatization of Canadian Arsenals. In that case the 1980 assumptions of the Chief Actuary were used. In the case of Teleglobe Canada a brand new set of assumptions were manufactured by Treasury Board to determine how much money should be transferred to cover the acquired pension rights of employees.

• (1730)

You may be wondering, Mr. Speaker, why I would be concerned that a brand new set of assumptions have been used. It is because, based upon the new assumptions cooked up by the Government versus the old assumptions used very recently in the case of Canadian Arsenals, employees will see anywhere between $7 million and $10 million less being transferred to the new owner of Teleglobe in order to cover their acquired pension rights. As the Government of Canada waves goodbye to its former loyal employees, the Minister of Finance (Mr. Wilson) reaches out the doors with his long, sticky fingers to dip into their pockets and take out $10 million. That is what the Government of Canada is doing to its former loyal, productive, and efficient employees.

All the amendment seeks to do is to ensure that the completion of the sale and the proclamation of the Bill into law will not occur until the Government of Canada, like the tardy pickpocket, "fesses up" to the $7 million to $10 million taken in a shameful manner out of the pockets of employees and ensures a proper transfer of funds to cover the acquired pension rights and benefits of 1,107 employees who have been rudely awakened to the fact that they are suddenly working for a new employer. They have also awakened to the fact that the Government of Canada, in a shameful, callous, and repugnant manner in a $600 million privatization deal, has reached out to try to pick their pockets. That is all the amendment seeks to do.

All the Government must do to see the Bill proceed is to come to its senses. It must acknowledge this bit of dirty work, find whatever excuses for it that it must, and make right what is wrong in this attempt to ram the Bill through Parliament.

Hon. Barbara McDougall (Minister of State (Privatization)): Mr. Speaker, I would just request that the Hon. Member for Humber—Port au Port—St. Barbe (Mr. Tobin) speak up when he is speaking in the House, because we always have a problem hearing him.

In the midst of all he had to say there was a point very well taken, that is, his suggestion of some kind of pre-study. One thing we have done through the privatization process, certainly in connection with Teleglobe, is to make a considerable amount of information available. We have produced our Bill in an open and forthright way. In fact, I invited all Members of Parliament to a briefing the day after it was announced. I am sorry that no Members showed up for the briefing. However, we have done everything we could by providing an information package and so on for all Hon. Members, because we recognize that this is a complex and important issue and we want to ensure that all Members understand it.

Let me say that the Hon. Member's suggestion of some sort of pre-study is a good one. I am quite prepared to take it under advisement. I think that was the essence of the first part of his message.

Let me say on the amendment that as written it would have the effect of postponing in perpetuity the closing of the transaction. He suggested that we keep the Bill open until every "t" is crossed and "i" is dotted and every demand of every employee has been met. That could go on for some considerable length of time, long after the Hon. Member across the way has moved on to more interesting challenges in other parts of the country.

The other point about the amendment is that he takes it in a circle. Until such time as the Act is proclaimed, a new corporation cannot be established and the amendment preconditioned for proclaiming the Act cannot be satisfied.

Having laid to rest that there is any inherent merit in the amendment, let me turn to the issue of employee benefits, one of the concerns of the Government when it put together the arrangement for Teleglobe and its employees. The employees are actually better off than they were before. They asked for and received a public service plan equivalent. They were offered a mirror plan to the public service plan.

The employees have three options. They can opt for the normal pension options available under the PSSA, which include the return of contributions, immediate pension, deferred annuity, or annual allowance depending upon age and service. They can transfer their past service into the new PSSA equivalent plan, or they can retain their accrued pension benefits in the PSSA with future service, with the new employer counting toward establishing their eligibility for various PSSA benefits.

Memotec has also agreed to count prior service with the PSSA toward establishing eligibility for various benefits under Memotec's PSSA equivalent plan. The key concerns of employees, as they were presented to us by them, were the establishment of a mirror plan by Memotec, the adoption of a going concern basis for calculating amounts to be transferred, legislating a continuity of service option, and securing contractually the recognition of all PSSA service.

That is exactly what the employees have. In addition—and it is something they could never have in a Crown corporation—they have an employee share purchase plan which allows them interest-free loans with which to buy shares in their company. Hon. Members of the House should have so good a

plan. There is very little existing in the country of such a quality and calibre as this pension plan.

I am very proud of the package which we put together for the employees. I believe that with the mirror plan and with the employee share purchase plan we have been very accommodating around employee benefits, which I regard as my responsibility and take very seriously.

I should also like to point out that the future of the company under Memotec will be a very exciting one for the employees. The dynamics which we are seeing in these companies being merged will be very valuable for the employees. There will be future benefits through increased job opportunities and through increased markets for the company. All this works for the benefit of employees, as well as the fact that the company will remain in Montreal.

As far as our own amendments are concerned, the major amendment we are making, and I will address it later, was made to accommodate something for which the employees asked.

I do not know what more we could have done to accommodate the needs and requirements of the employees and remain responsible to taxpayers. If we were doing what the Hon. Member asked and just took a big chunk of money out of the PSSA and moved it over to Teleglobe and Memotec, we would be increasing the unfunded liability for existing public servants who remain in the Public Service. We have a responsibility to them and to the taxpayers of the country. Considering the merits of the employees' plan, I would simply like to conclude by saying that what the Hon. Member has said is poppycock.

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, as a member of the legislative committee and as my Party's privatization critic, I should like to speak to the amendment. Let me start by picking up on the points made by the Hon. Member for Humber—Port au Port—St. Barbe (Mr. Tobin) who said that the legislative process was flawed in two aspects. One aspect was flawed, and the Minister was wrong when she said that she was very accommodating and very open in the beginning. This may not have been entirely her fault. We were faced in committee with the demand to get the Bill through in one day. An incredible amount of witnesses were lined up, and that was it. To give the committee credit, and I see one of the Members here, I believe it is the Hon. Member for Sarnia—Lambton (Mr. James), it backtracked and presented an open process. It was not flawed that way. That is a tribute to the members of the committee who recognized it to be wrong. There was a problem at the beginning. The Minister has this kind of notion that she had to get this privatization—

• (1740)

Mrs. McDougall: Mr. Speaker, I rise on a point of order. The timetable was established by the parliamentary committee and not by the Minister. The parliamentary committee when it had its organizational meeting could have benefited from this kind of analysis from Hon. Members opposite.

Mr. Blaikie: Mr. Speaker, I have a point of order. That was not a point of order.

Mr. Deputy Speaker: The Member is entirely correct.

Mr. Tobin: Mr. Speaker, with respect to the point of order that is not a point of order, I assume you will extend to me the same courtesy. I would like to respond to what the Minister has said. There was an attempt to put this whole matter through the committee in one day. That is the kind of importance the Minister attached to it.

Mr. Deputy Speaker: Shall we resume debate? The Hon. Member for Vancouver—Kingsway (Mr. Waddell).

Mr. Waddell: Mr. Speaker, maybe I am not speaking loudly enough. I was trying to say that it was not the Minister's fault. We will not blame anybody. The committee corrected it. There was a flaw in the original procedure. I detect that the Minister is a bit sensitive and also thinks the process of privatization can be through tomorrow. It cannot. There are some major issues being dealt with here when you privatize a $600 million corporation. This is the forerunner perhaps of Petro-Canada, Air Canada and some of those corporations where there will be some incredible fights in this House.

Let me say that the Hon. Member for Humber—Port au Port—St. Barbe (Mr. Tobin) has a point when he says—and I hope the Minister was listening—that she cannot make deals with the private sector, then come back to a House of Commons committee and say, "You cannot change that because I have made a deal and it will change the whole thing". I hope we will hear from the Government in reply. I hope this is not the case, but it seemed to be the case. The Minister can tell the private sector that it is a condition inherent in any deal, that a deal can be changed by the House of Commons. I would think the private sector knows that. I tell the Minister not to give us the argument that we cannot change the terms of the sale because it is in the deal. Memotec, or whoever the buyer is, was never presented with that. This is a fundamental flaw and the Minister should listen to what the Member said.

Let us deal with the pension. The amendment covers the pension. The Minister, and I quote her, said she was "very accommodating", that Members of the House of Commons should have such a good plan. We have a great plan, much better than these employees will be getting out of this.

Mrs. McDougall: What about job security?

Mr. Waddell: We do not have job security, I admit that, but we do have a heck of a good pension plan.

These employees are asking, and I think they are entitled to ask, that when a company is privatized they should be in no worse a position than they were before the company was privatized. The Minister gave us some words on the kind of actuarial set-up. I am not an expert in actuarial matters, neither of course is the Minister. I see here some union representatives representing 1,100 people who are unhappy.

They are reasonable people. They are not screaming for the sake of screaming, and the Minister had better deal with the issue if she wants to get this Bill through the House of Commons.

Mr. Tobin: Management as well as union.

Mr. Waddell: My friend says management is not too happy with the situation either. I have dealt with the union people. They are here in the House. They tried to get a meeting the other day with the President of the Treasury Board (Mr. de Cotret). I am told they were unable to have a meeting with him personally. The Minister should meet with these union people before the Bill goes through and maybe before this clause goes through because I suspect it will be debated for a little bit. The Minister should at least talk to them to see if she cannot work the matter out. The union people tell me that the Government is pocketing $10 million and that in committee it admitted as much. There is a problem here, Mr. Speaker. If the Minister wants to be accommodating, she should deal with the union people on the principle that workers should be no less better off after privatization them before. I think that is a principle the Minister should accept.

Before I sit down, let me say that, tied in with this, I want to draw your attention, Mr. Speaker, is a matter that arose in the committee that worried me somewhat. Perhaps it is another reason that we should go slowly in passing the Bill at committee stage. I am speaking of the international aspect of Teleglobe. Teleglobe will be taking over some international obligations of the Government because Teleglobe was into international treaties. One involves Commonwealth countries, I think it is called the Commonwealth Communication Organization Financial Agreement. Canada went into that along with Britain, Australia and New Zealand. So much is paid per year. Teleglobe contributes $1.5 million a year to this group. If I might put it this way, it is really foreign aid in a different aspect. It helps Third World countries with the development of telecommunications matters. It is foreign aid by another name, if you like. Who will continue to keep that up after the agreement expires in 1989? The Government should have another look at that. I get the feeling that Memotec is just starting to realize some of what it is involved with. I call Memotec "Minnowtec". It is a minnow that swallowed a big whale called Teleglobe. The minnow is discovering that there are a lot of hidden obligations it must look into.

I hope the Minister will have another look at that in order to clarify the situation when she speaks on third reading of the Bill. I hope she will have another look at the pension matters as well. She has given an answer today, but I point out to her that through evidence in committee it appears that the Government will be making some money from this deal, or at least not forgoing as much money. The union people are terribly unhappy about that. I think they are reasonable people. Something smells here, as my friend from Humber—Port au Port—St. Barbe said.

[*Translation*]

As my hon. friend from Newfoundland has said, there is a problem with the unions. We in the NPD say that this Government, and especially the Minister, should look again at the situation and treat the unions and the workers fairly. We say that the workers should find themselves in the same situation after taxes as before the company changed hands. This principle is fair and the Minister should look again at what will happen to the pensions of the workers.

• (1750)

[*English*]

I hope the Minister will take another look at it while we are debating this Bill and will work out an accommodation with the unions involved so the Bill can go on to third reading.

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I would like to take a few moments to speak in favour of the very thoughtful amendment presented to us by the Hon. Member for Humber—Port au Port—St. Barbe (Mr. Tobin). I hope the Minister will stick around because there are things to be discussed which are very important.

First, the Minister will recall that last year, the House dealt with Bill C-87, the divestiture of Canadian Arsenals. The Parliamentary Secretary says that he recalls, and he should remember, that at that time we obtained benefits for the employees that are substantially better than those we are coming up with today.

I ask the Minister just as she is about to leave the House if she is aware of the report on the valuation of assets and liabilities of Teleglobe Canada prepared by Touche Ross. The Touche Ross report indicates that there were no restrictions on the scope of its assignment except that it was specifically requested not to address the question of pension rights of Teleglobe employees.

Mr. Marchi: Why?

Mr. Boudria: My colleague, the Hon. Member for York West (Mr. Marchi), asks why. The answer is right here. The answer is that the Government did not want anyone to know what was in that report. The reason the Government did not want that was so that in the process of divesting, the piggy bank could be raided. In fact, according to estimates given to me by Mr. Carlos Saldanha, President of the Canadian Overseas Telecommunications Union, his members will be losing $10 million as a result of this, and he claims to have an actuary's report to prove that.

In the case of Canadian Arsenals, I assume we used correctly a specific set of assumptions to arrive at the value of the pension fund. We used a 1980 chief actuary's report in its entirety in that particular case. It must have been right because we passed the Bill. This time we are using something that is totally different when employees of another Crown corporation are being privatized. Surely this cannot be right. Either the other case was wrong or this one is wrong.

I ask Conservative Members across the way to respond to me. We are dealing with 1,100 employees who will lose $10 million collectively and this is no laughing matter. In the case of Canadian Arsenals, the Government backed down. In the beginning, the Government even forgot it had employees at Canadian Arsenals, but gradually it came around, recognized the mistake and amended the Bill. The Government changed the process completely after report stage and finally gave the employees what was theirs.

Let us be perfectly clear. We are not asking for any presents. We are simply asking that these employees be able to leave with what is in their own pension fund. They worked hard for it like everyone else. I suppose I will have to continue my remarks another time.

• (1800)

THE ROYAL ASSENT

[*Translation*]

A message was delivered by the Gentleman Usher of the Black Rod as follows:

Mr. Speaker, the Honourable Deputy to the Governor General desires the immediate attendance of this Honourable House in the Chamber of the Honourable the Senate.

Royal Assent

Accordingly, Mr. Speaker with the House went up to the Senate Chamber.

And being returned:

Mr. Deputy Speaker: I have the honour to inform the House that when the House went up to the Senate Chamber the Deputy Governor General was pleased to give, in Her Majesty's name, the Royal Assent to the following Bills:

Bill C-7, an Act respecting the National Archives of Canada and records of government institutions of Canada and to amend other Acts in relation thereto—Chapter No. 1.

Bill C-12, an Act to amend the Prairie Grain Advance Payments Act—Chapted No. 2.

Bill C-6, an Act to implement an agreement between the Government of Canada and the Government of Newfoundland and Labrador on offshore petroleum resource management and revenue sharing and to make related and consequential amendments—Chapter No. 3.

Bill C-3, an Act to amend the Radio Act—Chapter No. 4.

Bill C-40, an Act to provide borrowing authority—Chapter No. 5.

Bill C-47, an Act for granting to Her Majesty certain sums of money for the Government of Canada for the financial year ending the 31st March 1987—Chapter No. 6.

It being 6.10 p.m., this House stands adjourned until tomorrow at 11 a.m., pursuant to Standing Order 3(1).

The House adjourned at 6.10 p.m.

HOUSE OF COMMONS

Thursday, March 26, 1987

The House met at 11 a.m.

Prayers

ROUTINE PROCEEDINGS

[*Translation*]

PETITIONS

GOVERNMENT RESPONSE

Mr. Doug Lewis (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, pursuant to Standing Order 106(8), I have the honour to table, in both official languages, the Government's response to thirty-nine petitions, Nos. 332-945 to 332-983 inclusive.

OPPOSITION TO REDUCTION OF POSTAL SERVICES

Mr. Albert Girard (Restigouche): Mr. Speaker, I have the honour to present a petition to the House of Commons from citizens of Petit-Rocher, Beresford, Robertville, Madran, Alcida, La Plante, Nigadoo, Pointe-Verte and Free Grant. Canada Post management have been reducing the quality of rural postal services and shown they intend to pursue systematically their plan to close a great many postal offices in small municipalities. People in rural areas protest vigourously against cuts to the staff and services they are entitled to and cannot accept in any way that small parishes be penalized as to the extent of postal services.

* * *

[*English*]

COMMITTEES OF THE HOUSE

ENERGY, MINES AND RESOURCES—AUTHORIZATION TO TRAVEL FOR STANDING COMMITTEE

Mr. Doug Lewis (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, there are two motions that I would like to present at this time. They have been discussed with the other Parties. They are both motions for travel. I think you would find general agreement in the House to have the motions put at this time and passed. I move:

> That the Standing Committee on Energy Mines and Resources be authorized to travel to Pinawa, Manitoba, on April 1 to 2, 1987, inclusive, to visit the Whiteshell Nuclear Research Establishment and the underground research laboratory to study the storage and disposal of high-level radioactive waste and that necessary staff accompany the committee.

• (1110)

Mr. Speaker: Is it the pleasure of the House to adopt the said motion?

Some Hon. Members: Agreed.

Motion agreed to.

ENVIRONMENT AND FORESTRY—AUTHORIZATION TO TRAVEL OF STANDING COMMITTEE

Mr. Doug Lewis (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, the second motion is the following:

> That, the Standing Committee on Environment and Forestry be authorized to travel to Pinawa, Manitoba, on April 1 to 2, 1987, inclusive, to visit the Whiteshell Nuclear Research Establishment and the underground research laboratory as a part of their ongoing examination of the storage and disposal of high-level radioactive waste and that necessary staff accompany the committee.

Mr. Speaker: Is it the pleasure of the House to adopt the said motion?

Some Hon. Members: Agreed.

Motion agreed to.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

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

Mr. Speaker: Is that agreed?

Some Hon. Members: Agreed.

Teleglobe Canada

GOVERNMENT ORDERS

[*English*]

TELEGLOBE CANADA REORGANIZATION AND DIVESTITURE ACT

MEASURE TO ENACT

The House resumed from Wednesday, March 25, consideration of Bill C-38, an Act respecting the reorganization and divestiture of Teleglobe Canada, as reported (with amendments) from a legislative committee; and the amendment of Mr. Tobin (p. 4569).

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I would like to speak on the amendment to Bill C-38 proposed by the Hon. Member for Humber—Port au Port—St. Barbe (Mr. Tobin) which reads as follows:

> That Bill C-38 be amended in Clause 35 by striking out lines 33 to 35 at page 19 and substituting the following therefor:
>
> "35. This Act shall come into force on a day or days to be fixed by proclamation but not until an agreement incorporating an employee compensation program has been negotiated and accepted by the employer and the employees of the new corporation established pursuant to section 4 of this Act."

Today's discussion on Bill C-38 bears a strange resemblance to what was discussed in the House some months ago when we had to come to grips with an identical problem dealing with Canadian Arsenals. I took part in that debate because of my interest in public service pension plans and because I thought at the time that the Treasury Board was not playing fair ball with the employees. We were asking that the Treasury Board come to an agreement with the employer before the deal went through, and we got that. The employees were satisfied, everyone was happy and the Bill went through.

This time there seems to be some resistance. In this new situation, the Government is essentially pleading that it cannot meet with the request of the employees to give them the $10 million they require to fund their new pension plan fully because of what is called streamed actuarial assumptions. It is a little difficult for most of us to understand what is meant by that because the figures are not forthcoming from the Government. It does not seem to be too generous with information. I would like to relate to the House my experience with actuarial assumptions.

As we know, assumptions are made by actuaries based on certain things such as the interest rate anticipated to be paid, the anticipated cost of living index and the increase in salaries of the employees which will, of course, become a cost to the employer. Many other things are considered but those are the main considerations. We know that until last year, the so-called experts in the insurance department of the Government were telling us and the Auditor General that the combined Public Service Superannuation Acts including Canadian Forces superannuation, the CFSA, the RCMPSA and the elementary retirement benefit plan had a combined unfunded actuarial liability of some $16 billion. We were told how terrible that was because with an unfunded liability of $16 billion, public servants were receiving pensions which were based on poorly funded sums of money.

That is a lot of nonsense, and most of us know that today, because these so-called streamed actuarial assumptions have been changed in the last year. We are now being told that there is not $16 billion in unfunded liabilities but it could possibly be that because of new assumptions, there is $4 billion but they are not so sure. As a matter of fact, the Treasury Board told me not very long ago that it could amount to $3.7 billion. That is a $12.3 billion error in assumptions made by professionals under circumstances which are easily understood to me as being a sham.

I would like the Government to tell us how we can reconcile a deficit of some $16 billion a year ago with a deficit of some $3.5 billion to $3.7 billion now, because the same people are using another method called streamed actuarial assumptions.

I cannot blame the employees of Memotec for telling the Government that they do not buy that junk and nonsense. Neither do we. That is why we put forward the amendment. Until the Government comes up with assumptions that are believable and that we can understand, and we are not that dumb, until the Government comes up with assumptions that we can publicly quote as being reliable figures, assumptions that are defendable, we will continue to ask that employees and the Government be able to negotiate before the final signature is put on this transaction. In that way what the Minister yesterday called the mirror pension will have the actuarial stability required so that the employees can depend on the plan.

• (1120)

The $15 billion or $16 billion figure mentioned by the Auditor General in his report, and used repeatedly by Treasury Board until recently, was fictitious, to say the least. It was an estimated assumption based on what is called market trend. That, essentially, is the debate we will be getting into when Bill C-33 is called. That should be a very interesting and long debate. I can tell you that based on the figures we have been given, we will not buy a pig in a poke and easily go along with the Government when it tries to tell public servants that their pension fund, which is nothing less than their money set aside for future use, will be fiddled around with by the Government to suit its purposes. We will not sit idly by while the Government tells its employees what they should be getting from these plans. It has to be a joint effort and it has to be done in a fair manner. I hear the Hon. Member for Ottawa—Carleton (Mr. Turner). I hope he will speak in the debate and give us his views. It is very important for these employees to know what figures the Government is using and the assumptions it is making. If the Government changes the assumptions to fit its purpose, that is wrong, and I think he will agree with me on that.

In closing my remarks I would like to say that indeed I hope the House will see fit to approve this motion to incorporate in the agreement an employee competition package which would

look after the interests of those employees regarding their pensions. We will then have dealt fairly with these people.

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, it is very important to realize that, if the House does not pass this amendment that will contradict what the Minister, with whom I have just been chatting, indicated publicly in her statements at the time this privatization was announced, that there was acceptance by the employees involved to the pension plan suggestions which had been made. I am not sure where the mix-up in communications took place, and I certainly accept it as just that. However, it is quite clear from testimony we heard in committee that that is not the case.

I would like to review for the House some of that testimony we heard from a group which calls itself the *ad hoc* pension committee representing all the employees of Teleglobe. They described to us their meeting with Treasury Board officials, at which they hoped to clarify a series of important questions, as having been something like the James Bond movie *Dr. No*. In their view, each question they asked was answered with a negative. That left them without assurances and without satisfaction.

They asked first that the Canadian Arsenals case be a precedent for their pension plan. We are told by Treasury Board that this is not possible. To give a sense of just exactly what this means, we later questioned Treasury Board officials and they conceded that the difference was some $7 million which would not be transferred to the funding for this pension plan. That money would have been transferred had the Canadian Arsenals example been used. That figure, when divided among the number of employees at Teleglobe, amounts to a reduction in benefits of something like $10,000 per year, per person. In all fairness and justice that is not something this House can accept.

The employees stressed the fact that there were other concerns as well. First, it was necessary for Memotec to say that it retains the right to change the pension plan. Memotec was quite honest and forthright in saying so. Frankly, it is a good pension plan, but the company retains the right to change the plan's conditions and reduce benefits if there are changes in business conditions affecting Teleglobe. Of course we know there are various risks facing Teleglobe. There is the risk of being bypassed by other telephone companies, especially the provincial companies. If that occurs, Teleglobe could very easily face a serious decline in its business prospects. It is also quite conceivable, and this is in fact envisaged in this privatization move, that the monopoly presently held by Teleglobe on overseas telecommunications will have to end in five years' time. It is possible that the termination may be extended a little bit longer, but in any event, we are faced with the likelihood that the monopoly will be eliminated. That gives serious cause for concern to the employees of the company and Memotec itself. That is why Memotec says it cannot guarantee that this generous pension plan will be maintained.

In addition, the employees talked about the possibility that Memotec itself is susceptible to a takeover. This privatization has been financed in an extremely risky way. An individual bank has put up most of the capital. In such a situation it is quite likely that at some time in the future Memotec itself will be a potential victim for takeover. If it is taken over, of course, there is every possibility that the pension plan which it will have established for its employees can be changed.

• (1130)

In addition, in the Bill itself there is no explicit or even implicit commitment to job security for the workers. For that reason workers have quite rightly said that they want a funded pension plan provided which will guarantee to them the benefits which they believe they have already earned under the public service superannuation system of which they are part.

When the Government brought in its plans for the privatization of this company it said that it had solved these pension problems. Therefore, it seems to me perfectly sensible that this amendment be accepted. The amendment does not stop the privatization but, rather, puts into place one of the conditions which the Government itself stated was important to have in effect at the start of the privatization process.

The Minister has stated her belief that this legislation gives workers an extremely generous set of pension options. Unfortunately, this view is not shared on the other side. We heard from three groups of workers, the union itself, the supervisors, and the *ad hoc* representatives of those concerned about pensions in the company. Every single one of them stressed that they were not satisfied with this pension and were concerned about a potential loss of at least $7 million in benefits and a loss of some specific benefits explained to us by the head of Teleglobe, Mr. Delorme. Those specific benefits which the workers now have will not exist under the new plan.

In those circumstances I cannot see how, in conscience, this House could pass legislation for privatization which runs counter to that to which the Government is committed which is still a large question mark at this stage. It is for this reason that my colleague, the Member for Churchill (Mr. Murphy), seconded this motion. It is for this reason that we sought in committee to suspend hearings for 10 days to permit an agreement to be worked out between workers, the company and the Government with regard to pensions.

Unfortunately, there is an inordinate thrust on the government side to get this legislation passed, which I can only interpret as an effort to get the money received for Teleglobe into the national accounts for this year in order to make the deficit look better. I cannot understand a Government putting those kinds of public relations concerns before a commitment to which it gave effect in its statements and to which we should all be party, a commitment that workers be satisfied with the pension arrangements in a privatization deal such as is occurring here.

Mr. Deputy Speaker: Is the House ready for the question?

Teleglobe Canada

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, I would like to add some further comments to the amendment moved by the Hon. Member for Humber—Port au Port—St. Barbe (Mr. Tobin). His amendment deals with a very specific and important anomaly, in fact, an important omission by the Government in dealing with the rights of the employees of Teleglobe. As other commentators have pointed out, the amendment raises broader questions about the purpose and objective of the Government in bringing about privatization.

The most disturbing aspect of the privatization movement of the Government is that it is not related to any policy other than the recovery of funds for the Government. It is not related to a policy dealing with telecommunications or transportation or to trying to put together an economic agenda which seems to make sense with regard to how we should develop the regions and the country and how we should develop better relations between workers and employers.

Privatization can be legitimate if it can be proven that the operation of an industry in the private sector is a more effective way of achieving goals than having it under government ownership. However, the only rationale we are given by various spokespersons for privatizing existing Crown corporations is that the Minister of Finance (Mr. Wilson) wants to make a money grab to pay the bills. We are selling off companies simply to acquire funds to help the Minister of Finance reduce his deficit or meet some other obligation which he thinks is important.

As a result, there is no rationale, *raison d'être*, blueprint, or form of useful framework to analyse why we are doing this. No one has yet explained to anyone's satisfaction why Teleglobe will be a superior instrument in the private sector to what it is in the public sector for the pursuit of Canadian objectives in the area of telecommunications.

• (1140)

I have read the Minister's speech and other commentary but one cannot find enough wit in the Conservative mentality to give even some explanation of how this measure will assist the growth of telecommunications in this country. While everyone recognizes the limitation of the Conservative mentality by now, one would have thought that there would be some appropriate rationalization behind this move. However, it is simply a money grab to fatten the consolidated revenue and it has nothing to do with telecommunications.

This is most evident when we look at the treatment of the current employees of Teleglobe. One of the primary responsibilities of any company, public or private, is to ensure that the employees are properly treated when there is a major dislocation. They have a responsibility to ensure that employees are not the victims of that change, or treated in a cursory or arbitrary way.

One would have thought that the federal Government would try to provide a model of how to deal with employees properly and effectively and would have made an effort to set a standard of responsibility and fairness to be applied to other companies, rather than simply attempting to chisel and niggle away a few extra dollars. The Government is miserly in trying to short-change its own employees while carrying out a policy that has no purpose. The Government is deliberately ignoring the necessary consideration it must have to form a proper relationship with its workers, and is even taking the further step of overturning previous standards that have been set in the allocation of pension benefits.

The purpose of the amendment moved by my colleague is to rectify a very clear mistake by the Government. It also attempts to point out that the Government, in pursuing its privatization plan, must be required to do so in a far more legitimate, effective and humane way.

We will not be able to correct the program at least for another 18 months or two years until we are back in power to do things properly, so we believe that it is at least important to point out how the Government can proceed without treating its employees in this shabby way.

I suggest that Conservative Members, especially those who represent public employees in their ridings, should demonstrate some sensitivity to this matter.

Mr. Turner (Ottawa—Carleton): We are always sensitive.

Mr. Axworthy: They should at least show some responsibility to their constituents. Perhaps they have become so inured to the kind of insensitivity that characterizes the Government—

Mr. Turner (Ottawa—Carleton): Baloney!

Mr. Axworthy: —that they have lost that capacity for sensitivity. I see certain Members in the House who represent Ottawa constituencies. They know, perhaps more than anyone, how this Teleglobe Bill is a transgression of public service rights. Therefore, one would think that they should be compelled by a sense of conscience and obligation to convince the Minister that there is no shame in admitting a mistake and accepting an amendment when it is legitimate and workable. So far, there has been no such indication on the part of those Members, and certainly no interest on the part of the Minister to respond to such representations.

We can only conclude that they do not care and are unwilling to use Parliament as a way of debating issues, exposing legislation to public scrutiny, and having the ability and wisdom to correct mistakes. It is the only Government I have seen that is somehow congenitally unable to make amendments to its own legislation. Perhaps it believes it has inherited a divine right, but that is not how this institution is supposed to work. That is not how it has worked in the past because there has always been a willingness to accept amendments and change legislation.

Mr. Lewis: I remember when Pierre did it all the time.

Mr. Axworthy: The Parliamentary Secretary to the Deputy Prime Minister and President of the Privy Council (Mr. Lewis) seems to be having an attack. He was a Member of the House when we brought in the Western Grain Transportation Act. Some 25 amendments were proposed and accepted at that time. I give that to him as an example which may prompt him to go back and read history. Those who do not learn from history will repeat its mistakes. Also, there are some good historical precedents in the House which the Minister of State for Privatization (Mrs. McDougall), as a reasonably new Member of the House, might be well advised to consider as well.

Before the report stage of this Bill is concluded, I hope the Minister will reconsider the very wholesome and positive amendment put forward by my colleague.

[*Translation*]

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, I welcome the opportunity to speak to a matter of this magnitude, and to the two consequences it will have, and I am referring first of all to the effects of privatization. Perhaps I may say right away that I have no objection to privatizing, or returning to the private sector, enterprises that were formerly Crown corporations, but I don't think privatization should be the end-all and be-all. When we are talking about businesses that were set up with taxpayers' money and which have become competitive, viable and prosperous concerns, I don't think we should necessarily hand them over to the private sector to let it make even more profits. Teleglobe was making a profit and this was benefiting the Canadian taxpayer.

The reason why my honourable colleague is moving an amendment is that there will be consequences for the future of employees who were with Teleglobe and who are now working for the new company, Memotec, and I am referring to their pension plan. It is common knowledge that, unfortunately, the Conservative Government is not particularly concerned about vested rights. We saw this in their approach to de-indexing Old Age Security pensions. We also saw this with unemployment insurance benefits where they again ruled against employee/employer pension plans, the private pension plans. In fact, what my hon. colleague is proposing is quite simple. It is that Bill C-38 be amended in Clause 35, by striking out lines 33 to 35 at page 19 and substituting the following:

> "35. This Act shall come into force on a day or days to be fixed by proclamation but not until an agreement incorporating an employee compensation program has been negotiated and accepted by the employer and the employees of the new corporation established pursuant to section 4 of this Act."

Why the Liberal Party is moving this motion? Because it is in line with Liberal philosophy to protect the rights of the individual. Institutions and corporations are fine, but the individual is more important still. The purpose of the Liberal Party's motion is, although we may not agree with the privatization of Teleglobe Canada, to ensure that as little damage as possible is done in the process. In other words, we have to prevent this from being privatization with no holds barred, without safeguards for the employees. I think we should consider that if people, both management and support staff, had known when they paid their contributions to the employer's pension plan for Teleglobe Canada, and when they started working for the corporation, that the corporation would be privatized and their pension fund would not be fully protected, they might have made arrangements for another retirement plan.

When Canadian Arsenals was privatized, there were negotiations involving the Government, the new buyer and the union representing the employees. They managed to agree on a formula that was satisfactory to all three parties, namely the Government, that was selling the company, the new company that was buying the corporation and the employee representatives. All three were satisfied with the safeguards, not just for jobs but also for the pension plan to which both employees and the Government had contributed. Now the question arises, and last week I had the pleasure of meeting with the representative of the employees' union: Why isn't the Government making the same offer it made to Canadian Arsenals employees? Why isn't the Government applying the same rules and the same procedures in this case? Why is it changing its mathematical assumptions? Why this double standard? Unfortunately, that has been typical of what the Conservative Government has been doing, the double standard. We see it in this case. They found a solution to a problem, but instead of simplifying procedures so that all other privatizations, although one may not agree with the principle, would include safeguards for pension plans. There would be the same rules, the same calculations and the same safeguards. But no, they had to come up with a different offer, and typically, we saw the same attitude with unemployment insurance benefits.

The Minister of Employment and Immigration decided to create two classes of elderly workers. The first group which is entitled to receive payments from the employee/employer pension plan is penalized because it cannot draw unemployment insurance benefits, while in the other group we see elderly workers, exactly the same age, who are drawing benefits from their own registered retirement savings plan and are entitled to full unemployment insurance benefits.

Mr. Speaker, the situation is similar in the case of Teleglobe Canada employees whom we are talking about now. The Government does not guarantee full protection, certainly not to the satisfaction of Teleglobe Canada employees, the union which represents them, and the Official Opposition. My colleague moved this amendment strictly to ensure fairness and justice, and because the Liberal Party is intent on protecting people. I can appreciate that the Conservative Party may be more enclined to say that it is now a question of dollars and cents. We sold Teleglobe Canada for so many dollars and this will boost our image once the money has been paid into the public coffers and we can make people believe that we have reduced the deficit. This is a minor consideration: what counts is the individual and human aspects.

If the Government were to say in the end—and the intent of the motion, the purpose of these interventions by Liberal Members is to tell the Government: You want to privatize Teleglobe Canada, go ahead, you have the majority, but we do not agree. If you want to claim that it is a sound financial deal, that is your privilege. But do say as well—and this is where we want to help you—that you have protected the rights of the people who work for this company. Although I am not quite convinced, you seem to have guaranteed and maintained job security as well as the same pay increases opportunities in the company, but all people now on the Teleglobe Canada payroll should be assured that they will continue to benefit from their vested rights in the good pension plan to which they have been contributing all along.

Mr. Speaker, you are indicating that I have only one minute left. I would conclude by expressing the hope that some Conservative Members from Greater Montreal as well as elsewhere in Quebec and other regions will support this motion and urge the Minister to show every consideration for the working people and put less emphasis on the purely economic aspects of the deal.

• (1150)

[*English*]

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, the amendment put forward by my colleague, the Hon. Member for Humber—Port au Port—St. Barbe (Mr. Tobin), is specific and clear. It states that the proposed Bill C-38, which deals with Teleglobe:

> —shall come into force on a day or days to be fixed by proclamation but—

And this is the important part:

> —not until an agreement incorporating an employee compensation program has been negotiated and accepted by the employer and the employees of the new corporation established pursuant to Section 4 of this Act.

Yesterday the Minister of State for Privatization (Mrs. McDougall) in her intervention made the point that until the Act is proclaimed, a new corporation cannot be established and the amendment preconditioned for proclaiming the Act cannot be satisfied. This is where we differ on both the question of procedure and the question of policy. We say to the Minister that this can be done. As put so well by my colleague, the Hon. Member for Montreal—Saint-Marie (Mr. Malépart), and earlier in the morning by the Hon. Member for Ottawa-Vanier (Mr. Gauthier), the interest of the employees must be protected. That was the main thrust of the speech made yesterday by the mover of the amendment, the Hon. Member for Humber—Port au Port—St. Barbe.

• (1200)

What we face today is a Government in its third year in office which is set in favour of privatization of Crown agencies. Yet in its third year it is incapable of coming forward with a set of principles or guidelines, a general policy, for the protection of its own employees when it privatizes. I ask you, Mr. Speaker, is that the way to run a Government? The Government has left these people hanging loose. Then, at a certain point, it has said, as the Minister said yesterday in her intervention, and I hope I am paraphrasing fairly, that we cannot cross every t and dot every i before the demands of each employee has been met. This is not just a matter of crossing t's and dotting i's. This is a matter that concerns the future of a number of employees. Therefore it should not be relegated to the category of small items. As the Hon. Member for Humber—Port au Port—St. Barbe reminded us yesterday, there are some 1,107 employees involved here. We are talking about a substantial number of Canadians who have worked for their country in this Crown corporation. Not only have they worked for the Crown corporation, they have made it into a success story.

We on this side of the House regret very much this Bill coming forward. We do not think the Government of Canada should sell this success story. If anything, it should keep Teleglobe and ensure that it becomes a model for other Crown corporations. The fact remains that what we on this side of the House are endeavouring to do, if we cannot stop its insane policy of privatization, something to which we object in the first place, is hope that it will come to its senses in the treatment of these employees. That is what the Hon. Member for Humber—Port au Port—St. Barbe is fighting for. I am more than happy to join him and my other colleagues in support of this social rescue operation.

The Hon. Member for Humber—Port au Port—St. Barbe indicated to the House that the Government has not come to a satisfactory conclusion in terms of Treasury Board and Memotec, which is what prompts this motion at third reading. Therefore a situation has been created which creates a vacuum in the minds of everyone concerned, hence our initiative.

Evidently, what is at stake here is the fact that the employees of Teleglobe could see anywhere between $7 million and $10 million less being transferred to the new owners of Teleglobe in order to cover, as the Hon. Member for Humber—Port au Port—St. Barbe put it so well yesterday, their acquired pension rights. How would Members of Parliament like to see something like this undertaken with respect to their pension rights? There would be an outcry from back-benchers to front-benchers and back again several times. There would be a tidal wave sweeping this place.

Mr. Keeper: That is what the Government will do next.

Mr. Caccia: Maybe it is setting a precedent, who knows? However, I do not think it will do that because it is too conscious of its own majority rights. But because of that it should not apply different standards to the employees of the Government of Canada and, in particular, as it does in this case to the employees of a Crown corporation that is being sold.

The Hon. Member for Ottawa—Vanier put it very well this morning. He said the Government, not as an acquired new theology but as a political commitment during the last campaign, committed itself to the desire of selling to the

private sector corporations that are owned by Canadians through the state, so in its third year in office it would not be unreasonable or outlandish to expect it to establish ground rules when it comes to privatization. In this way those who are affected would know from the beginning that the Government is protecting some basic rights, including pension rights.

It is in that sense that I join the Hon. Member for Humber—Port au Port—St. Barbe, the Hon. Member for Montréal—Sainte-Marie and the Hon. Member for Ottawa—Vanier in putting forward this amendment which, as I mentioned earlier, is a very sensible one. It is intended to provide protection to the employees in relation to their pensions. It is an amendment which we hope the Government with its majority and overwhelming power in the House will have enough sense to listen to and actually support when it comes to a vote in a few moments' time.

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, I took my time getting to my feet in the hope that one of my colleagues from the Conservative Party might enter the debate.

Mr. Lewis: We do that in caucus.

Mr. Keeper: My hon. friend says that they do it in caucus. We know that they discuss these types of questions behind closed doors. What we want to know is whether they are prepared to discuss the question in public. Is the Government prepared to answer questions that have been put to it by members of the Opposition in broad daylight so that everyone can know where it stands?

The Government has decided, and I think foolishly, without due regard for the interests of Canadians, to privatize Teleglobe. Such a move will take our telecommunications industry from the public sector and place it in private hands. This move will make us the only country in the world that will rely upon a private profit-making company to handle its international communications.

There are serious questions of public policy involved here, including questions with respect to national security. There are also questions concerning economic development, as well as the national economic interests of Canada. It is important for us to deal with the amendment which is before the House in the context of our serious questions concerning the direction in which the Government is going.

Since it has decided to turn over Teleglobe to the private sector, what implications are there in this legislation for the people who work for Teleglobe Canada, in addition to the interests which I have already mentioned in terms of the public? What we are being told is that the people who work for Teleglobe Canada are very worried and concerned. What they are concerned about is their pensions. Over the years that they have worked for Teleglobe they have negotiated pension arrangements. After working a lifetime they should be able to enjoy a secure retirement. This is an ideal, a goal, and a dream of all Canadians. Of course it is the reason that my Party has fought over the years for pensions for average Canadians, so that they can be secure in their old age.

• (1210)

The pension before us is not a public one. It is a private pension which has been negotiated between the parties—the employees and the employer. It is important that the security of the employees be protected. They have earned their pensions. Year after year they sat down at the bargaining table to negotiate. The pensions have been costed out, and they have been a part of the deal between the employees and the employer. These people are not asking for something for nothing; they are asking for that which they have already earned. They are also asking that it be protected.

However, the Government plays its political games to satisfy its own ideological drives. It seeks to fly the flag of privatization and to convince Canadians that it is good for all Canadians. While it is playing these political games, the people who work for Teleglobe Canada want to be assured that they will be treated fairly. They want assurance that their pensions, for which they have worked so hard and negotiated each year, will be protected and secure so that in their old age they can enjoy the fruits of their labour.

We have been called upon by the employees of Teleglobe Canada to indicate to the Government that they are very worried about present pension arrangements. They are concerned that there is no satisfactory agreement to protect their pensions. In fact, the pension arrangements are such that if demand or the forces of the market-place change, the company has a right to change the pensions. If we know anything about markets, it is that they are shifting. They are like the sands of the Sahara; they shift with the winds. A guarantee which depends upon no change in the market-place is not a guarantee at all. In fact, it is a contradiction in terms.

These people are genuinely and legitimately concerned that their pensions are being put in jeopardy by the privatization of Teleglobe Canada and that their interests are being sacrificed on the altar of privatization, because the Government wants to pursue a policy for which it has no mandate but which simply satisfies its particular ideological inclinations.

There are some pension precedents which are worth while noting. When Canadian Arsenals was sold by the Government to a private company, or put into the private sector, pensions were provided on a generous basis for the employees. It is possible to provide adequate protection of the pensions of employees who are presently public employees and will soon be private ones. According to Treasury Board figures, the difference between what is being arranged for Teleglobe employees and what is in place for Canadian Arsenals employees amounts to $7 million.

What does that mean? It means that each employee at Canadian Arsenals has $10,000 more in the kitty to secure or bolster his or her pension than those at Teleglobe Canada. There is a measurable and quantitative difference between the

pension arrangements of employees at Canadian Arsenals and those at Teleglobe Canada.

Let us challenge the Government to provide at least equal arrangements for the employees of Teleglobe Canada, as it has already provided for employees at Canadian Arsenals.

Let us deal with why people at Teleglobe Canada are feeling insecure about their pensions. Of course, the first reason is that the company has the right to change the pensions if demand or the economy changes. If we know anything today, it is that the economy is changing, does change, and will change.

Also the monopoly enjoyed by Teleglobe Canada is being phased out. It will be more subject to the whims of economic circumstances, which will undercut the security of pension arrangements. Provincial telephone companies are talking about bypassing Teleglobe Canada and using American systems. That will weaken the economic base upon which the pensions of employees at Teleglobe Canada rest. Some of the employees are afraid that Teleglobe Canada can be subjected to takeover. If the company were taken over, and given the fact that the pension agreement includes a clause allowing the company to change it, a new management may exercise that right and thereby undercut the pensions which they negotiated over the years.

[*Translation*]

Mr. Speaker, I stress the fact that the pensions which Teleglobe Canada employees seek to protect represent fringe benefits they earned through collective bargaining. They are not looking for gifts, they simply want to protect their rights, to protect the fruit of their labour over the years.

I strongly urge the Government to negotiate a commitment with the employees to safeguard their pension benefits so they will be able to look forward to secure retirement years.

Mr. Speaker, I see that I have only one minute left. I simply want to say that we question the Government policy to privatize Teleglobe Canada because sound public policies do militate in favour of keeping Teleglobe Canada within the public sector. However the Government has decided to privatize Teleglobe Canada. Even so, it has to protect the interests of the current Teleglobe Canada staff, just as it must be fair with them and make sure that the pension rights they have already acquired will not be frittered away.

Mr. Speaker, I think it is only fair that the Government take both time and care to negotiate an equitable arrangement to protect the pensions of these employees.

[*English*]

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, we on this side of the House are not favourable to the sale or privatization of Teleglobe Canada. It is not because we are against privatization. It is because we are against privatization at any cost.

However, the Government has decided in its poor wisdom to sell Teleglobe. That being done, we are very pleased that Memotec is the purchaser and that Memotec saw fit to offer the employees a pension plan which would be identical to their present one. There is a small problem with that, Mr. Speaker. One has to look at the fundamental flaw in the way the Government dealt with Memotec and the employees in this instance. The Government has again found a way to save itself money, but at whose cost? If it were at the cost of Members of Parliament we would be screaming blue murder, but the saving is at the cost of the 1,100 workers or more who work for Teleglobe and who will now be working under the Memotec leadership. They are not complaining about that. They are happy and are looking forward to the creative and dynamic leadership with the synergy that will come about as a result of this decision.

• (1220)

One has to look at Canadian Arsenals Limited and what happened to it. We should look as well at the chief actuary's report and at the financing. What about the workers who are transferred as a result of the sale and privatization of this company? We should see if we have been fair and equitable to the workers of Teleglobe. In my exchange with Mr. Kingsley from the Department I said:

[*Translation*]

Mr. Kingsley, first, do you agree that an assumption has been changed through pension evaluation, that you changed your calculations, and if the interest rate for the first five years is changed, do you not agree that the amount transferred is no longer the same? In other terms, you were trying to save Government money when you said those transfers involved $7 or $8 million. However, the actuary hired by Teleglobe Canada employees indicated that those transfers were rather in the order of $10 million. This means you are trying to save Government money by changing the plan's financing terms and the end result is that your evaluation upsets the symmetry of actuarial assumptions, which explains the transfer difference between the evaluations made by the Government actuary and by the employee actuary. This means the pension fund would have a deficit, and that deficit would not be made up immediately. As you know, the deficit should be made up over 15 years.

[*English*]

The question is, will the company be able to make it up? Is the Government being fair to Memotec, which in all good faith and good will is prepared to present, give, support and supply those workers with fair and equitable treatment? With an enriched pension plan it will meet its commitment. The Government will thereby save itself money, underfunding Memotec's initial investments. I think this is all unfair, unconscionable and unacceptable. With that thought in mind, my colleague moved:

> That Bill C-38 be amended in Clause 35 by striking out lines 33 to 35 at page 19 and substituting the following therefor:
>
> 35. This Act shall come into force on a day or days to be fixed by proclamation but not until an agreement incorporating an employee

compensation program has been negotiated and accepted by the employer and the employees of the new corporation established pursuant to section 4 of this Act.

[*Translation*]

Now, as you know, Mr. Speaker, since the outset when I was really involved in that matter, before there was a shuffling of our responsibilities, on a number of occasions I met representatives of Teleglobe employees. I also spoke with the Minister involved. I have always indicated that in the contents of the sale, in the memo of intent that is in the legislation, there were serious flaws. One concerned the monopoly and another the pension fund, especially with regard to long-time employees. And it is not acceptable that the line of thought, the philosophy of the Conservative party should be reflected here, because Conservatives want to sell and privatize all Crown Corporations without any reason whatsoever and without consideration for Government employees. It is those employees who have made that corporation profitable, so profitable in fact for the Canadian society that they have contributed for Canada as a whole significant amounts of money to our country's general revenues.

Each year, it was possible to count on significant amounts of money which could be used to reduce our deficit. Which means, Mr. Speaker, that even if this government feels that privatization is a good thing, they do not realize what they are doing.

[*English*]

This is not fair play for the worker nor for the company which bought it. The Government would be well advised to review what it had to say.

There are no provisions for ensuring in law an employee compensation package with respect to acquired pension benefits. The Government is attempting to rush this Bill through the legislative committee process and through the House of Commons, despite the fact that negotiations concerning pension benefits between Teleglobe employees, Treasury Board and Memotec are incomplete.

That is why I believe this House must support the amendment which I just brought to your attention, Mr. Speaker. What is the big rush? Is it because the Minister of Finance (Mr. Wilson) wants about $500 million to keep his word to the Canadian public? Is that what is motivating this big rush? Is that what allowed the legislative committee to decide it would rush this whole thing through in one day? It took a conscientious and concerned Member of the Liberal Party to say "Wow. Hold back. We are not rushing this thing through. These are workers who built this marvellous company for Canada. This is our only international voice in the telecommunications world. We are proud that we have been able to work compatibly with communications companies around the world and across our land". But the committee and the Minister decided to rush the whole thing through without giving careful consideration to all the players in the game. This is an indication of the ridiculous language, the hyperbole, which the Government has been so busy using by saying, "Yes, we are great at consultation. We believe we should talk things through. We listen". But in reality the Government goes its merry way and listens with blocked ears. The Government is like the three monkeys: see not, hear not and say nothing.

I would like to recommend strongly that the Minister go back to the drawing board. I would recommend that the Minister, with the good will and intent demonstrated by Memotec, with the concerned interest and good will of all the employees—and by the way, Mr. Speaker—

[*Translation*]

I suggest we should commend these working men and women and tell them: Come on, you have done your duty, you have decided to become the mouthpieces of all working men and women, while trying to save your skins because the Government has forgotten to balance things out for all current Teleglobe workers. That is the reason why I congratulate the Member for Humber—Port au Port—St. Barbe (Mr. Tobin).

[*English*]

—for the excellent work he was able to do together with the employees, in the interest of Memotec and of all Canadians to ensure that when you are about to change the rules of the game you let everybody know. If the chief actuary's figures we were prepared to use for Canadian Arsenals are no longer relevant, that should have been public knowledge. If the Government is going to change the money to be vested into the private plan, that should have been public knowledge. Everyone should have been playing fair ball in this game.

• (1230)

This is obviously a Government that is not so good at keeping its promises. It is great at using words and the fanciest of its rhetoric is enough to turn my stomach at times.

Will the company be able to make up this kind of money? Will it be secured? If it needs continued viability, how can we ensure that it gets it? The request of the employees was that the Government use the same assumptions that were used for Canadian Arsenals.

[*Translation*]

The employees had asked you to use, when computing the amounts of these transfers, the same actuarial assumptions as those which had been used for Canadian Arsenal employees, but you decided against it. They want the same treatment, which was refused to them, but I think it is their right. Back to square one, I am sorry. Fairness is of primary importance, and this matter must be settled before we start considering this bill.

[*English*]

Mr. Tobin: Mr. Speaker, I rise on a point of order. It would be most inappropriate to let this moment pass without commenting on the eloquent and excellent speech that has just been given by the Hon. Member for Mount Royal (Mrs. Finestone). It has simply taken us away on wings of destiny, seeking justice and truth—

Mr. Deputy Speaker: I thank the Hon. Member for his comments.

Mr. Ray Skelly (Comox—Powell River): Mr. Speaker, it never fails to surprise me that an Hon. Member would rise to emphasize—

Mr. Gauthier: Quality.

Mr. Skelly: He says quality. Things that are of quality are generally self-evident and, as good as he is, we do not need the Hon. Member to call it to the attention of the House.

Mr. Gauthier: We'll get up after your speech too.

Mr. Skelly: Of course, the Hon. Member's willingness to rise after my speech to point out its jewels could be forgone as well.

The amendment before the House is one that makes good common sense and should be supported by every Member of the House. It calls on the company to recognize established pension benefits that have been earned to date by its employees in a satisfactory pension program. Certainly that makes common sense and is worth support in every quarter of the House.

In a letter to the Minister, the Canadian Overseas Telecommunications Union drew the Minister's attention to the fact that during recent telecommunications privatization processes in the United Kingdom, France and Malaysia, employee concerns were satisfactorily resolved before any bids were entertained and the union sees no reason why this just and equitable method cannot be the norm in this country. I believe we really should put in place in this legislation a guarantee that would protect the employees. Although this did not occur in advance of the bids, there is certainly still time to do the honourable thing and to ensure that pension protection provisions are developed in a negotiated way by the employees and the company. We can ensure that this happens by prohibiting completion of the transaction in advance of those negotiations.

The question of the privatization of Teleglobe is an interesting one. It is my understanding that Teleglobe, operating as a Crown corporation, handled international telecommunications. It was almost a public utility which guaranteed that Canadians controlled their communications linkages. In the present Government's rather undignified haste to fulfil its right-wing philosophical point of view, it would appear to be casting off an extremely important Crown corporation. It is placing into private hands a virtual public utility. The main customers of this organization will now have an option to use Teleglobe's Canadian operations or simply to bypass them. It would appear that down the road, those companies in Canada that depend upon that communications linkage can use the United States or other places in order to bypass that linkage. It does not seem to be very desirable to remove this control Canadians have over their communications linkages.

In the mood of privatization, we are anticipating down the road the Petro-Canada and the Air Canada manoeuvres. I understand that an announcement will be made on April 10. I wonder if the Minister might enlighten us as to some of her plans so that initial discussions with Canadians about these two very important Crown corporations can take place.

The precursors of this Government's actions have already occurred in British Columbia. No common sense was used in the disposing of government assets; there was simply a philosophy that the Government cannot own assets in the private good, and the B.C. Government wanted to dump as many as it could. It certainly did. The BCRIC experience harmed employees, caused unemployment and caused economic dislocation. All those people Bill Bennett was going to treat to a lesson on how the free enterprise system worked bought shares at $6 and then experienced a disaster. Now Bill Bennett's successor will take privatization a step further. He is attempting to privatize the B.C. ferry system and is talking about selling it off piecemeal.

Mr. Andre: Gorbachev and all kinds of people are doing it.

Mr. Skelly: The Minister of Consumer and Corporate Affairs (Mr. Andre), in his usual helpful manner, has diverted the entire discussion into outer space where he generally spends most of his time. In any event, the British Columbia precursors to this Government's endeavours have been complete disasters. I would predict, as have many others in the House, that the same kind of disasters will be experienced by the federal Government on a national basis.

There has been talk of privatizing Petro-Canada. There was a massive inquiry into the petroleum industry done by the competition branch. The upshot of that was that Canadians should have a window into the industry, an effective control over the development and direction of that industry. It would appear that the Government opposes that. The Government would just as soon turn control back to the seven major oil companies, the seven sisters.

Mrs. Sparrow: Back to industry.

Mr. Skelly: Back to industry, the industry that controlled this country and shafted it beyond anything that could ever be considered reasonable. We see where the Government is in the polls. Somehow there is a lapse in the Government's logic. It does not seem to see that its philosophy and actions have created in the minds of Canadians a reputation so low that we must ask if the Government still has the right to govern this country. When the Government is at 20 per cent and change in the polls, can it make decisions that have such fundamental negative impacts on Canada? The privatization activities, the failure to consider employee pension plans and the failure to consider long-term economic impacts on Canada have led the Government into a position in the polls which indicates that it no longer enjoys the confidence of the majority of Canadians. The Conservatives are the fourth Party in Canada. From having had a massive public endorsement and from having

been in first place they have dropped to fourth place. The two opposition Parties are well ahead of them in the polls, then come the undecided, and then comes the Conservative Party at somewhere around 20 per cent. With that level of public confidence, they are going to make massive fundamental changes in the structure of the economy and privatize Air Canada and Petro-Canada. That should not be allowed to happen. That is not a democratic procedure. Because those people lack logic in their operations we really should have an election. I hope logic will return to the individuals on the other side. I hope they will join with the Opposition in supporting this very worth-while amendment to the legislation before us. Possibly the Hon. Member for Simcoe North (Mr. Lewis) will rise in his place and overrule the Minister. That would show that the people on that side of the House have regained their reason, logic will prevail, and this amendment will pass.

• (1240)

Some Hon. Members: Question.

Mr. Deputy Speaker: Point of order, the Hon. Member for Mount Royal (Mrs. Finestone).

[*Translation*]

Mrs. Finestone: Mr. Speaker, I want to congratulate my colleague for his obvious common sense. Frankly, he carried out a valuable political analysis and I thank him—

[*English*]

Mr. Deputy Speaker: I know all Members make good speeches.

Is the House ready for the question?

Some Hon. Members: Question.

Mr. Deputy Speaker: The question is the following one. Mr. Tobin, seconded by Mr. Murphy, moved:

That Bill C-38 be amended in Clause 35 by striking out lines 33 to 35 at page 19 and substituting the following therefor:

"35. This Act shall come into force on a day or days to be fixed by proclamation but not until an agreement incorporating an employee compensation program has been negotiated and accepted by the employer and the employees of the new corporation established pursuant to section 4 of this Act."

Mr. Deputy Speaker: Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five Members having risen:

Mr. Deputy Speaker: Call in the Members.

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

• (1250)

(*Division No. 83*)

YEAS

Members

Baker
Benjamin
Blackburn (Brant)
Blaikie
Broadbent
Caccia
de Corneille
Dingwall
Epp (Thunder Bay—Nipigon)
Finestone
Gauthier
Gray (Windsor West)
Grondin
Guilbault (Saint-Jacques)
Heap
Hopkins
Kaplan
Langdon
Malépart
Marchi
McCurdy
McDonald (Broadview—Greenwood)
Mitchell
Ouellet
Prud'homme
Robinson
Rodriguez
Rossi
Skelly
Tobin
Young —31

NAYS

Members

Andre
Attewell
Bernier
Bertrand
Blais
Boyer
Brisco
Cardiff
Cochrane
Comeau
Cooper
Corbett
Cossitt
Crofton
Crosby (Halifax West)
Crouse
Darling
Domm
Duguay
Duplessis
Fennell
Ferland
Fontaine
Fraleigh
Fretz
Gagnon
Gérin
Gervais
Girard
Gormley
Gottselig
Gray (Bonaventure—Îles-de-la-Madeleine)
Guilbault (Drummond)
Gustafson
Hamilton
Harvey
Hockin
Holtmann
Hudon
Jardine
Jepson
Johnson (Bonavista—Trinity—Conception)
Kilgour
King
Lanthier
Lawrence
Layton
Lewis
MacKay
Mailly
Martin
Mayer
Mazankowski
McCuish
McDermid
McDougall (St. Paul's)
McKenzie
McKinnon
Merrithew
Mitges
Moore
Nicholson (Niagara Falls)
Nickerson
Nowlan
Oberle
Oostrom
Peterson
Plourde
Porter
Ravis
Reimer
St. Germain
St-Julien
Schellenberg (Nanaimo—Alberni)
Scott (Hamilton—Wentworth)
Scowen
Sparrow
Stackhouse
Suluk
Tardif (Charlesbourg)
Taylor
Thacker
Towers
Tupper
Turner (Ottawa—Carleton)
Valcourt
Vankoughnet
Vézina
Vincent
Wenman
Wilson (Swift Current—Maple Creek)
Wilson (Etobicoke Centre)
Winegard
Wise
Witer—95

Teleglobe Canada

• (1320)

Mr. Deputy Speaker: I declare the motion lost.

Mrs. McDougall moved that the Bill be concurred in.

Mr. Deputy Speaker: Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

Mr. Deputy Speaker: All those opposed to the motion please say nay.

Some Hon. Members: Nay.

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

And more than five Members having risen:

[*Translation*]

Mr. Gauthier: On a point of order, Mr. Speaker. If you were to enquire I think you would find there is unanimous agreement to apply the result of the previous division to this one, just so we might recess faster.

[*English*]

Mr. Deputy Speaker: The House has heard the proposal of the Hon. Member for Ottawa—Vanier (Mr. Gauthier). Is it agreed?

Some Hon. Members: Agreed.

Mr. Deputy Speaker: I would like to ask the Hon. Member for Ottawa—Vanier to whom he was referring in his point of order.

Mr. Gauthier: The Hon. Member for Notre-Dame-de-Grâce—Lachine East (Mr. Allmand).

Mr. Schellenberger: Mr. Speaker, I rise on a point of order. I was not here for the last vote but I would like to be counted in this one on the government side.

Mr. Lewis: Mr. Speaker, I did not hear my colleague say it, although I am sure he meant to say it, that this vote be applied in the reverse to the previous vote.

Mr. Gauthier: That is for you to say, not me.

The House divided on the motion (Mrs. McDougall), which was agreed to on the following division:

(Division No. 84)

YEAS

Members

Andre
Attewell
Bernier
Bertrand
Blais
Boyer
Brisco
Cardiff
Cochrane
Comeau
Cooper
Corbett
Cossitt
Crofton
Crosby
(Halifax West)
Crouse
Darling
Domm
Duguay
Duplessis
Fennell
Ferland
Fontaine
Fraleigh
Fretz
Gagnon
Gérin
Gervais
Girard
Gormley
Gottselig
Gray
(Bonaventure—Îles-de-la-Madeleine)
Guilbault
(Drummond)
Gustafson
Hamilton
Harvey
Hockin
Holtmann
Hudon
Jardine
Jepson
Johnson
(Bonavista—Trinity—Conception)
Kilgour
King
Lanthier
Lawrence
Layton
Lewis
MacKay
Mailly
Martin
Mayer
Mazankowski
McCuish
McDermid
McDougall
(St. Paul's)
McKenzie
McKinnon
Merrithew
Mitges
Moore
Nicholson
(Niagara Falls)
Nickerson
Nowlan
Oberle
Oostrom
Peterson
Plourde
Porter
Ravis
Reimer
St. Germain
St-Julien
Schellenberg
(Nanaimo—Alberni)
Schellenberger
(Wetaskiwin)
Scott
(Hamilton—Wentworth)
Scowen
Sparrow
Stackhouse
Suluk
Tardif
(Charlesbourg)
Taylor
Thacker
Towers
Tupper
Turner
(Ottawa—Carleton)
Valcourt
Vankoughnet
Vézina
Vincent
Wenman
Wilson
(Swift Current—Maple Creek)
Wilson
(Etobicoke Centre)
Winegard
Wise
Witer—96

NAYS

Members

Allmand
Baker
Benjamin
Blackburn
(Brant)
Blaikie
Broadbent
Caccia
de Corneille
Dingwall
Epp
(Thunder Bay—Nipigon)
Finestone
Gauthier
Gray
(Windsor West)
Grondin
Guilbault
(Saint-Jacques)
Heap
Hopkins
Kaplan
Langdon
Malépart
Marchi
McCurdy
McDonald
(Broadview—Greenwood)
Mitchell
Ouellet
Prud'homme
Robinson
Rodriguez
Rossi
Skelly
Tobin
Young —32

Mr. Deputy Speaker: I declare the motion carried.

It being 1.25 p.m., I do now leave the Chair until 2 p.m. this day.

At 1.25 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S. O. 21

[*Translation*]

ABORIGINAL PEOPLES

ABSENCE OF QUEBEC PREMIER FROM FEDERAL-PROVINCIAL CONFERENCE

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, the federal-provincial conference on aboriginal peoples opened today. I should think that everyone is aware that the Premier of Quebec has no intention of attending the conference. Mr. Speaker, it is important to remind Canadians that the Premier of Quebec has chosen to stay away from the conference because the federal Government and the Prime Minister of Canada have failed to understand that settling the claims of the provincial Government would make it a lot easier for Quebec to sign the Constitution.

It must be remembered that the federal Government has not shown open-mindedness with respect to Quebec's claim concerning the power to select its immigrants and financial compensation under established programs.

Mr. Speaker, all Members of this House ought to know that, should the conference fail and the Prime Minister attempt to shift the blame to the Quebec Government, the person responsible for the absence of the Quebec Premier at the conference is the Prime Minister of Canada.

* * *

BEAUCE REGION

QUALITY OF SCHOOLS

Mr. Gilles Bernier (Beauce): Mr. Speaker, recently, Radio-Canada broadcast a series of programs on the public school system in Quebec. I want to register my indignation and that of the members of the Chaudière regional school commission at the lack of objectivity reflected in these programs. Mr. Speaker, I think it is unconscionable that the network should select certain facts and events to give an unnecessarily negative picture of the *polyvalentes*, the high schools across Quebec, and especially in Beauce. We have some excellent high schools, and we are not alone. Radio-Canada has no business casting doubts on the quality of the curriculum and the services offered, and on the behaviour of our students.

In Beauce, we are proud of the standards of all our high schools and of the quality of both administrators and students. Our teachers, who are a conscientious and dedicated group, deserve our support, Mr. Speaker, and I think that applies to many teachers in Quebec. We have suffered as a result of the bad publicity generated by these broadcasts which seemed to generalize on the basis of just one situation. Our teachers and students in Quebec and in Beauce deserve our continuing support and encouragement.

* * *

[*English*]

IMMIGRATION

FAMILY REUNIFICATION—GOVERNMENT PROMISES

Mr. Dan Heap (Spadina): Mr. Speaker, the Government has ignored two promises it made last year for family reunification of immigrants. First, it promised to put information packets in all immigration offices. A sponsor could pick up a packet at an office in Canada with an application form and explanation of immigration rules to send to the relative overseas, or the relative overseas could pick up a packet at the visa office there. This would have saved staff time and speeded up service, yet the Government did not do it. Why?

Second, the Government promised to reduce overseas processing time after the file is complete to six weeks for spouse or minor child, and to 12 weeks for other family members. Still there is no sign of progress. Why?

These are promises made by the Minister of State for Immigration (Mr. Weiner) last October after the Standing Committee on Labour, Employment and Immigration studied and consulted with immigration officials and tabled these recommendations in June.

By ignoring these promises to immigrants and Parliament, the Minister increases the frustration of immigrants, which the Government then tries to blame on refugees.

* * *

TRADE

TAX ON LUMBER EXPORTS—EFFECT OF EXCHANGE VALUE OF DOLLAR

Mr. Aurèle Gervais (Timmins—Chapleau): Mr. Speaker, I rise on a matter of urgency to the residents of my riding engaged in the softwood lumber industry. The Ontario Lumber Manufacturers' Association in a brief to the legislative committee on Bill C-37 of the House of Commons raised two problems which I feel the Government should address immediately.

One is the rising value of the Canadian dollar which, since the agreement was signed, has turned the 15 per cent export tax into an approximate 20 per cent tax. I would suggest that the value of the Canadian dollar be fixed for the purpose of this tax as of December 30, 1986, the day the Canada-U.S. agreement was signed, and that the 15 per cent tax be tied to the value of the Canadian dollar on a sliding scale.

• (1405)

The other problem is the difference in stumpage fees in the various wood-producing provinces. I suggest the Government continue talks in earnest with the provinces to set a common stumpage fee so that all the companies from all provinces are playing on a level playing field.

* * *

ABORIGINAL RIGHTS

FIRST MINISTERS' CONFERENCE

Mr. Roland de Corneille (Eglinton—Lawrence): Mr. Speaker, the aboriginal rights conference taking place today and tomorrow is an important period in Canadian history. Our aboriginal peoples are seeking their basic right, the unrestricted right of self-government. On Friday in this House, in the form of an amendment, the Right Hon. Leader of the Opposition (Mr. Turner) stated the Liberal position by asking the Government to fulfil its constitutional obligations to protect and guarantee the aboriginal and treaty rights of the aboriginal people of Canada, the inherent right to self-government, and that it be recognized in the Constitution.

Erica-Irene Daes, a human rights official from the United Nations, said earlier this week:

> That the United Nations and the international community is watching very closely... I will underline that the Canadian Government has ratified the international agreements on human rights and is legally bound to honour them.

The aboriginal people have been in Canada before the white man ever appeared but they are forced to fight for their basic human right to handle their own affairs. The Canadian people have given their support to the aboriginal people, and I now urge the Government to stop its ambivalent approach and take a stand to provide our fellow Canadians the right to determine their way of life, to make decisions, manage, control and direct their own affairs.

* * *

[*Translation*]

LIBERAL PARTY

INVITATION TO MAYORS AND ELECTED MUNICIPAL REPRESENTATIVES IN FEDERAL RIDING OF SAINT-JEAN

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, I have here a copy of a letter dated February 23, 1987 and sent to various mayors and elected municipal officers in the federal riding of Saint-Jean. The letter is from the Liberal Party of Canada.

The letter is quite clear. It orders the elected officers of the riding of Saint-Jean to attend a benefit where the guests of honour will be none other than the Hon. Member for Laval-des-Rapides (Mr. Garneau) and Senator Rizzuto. The letter says, and I quote:

> The presence of elected municipal officers at political events organized by the Liberal Party of Canada has been exceptionally discreet since the general election in September 1984.
>
> Bearing this in mind, your presence—

Mr. Speaker, this is a letter to our mayors.

> —or absence will most certainly be noticed at our May 1 benefit supper.

Are the Liberal Party's finances in such a sorry state that the party feels it has to resort to blackmail to get people to attend its benefit events?

To prevent similar occurrences, I now ask the Hon. Member for Laval-des-Rapides to make amends for this attack on the freedom of speech of elected municipal officers.

* * *

[*English*]

ABORIGINAL RIGHTS

FIRST MINISTERS' CONFERENCE

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, for non-native Canadians the time has come for us to decide whether we see ourselves as conquerors or as co-inhabitants with the aboriginal peoples of this land. It is clear that at the time of the signing of treaties the idea of cohabitation was the legal framework for the relationship between native and non-native people. But the cultural and political context was far too often, and still is, one of non-native Canadians seeing themselves as essentially a superior culture that would eventually overrun and eliminate aboriginal peoples as distinct peoples, and the way our various Governments have acted has reflected this belief.

In recent years through seeing the shortcomings of our own way of life, and through new insight into native culture and spirituality, we have come to regret past attitudes. But regret is not enough. The fact is that continuing inaction in recognizing aboriginal rights and the inherent constitutional right to self-government makes us no different from those of our ancestors who used force to subdue the legitimate rights of native peoples. We have the luxury of being able to do this by simply letting things go on without resolution as the status quo is on our side. The law is our law. But morally we will be no better than those who used force in the first place. Unless, unless today the First Ministers decide to break with a shameful past, recognize the inherent right of aboriginal peoples to self-government, and commit themselves to meaningful negotiations on how this long-overdue justice can take shape in a new and an exciting Canada where conquerors are no more.

ENERGY

CANADA EXPLORATION AND DEVELOPMENT INCENTIVE PROGRAM

Mr. Bob Porter (Medicine Hat): Mr. Speaker, yesterday in Edmonton the Minister of Energy, Mines and Resources (Mr. Masse) announced the Canadian Exploration and Development Program. While all energy companies will benefit, it is the hundreds of companies in the service sector and the smaller oil and gas producers that will benefit most from this program. An important feature is the provision to allow oil and gas companies to offer flow-through shares which will attract capital and offer Canadians an opportunity to invest in exploration and development in this country.

• (1410)

The drilling of 2,000 wells will result in 4,500 direct jobs and over 12,000 jobs in the service and supply sectors. While the immediate benefits are obvious, it is vital that the expertise in manpower and technology that Canada's energy sector has developed over the past four decades be maintained. This announcement should not be considered a short-term solution but an investment in the future security of energy resources for the benefit of all Canadians.

* * *

AGRICULTURE

POTATO INSPECTION FEES

Mr. George Henderson (Egmont): Mr. Speaker, earlier this month the Prince Edward Island Legislature unanimously passed a resolution condemning the federal Government's new inspection fees on potato exports. Agriculture Canada intends to operate its inspection programs on a full cost-recovery basis. Under this plan, potato inspection fees will rise from 3 cents per hundredweight this year to 15 cents per hundredweight by 1990.

Prince Edward Island potato growers export 90 per cent of their crop and one of their major markets is Ontario. With these extra costs, the exports will not be able to compete with Ontario-grown potatoes which are not subject to those fees. This is actually a tariff that Prince Edward Island potato producers must pay in order to market their products. In effect, the fees will act as a barrier to interprovincial trade.

Why does the Government continue to treat potato producers with utter contempt? I call upon the Minister of Agriculture (Mr. Wise) to cancel these unfair fees now.

S. O. 21

HOUSING

PUBLIC LOAN INSURANCE IMPROVEMENTS

Mr. Bill Attewell (Don Valley East): Mr. Speaker, I spoke in the House last week to point out that the Bank of Canada rate of 7.14 per cent was the lowest it has been in 14 years. This trend creates record low mortgage rates enabling young couples to buy homes.

Two days ago the Minister responsible for Canada Mortgage and Housing Corporation announced significant changes in public loan insurance which will also encourage tenants to buy homes. Starting May 1, 1987, the federal Government will increase its guarantees to mortgage lenders accepting lower down payments. For example, the minimum down payment for a $150,000 home will decrease from $22,000 to $7,500.

For the first time, insurance will be provided for second mortgages to buy a home or to fund renovations. As well, borrowers will now be able to transfer RRSP holdings into their own second mortgages. The Canadian Real Estate Association is meeting in Ottawa today and its President, Robert Pedler, agrees that these positive changes demonstrate a recognition of and sensitivity to the changes taking place in the market-place.

* * *

PROVINCIAL AFFAIRS

PROCEEDINGS IN MANITOBA LEGISLATURE

Mr. Rod Murphy (Churchill): Mr. Speaker, Manitoba Conservative MLAs have again proven themselves to be totally insensitive to native issues. Although they have had time to debate the Manitoba Budget since its introduction, the Conservative Leader late last night chose to stage a petty grandstanding bell-ringing session. Because of this deliberate delay, Premier Pawley and the relevant Ministers could not make it to the First Ministers' Conference last night. They were unable to be here to speak on a very important issue because of petty politics in Manitoba.

It is very important that on this extremely important issue, politicians of all stripes work together. Manitoba Tories have proven time after time that they will never let a greater dream interfere with lesser politics.

* * *

PROVINCIAL AFFAIRS

CRITICISM OF MANITOBA BUDGET'S PROVISIONS

Mr. Léo Duguay (St. Boniface): Mr. Speaker, the Government of Manitoba has complained bitterly about, to use the Premier's words, the federal Government's mechanical pursuit of deficit reduction no matter what is gobbled up in the

process, whether it be family allowances for children, education for young adults, or health care for all. The Premier also makes an issue of fairness and standing up for Manitoba. That is why I am rising today to stand up for Manitoba.

The Manitoba Government's deeds betray its words. Last week's provincial Budget raised an already insidious payroll tax to 2.25 per cent. We know that this tax discourages job creation and chases away business. Worse, it taxes hospitals and independent schools.

This tax on the sick will cost St. Boniface Hospital some $1.6 million and it will cost the Health Sciences Centre some $3 million in this year alone. All of us in the House will understand what the NDP means when it talks about fairness: say one thing but do the opposite.

* * *

[*Translation*]

IMMIGRATION

ILLEGAL DEMANDS MADE OF CERTAIN PORTUGUESE REFUGEES—REQUEST FOR GOVERNMENT ACTION

Mr. Sergio Marchi (York West): Mr. Speaker, recent allegations concerning the network of phoney immigration consultants attest to the inaction of the Conservative Government.

Last year I urged the Minister of Employment and Immigration (Mr. Bouchard) to control such scandalous activities. The guilty individuals implicated in these operations related to false applications from Portuguese refugees are well known, but the Government has failed to take action. The Government missed an opportunity to send a strong signal indicating that those operations will not be tolerated. It would rather blame the immigrants who have been misled, and it chose to impose visas on friendly countries instead of going to the source of false statements.

Mr. Speaker, time has come to put an end to these illegal activities, and all Canadians expect immediate action.

* * *

• (1415)

[*English*]

CANADA PENSION PLAN

LONDON LIFE INSURANCE COMPANY'S ACTION TO REDUCE DISABILITY PAYMENTS

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, I draw to the attention of this House a great injustice perpetrated against my constituent Rosemary Barber, and other disabled persons, by the London Life Insurance Company and George Weston Ltd. Rosemary Barber has incurable bone cancer and has been receiving disability payments since 1983. The insurance company disability payment is integrated with that of the Canada Pension Plan.

Last year this House recognized the serious problem of disabled people and decided to increase the CPP disability payment substantially by up to $150 a month. At that time George Weston Ltd. elected to grab that money for itself and instructed its pension insurer, the London Life Company, which went along with the deal, to reduce Rosemary Barber's pension by the full increase in the Canada Pension.

Some Hon. Members: Shame!

Mr. Blenkarn: The benefit paid to Rosemary Barber was actuarially sound before the Canada Pension was increased. The effect of the change is to enrich George Weston Limited at the expense of a disabled person.

* * *

REGIONAL INDUSTRIAL EXPANSION

SYDNEY STEEL CORPORATION MODERNIZATION—CALL FOR FULFILMENT OF COMMITMENT

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, I rise in opposition to the obvious lack of concern the Government of Canada has for the people of eastern Nova Scotia. You will recall that in July of 1984 the Right Hon. Prime Minister (Mr. Mulroney) gave a clear undertaking to those people that he and his colleagues were committed to the second phase of the modernization program at Sydney Steel. Eighteen months elapsed only to have an announcement by the former Minister of Regional Industrial Expansion, given front page coverage in local newspapers, that once again the Government was committed to modernization and had signed the agreement.

In June of 1986 the Deputy Prime Minister (Mr. Mazankowski) said in this House that the Government was in receipt of the business plan, was reviewing it, and would have an answer forthwith. We then waited an additional 12 months to hear from the government benches that they are once again going to review the plan. In fact, the Government has taken it upon itself to have five Ministers of the Crown review a commitment made in July of 1984. I say this is totally irresponsible behaviour by the Government. It should live up to its commitments or it will leave the people of Cape Breton with one alternative, that is to believe the Government is made up of nothing but a bunch of hypocrites.

ENVIRONMENTAL AFFAIRS

SUGGESTED USE OF LOW SULPHUR WESTERN COAL BY ONTARIO HYDRO

Mr. Joe Reid (St. Catharines): Mr. Speaker, for environmentally conscious Niagara I strongly support the Government's "Made in Canada" program to fight acid rain by using western coal in Ontario. If we can get that province to go along with the federal-provincial task force recommendation regarding the use of low sulphur western coal in Ontario's hydro thermal generating plants, we will see large reductions in Ontario's acid gas emissions, create much needed cargo for the St. Lawrence Seaway, and create 13,000 jobs across the country, 40 per cent of which will be in Ontario. Who is dragging his feet?

ORAL QUESTION PERIOD

[*English*]

PHARMACEUTICAL INDUSTRY

PATENT ACT AMENDING LEGISLATION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, hundreds of thousands of sick and elderly Canadians find the Government's decision to raise drug prices a very bitter pill to swallow.

[*Translation*]

Senior U.S. officials have admitted they put pressure on the Canadian Government to amend our patents legislation for pharmaceutical products. However, the Minister of Consumer and Corporate Affairs denies such pressure was exerted. My question to the Minister is therefore: Why does he not at least have the courage to admit what he has done to the elderly and the sick in this country?

• (1420)

[*English*]

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, the Leader of the Opposition continues to misrepresent what the Bill will accomplish. He asks what pressure we responded to. For example, the National Assembly in the Province of Quebec under two different Governments unanimously passed resolutions asking us to do this. That is pressure to which we responded.

In fact for 17 years all of our partners in the western industrialized world have been asking Canada to get in phase with the rest of the world with regard to respecting intellectual property. The fact is that we as a Government believe that Canada should be involved in this vital area of high technology and research. If the Liberal Party thinks it is appropriate that the rest of the world does health research while we in Canada do not, we disagree with it.

Some Hon. Members: Hear, hear!

[*Translation*]

INQUIRY WHETHER ALLEGATION IS FALSE THAT GOVERNMENT IS AMENDING PHARMACEUTICAL PRODUCTS LEGISLATION AS CONSEQUENCE OF PRESSURE

Right Hon. John N. Turner (Leader of the Opposition): I just heard the Secretary of State for External Affairs. Yesterday, he said that the information contained in this sworn statement was false. My question is therefore directed to the Secretary of State. Is it false that Mr. Pratt is the President of Pfizer, a U.S. pharmaceutical company? Is it false that Mr. Pratt met with our Ambassador to the United States, Mr. Gotlieb? Is it false that Mr. Pratt put pressure on Mr. Gotlieb to amend our patent legislation? Is it false that as a result of such pressure, the Canadian Government amended our legislation as a favour to Mr. Pratt and others?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, it is false.

[*English*]

REPRESENTATIONS MADE TO CANADIAN AMBASSADOR

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, sometimes the glare of the truth blinds the Minister. I will direct a further question to him. When the Secretary of State for External Affairs first read the text of the affidavit which was deposited with our Embassy in Washington 72 hours ago, did he inquire as to the position of Mr. Pratt who was not only the president of a leading American pharmaceutical company but also the President's Chairman of the Advisory Committee on Trade Negotiations? Did he inquire whether that placed undue pressure upon our ambassador?

Right Hon. Joe Clark (Secretary of State for External Affairs): No, Mr. Speaker, I did not make those inquiries. The ambassador has made it clear that his recollection of the events referred to in the affidavit differ from that of the person who signed the affidavit.

REPRESENTATIONS ALLEGEDLY MADE TO GOVERNMENT

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, my question is directed to the Minister of Consumer and Corporate Affairs. We know that Canada and in fact the ambassador in Washington were lobbied on the drug legislation by the Chairman of the President's Advisory Committee on Trade Negotiations who also happens to be the president of one of the most influential and profitable drug companies in the world.

How can the Minister reconcile his persistent statements in this House that he received no representations whatsoever from the United States when the document says unequivocally that there were representations made to the Canadian Government? Will the Minister explain to the House that this is in fact a contradiction made by him and his Government to cover up the fact that the multinational corporations are writing Canadian legislation affecting our senior citizens?

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, Mr. Haddad visited Canada and made a number of public statements which were patently false. Presumably he can do in writing that which he can do orally. That is the only explanation I have.

• (1425)

If the Hon. Member has been doing his homework he will be aware that the Government he supported in 1983 announced its decision to restore patent protection for drugs—

Some Hon. Members: No.

Mr. Axworthy: Nonsense!

Mr. Andre: —because the 1969 Bill had gone too far. I ask the Hon. Member what American multinational forced the Member for Papineau in his then capacity to announce the Government's decision to restore patent protection in this important area?

REQUEST THAT AMBASSADOR APPEAR BEFORE COMMITTEE

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, I say with great regret that the Minister has persistently and consistently refused to acknowledge in the House that representations have been made to the Canadian Ambassador in Washington. On Monday I met with the Canadian Ambassador and he admitted to receiving representations from the Chairman of the President's Advisory Committee and the chairman of one of the most profitable corporations in the United States. Will the Minister, as well as the Secretary of State for External Affairs, agree to have the Canadian Ambassador come before the External Affairs Committee and testify about an obvious contradiction which is being perpetrated by the Minister?

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, as I have indicated, and as the Member well knows, Canada has been under pressure from the rest of the western industrialized world for 17 years. Our ambassadors and high commissioners in Britain, Switzerland, Germany, France, the United States, Japan and everywhere have been under pressure in this regard. That is no secret.

The fact is that this legislation will improve the health care of Canadians. It will produce 3,000 high-tech jobs and $1.4 billion in extra research and development. The only Party that is preoccupied with what the Americans think is the Party opposite. Why do they not read the Bill as it is and give it a factual and honest examination? They will see that the benefits to Canada are extraordinary and it should be passed forthwith.

Some Hon. Members: Hear, hear!

CANADA-UNITED STATES TRADE NEGOTIATIONS

Mr. Neil Young (Beaches): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. Will the Minister advise the House whether the Canadian Wheat Board and other marketing agencies, as well as postal rates, copyright protection, and pharmaceutical patents are all part of free trade negotiations between Canada and the United States?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I am not sure that I heard the whole list. He asked if all on that list were included. I am reasonably confident, subject to reading the whole list, that the answer to the question would be no.

U.S. REPORT ON FOREIGN TRADE BARRIERS

Mr. Neil Young (Beaches): Mr. Speaker, I have in my hands a copy of the foreign trade barriers report from the office of the United States trade representative, which lists all of those items I just mentioned as being part of the negotiations between Canada and the United States. Will the Minister advise the House whether this information that we received from the United States Embassy is, in fact, correct?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I would have to read the document, which I will do with care, as I try to listen with care to the question of the Hon. Member. However, I believe that my answer stands.

PATENT PROTECTION QUERY

Mr. Neil Young (Beaches): Mr. Speaker, my supplementary question is directed to the Minister of Consumer and Corporate Affairs. On December 8, 1986, my colleague, the Member for Windsor—Walkerville, asked the Minister whether patent protection was on the table for negotiation. The Minister of Consumer and Corporate Affairs said, as reported at page 1879 of *Hansard*:

> The fact is that this matter has nothing to do with the free trade talks.

Why would the United States trade representative specifically mention patent protection in his report and say that they were continuing to discuss this matter at the free trade negotiation table with Canadian representatives?

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, I do not know how many times it is necessary to repeat that this legislation was introduced because it is of benefit to Canada.

Mr. Young: Is this part of free trade?

Mr. Andre: The whole question of intellectual property, which includes copyrights, patents, trademarks, industrial design and so on, is in fact within the ambit of the free trade discussions. There is no question. There may be in fact other aspects of patents which may be discussed; I do not know. However, I am telling the Hon. Member, as I told the Hon. Member for Windsor-Walkerville, that this legislation, Bill C-22, was brought in because we are concerned about Canada's research and development capabilities and future. We are

concerned about the health of Canadians. We have introduced the Bill because it is of benefit to Canada.

• (1430)

Why are the New Democratic Party and the Liberals so preoccupied with what the Americans think? We do not care. We are doing this for Canada's benefit.

* * *

ENVIRONMENTAL AFFAIRS

ACID RAIN—EFFECT ON LAKES IN EASTERN CANADA

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, my question is directed to the Deputy Prime Minister. According to Dr. Schindler of the Freshwater Institute of Winnipeg, up to 600,000 lakes in eastern Canada are vulnerable to acid rain damage, not the 300,000 as estimated so far. As many as 28,000 lakes, not 14,000, are already acidified. Will the Deputy Prime Minister relay Dr. Schindler's findings to the Prime Minister and urge him to find the courage he needs to get up from his prime ministerial knees and demand from the President, in the name of good Canada-U. S. relations, specific reductions in acid rain pollution which is coming into Canada in deadly quantities, when they meet on April 5 in Ottawa? Will he do that?

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, I have no interest whatsoever in debating with the Hon. Member for Davenport the sciences of acid rain. I think it has been demonstrated to the satisfaction of the Government that it is a very serious transboundary problem. Acid rain is the number one environmental priority of the Government of Canada. It is one of the top priorities on the government-wide agenda. Whether 300,000 lakes are being destroyed, or whether it is 600,000, we could not make it any higher a priority than it already is.

Mr. Caccia: If that is the case, why does the Prime Minister not openly say what Canada wants in the interests of Canadians, rather than dancing around?

REQUEST THAT PRIME MINISTER PRESS ECONOMIC ARGUMENTS WITH UNITED STATES PRESIDENT

Hon. Chas. L. Caccia (Davenport): In view of the increasing economic damage to the United States and Canada in terms of agriculture, forestry, the fisheries, human health, buildings and structures, will the Deputy Prime Minister or the Minister of the Environment urge the Prime Minister to stop applauding President Reagan and start pressing the economic arguments with the President, which are so convincingly in favour of acid rain cuts, in Ottawa on April 5? Will he do that?

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, I would have thought that acid rain would be the last issue on which the Liberal Party of Canada would moralize, given its record over a quarter of a century.

When I was environment critic for the Official Opposition for three years, I used to ask the Liberal Prime Minister at the time, after every single meeting he had with the President of the United States, through bilateral discussions or multilateral discussions, whether or not he had used the occasion of his meeting with the President of the United States to raise Canada's very serious concerns about acid rain. The reply of the Liberal Prime Minister was always: "Well, I can't raise just every bilateral issue". Under the Liberals acid rain was just another bilateral issue. For us it is the number one priority.

* * *

TRADE

CANADA-UNITED STATES NEGOTIATIONS—AGRICULTURAL MARKETING BOARDS QUERY

Mr. Les Benjamin (Regina West): Mr. Speaker, my question is directed to the Deputy Prime Minister or the Secretary of State for External Affairs, I do not care which one answers. Over many months this House has been assured a number of times in answers to questions that under no circumstances would the Canadian Wheat Board or other marketing boards be part of or on the table in negotiations on free trade. Can the Government assure us that that is still the case and that they are not part of the free trade talks?

Right Hon. Joe Clark (Secretary of State for External Affairs): I can, I will, I do.

Some Hon. Members: Oh, oh!

Mr. Benjamin: In view of the facts, I am glad that was not a marriage proposal.

REQUEST FOR GOVERNMENT COMMITMENT

Mr. Les Benjamin (Regina West): Mr. Speaker, the office of the United States trade representative states: "The role of the Canadian Wheat Board and other Canadian marketing boards will— not "maybe" or anything else but "will"—be discussed during the bilateral free trade agreements negotiations". What is going on? Can the Minister tell us with certainty that our representative has been instructed that they are not on the table and they are not negotiable and that he will not discuss those items with the United States?

Right Hon. Joe Clark (Secretary of State for External Affairs): The only people who raise these matters are the New Democratic Party. We are not going to be negotiating the question of the Canadian Wheat Board, and the principle of supply-management, as I said in the House before, is not a matter involved in the trade negotiations.

With regard to the other part of the question, I know something about NDP marriage proposals and we have no interest in them at all.

* * *

FISHERIES

MINISTER'S LETTER TO ST. MALO OFFICIAL

Mr. George Baker (Gander—Twillingate): Mr. Speaker, Canadians have been wondering why the French metropolitan fleet is being given fishing quotas in Canadian waters after its treaties ran out last year. We now learn that not even the French in France believed they had any rights to Canadian waters when their treaties expired last year. Why did the Secretary of State for External Affairs write on February 14 of last year to the Assistant Delegated to Maritime Affairs, City of St. Malo, France, saying:

> —the Prime Minister asked me to thank you for your letter of December 23, 1985, in which you made known to him your concerns about the rights to fish by French vessels, and especially those from St. Malo, in Canadian waters.
>
> —Canada has not abandoned the people of St. Malo—these people will be able to continue to fish Canadian waters in 1986 and well beyond that.

Why did the Minister write that when the French did not even know they had fishing rights here until his letter of February 14? Did he get carried away on Valentine's Day?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, it is a shame that an Hon. Member with such dramatic talents would not apply them to reading the whole letter instead of simply part of it. If he read the whole letter he would see that the letter makes reference to the 1972 agreement. It says: "It is by virtue of that 1972 agreement that the French metropolitan trawlers will fish in future in Canadian waters". That 1972 agreement is known otherwise as the "Liberal Government agreement".

Mr. Baker: It is nice to know that this Government is now educating the people of France that they can fish forever in Canadian waters. The letter did not go to St. Peter's in Prince Edward Island, St. Andrews in New Brunswick, St. Ann's in Nova Scotia, or St. Anthony in Newfoundland; it went to St. Malo in France.

MINISTER'S POSITION

Mr. George Baker (Gander—Twillingate): Under what legislative legal authority did the Secretary of State for External Affairs guarantee fish to France in this letter of February 14 when he says: "Oh, we won't forsake the people of St. Malo"? It sounds like he is running an election campaign in France. Joe Blow for St. Malo!

[*Translation*]

Right Hon. Joe Clark (Secretary of State for External Affairs): In France, they say: "Joe Qui?"

[*English*]

The facts are that the Liberal Government in 1972 signed a treaty which gave fishing rights to France. That was a Liberal treaty. I was sent a letter by a citizen of France. I replied to that letter. My habit when I am replying to letters from people anywhere in the world is to tell them the truth. I do not know what the habit of the Liberal Party is.

* * *

• (1440)

TRADE

CANADA-UNITED STATES NEGOTIATIONS—U.S. DOCUMENT

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is for the Secretary of State for External Affairs. In reply to a question just a moment ago the Secretary of State for External Affairs flatly contradicted an official U.S. document.

Some Hon. Members: Oh, oh!

Mr. Broadbent: As the Minister will realize—

An Hon. Member: But we are a sovereign country!

Mr. Broadbent: As the Minister will realize, it is no joking matter for the Government of Canada to say one thing and the Government of the United States to say another about what both see as historically important trade negotiations.

Some Hon. Members: Oh, oh!

Mr. Broadbent: Mr. Speaker, I will wait until Members opposite quiet down.

Some Hon. Members: Oh, oh!

Mr. Andre: Next question!

Mr. Speaker: The Chair recognizes the Hon. Member for Oshawa. I would ask that Hon. Members give proper attention.

Mr. Broadbent: I will now read to the Secretary of State for External Affairs what the official U.S. document says and ask him if it is the truth or not. In this document it states:

> The role of Canadian Wheat Board and other Canadian marketing boards will be discussed during the bilateral Free Trade Agreements—negotiations.

That is the official U.S. policy. Is it true or not?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I am sure the only thing that would shock the United States administration more than having the Leader of the NDP acting as its spokesman in the House of Commons would be if the Right Hon. Leader of the Opposition were to do it again.

Some Hon. Members: Oh, oh!

Mr. Turner (Vancouver Quadra): Take us on one at a time, Joe.

Mr. Clark (Yellowhead): The reference in the document was to discussions. The document then went on, as was just read to us by the new spokesman for the U.S. trade representative, to talk about negotiations. There is a difference between discussions and negotiations. We cannot help what is raised at the table. If somebody wants to raise something at the table, and they might want to raise something at the table, we have to answer it. We are prepared to discuss it. What we say about the Canadian Wheat Board, so there can be no misunderstanding, is that it is not negotiable.

Some Hon. Members: Hear, hear!

UNITED STATES POSITION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, in reply to an earlier question that is not what the Minister said. The earlier question was with respect to whether it was being negotiated and talked about and the Minister said no. If I understand him now, the Americans are correct when they say that if they put in on the negotiating table they are talking about it. Is the Minister prepared to confirm that or not?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the Canadian Wheat Board is not being negotiated in the trade discussions between Canada and the United States.

Some Hon. Members: Slower, Joe.

Mr. Clark (Yellowhead): The Canadian Wheat Board is not being negotiated in the trade negotiations between Canada and the United States.

Some Hon. Members: Hear, hear!

* * *

HOUSE OF COMMONS

PRESENCE IN GALLERY OF ACID RAIN CONTROL PROJECT CO-ORDINATOR

Mr. Speaker: I wish to draw the attention of Members to the presence in our gallery of an American friend of Canada from the Izaak Walton League of America, the Acid Rain Control Project Co-ordinator who has and is working with Canadians and the Government of Canada for a joint Canada-U.S. acid rain program, Mr. Paul Hansen.

Some Hon. Members: Hear, hear!

[*Translation*]

LABOUR

LAY-OFFS IN SAINT-HENRI—WESTMOUNT RIDING—MEASURES GOVERNMENT INTENDS TO TAKE

Hon. Donald J. Johnston (Saint-Henri—Westmount): Mr. Speaker, my question is directed to the Deputy Prime Minister. In my riding, in Saint-Henri—Westmount, we have had another disaster: 300 lay-offs. What does the Government intend to do to protect these workers who are desperate?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, let me draw the Hon. Member's attention to the fact that in a period of change, as I am sure the Hon. Member would be quick to admit, there will be changes in employment in different companies. Some companies may shut their doors. But the important thing is that we keep creating new jobs on an incremental basis. We have been creating new jobs. We have created over 700,000—

Mr. Benjamin: Part-time at minimum wage.

Mr. Wilson (Etobicoke Centre): The Hon. Member says "part-time". He knows that 80 per cent of the jobs that have been created since September of 1984 are full-time jobs.

Mr. Broadbent: Where?

Mr. Wilson (Etobicoke Centre): In the Province of Quebec 175,000 jobs have been created. So while there have been shut-downs, and we understand that, the important thing is that net of any of the shut-downs, any job losses, there have been new jobs created, 175,000 in the last two-and-one-half years.

[*Translation*]

REQUEST THAT GOVERNMENT INTERVENE

Hon. Donald J. Johnston (Saint-Henri—Westmount): Mr. Speaker, that is not really an answer to my question, because in the industry, at Coleco in Saint-Henri, today there are 300 workers who are desperate. In fact, there have been quite a few plant closings recently in this industry.

I would therefore like to know whether the Government intends to do something such as setting up a specific program to protect these workers and stimulate the economy in this sector, in order to create new jobs in the south-west section of Montreal.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think it is quite clear our Government has stimulated the economy across Canada, and that includes Quebec.

I said in my last answer that 175,000 jobs had been created since September 1984. That is the purpose of this Government's economic policy, and we have had a great deal of success with this policy.

[*English*]

CANADA POST CORPORATION

CONSULTATION WITH COMMUNITIES

Mr. Albert Girard (Restigouche): Mr. Speaker, my question is for the Minister responsible for Canada Post Corporation. Recently, the Standing Committee on Government Operations presented its second report to the House. The report stressed the importance of consultation. During hearings the committee was presented with horrendous stories concerning the lack of consultation between Canada Post and the population it is supposed to serve. Will the Minister instruct Canada Post to confirm its commitment to service by undertaking meaningful consultation with all communities affected by its decisions?

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Absolutely, Mr. Speaker. There certainly were mistakes made in the past. But, as I have indicated to the House, the consultations are to be meaningful and to involve the Member of Parliament from the start. As an example, in the town of St. Albert in the constituency of Glengarry—Prescott—Russell the Member for that riding was actively involved in discussions, as there was a change in the postal services there. I understand from the Hon. Member, from Post Office officials and others, that it went very well and everybody was involved. The consultations were meaningful and to everyone's satisfaction.

I hope that that will be the pattern for the future. I hope that Members of Parliament will keep me apprised if in fact we slip off that pattern since we all have a responsibility in this regard.

VICTORIA—CASUAL EMPLOYEES—PICKET LINE POLICY

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, my question is for the Minister responsible for the Post Office. I wonder why, when the Minister gives an example of a community giving consent for a change of postal service, he does not elaborate on it as policy. My question relates to a news report which states that in Victoria the Post Office is making it a condition of employment for casual employees that they be prepared to cross a picket line. I wonder if the Minister would indicate that that action is provocative, and would he dissociate himself from it and call upon Canada Post to seek to reach an agreement rather than to provoke a strike?

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, all parties—

Mr. Turner (Vancouver Quadra): Mr. Speaker, I rise on a point of order—

Some Hon. Members: Not during Question Period.

MEMBERS OF PARLIAMENT

BABY GIRL BORN TO MEMBER FOR HAMILTON EAST

Right Hon. John N. Turner (Leader of the Opposition): I am pleased to tell you, Mr. Speaker, that with respect to your comment on Tuesday regarding the Hon. Member for Hamilton East, your prediction has come true. There are now two of them.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): At the Ottawa Civic Hospital the Hon. Member for Hamilton East made history. She is the first sitting Member of the House of Commons to give birth—to an eight-pound baby girl.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): I think all Members will join me in offering the Hon. Member and her husband, Ric Marrero, our warm and heart-felt congratulations and best wishes.

Some Hon. Members: Hear, hear!

• (1450)

Mr. Speaker: The Hon. Member for Hamilton East is also the first Member to manage to get a point of order raised in Question Period for many years. The Minister may continue his answer.

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CANADA POST CORPORATION

VICTORIA—CASUAL EMPLOYEES—PICKET LINE POLICY

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, I think I remember the question, but first let me congratulate the Hon. Member for Hamilton East on this tremendous occasion.

The Hon. Member for Winnipeg North Centre is aware that all 28 contracts which various bargaining units have with the Post Office are up. They are under active negotiation. They are at the table now. It is in his interest, in our interest, and in everybody's interest that we try not to involve ourselves in those issues and thereby inadvertently provoke some action which could only be damaging to the collective bargaining process and to Canada.

Mr. Keeper: Mr. Speaker, I am sure it is the first time the Minister has been protected by the Hon. Member for Hamilton East.

MINISTER'S POSITION

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, my supplementary question is directed to the same Minister.

He failed to address the question, that is, that Canada Post is hiring casual employees and making it a condition of employment that they be prepared to cross a picket line. Does that not appear to him to be provocative action rather than action which leads to agreement? Will he not take action so that the postal service can be maintained and we have good labour relations in the Post Office?

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, I am quite certain that good labour relations in the Post Office are not contributed to by involvement in the House in the negotiations and the issues. I know that the Post Office, like every other appropriate corporation, is bound by the Canada Labour Code and must follow it in all its dealings. I would assume that whatever it is doing—and the Hon. Member talks about some press report—it is obeying the law. I would expect it to obey the law. If there is some evidence that it is not obeying the law, I would appreciate knowing about it, and I will see that it does.

* * *

[*Translation*]

INDUSTRY

DEVELOPMENT OF MONTREAL EAST—GOVERNMENT POSITION

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, my question to the Minister of Finance follows that raised by my colleague, the Hon. Member for Saint-Henri—Westmount. Next Monday in Montreal Members of Parliament and their provincial counterparts, as well as municipal councillors representing the Montreal East area, will meet with Montreal's new mayor to discuss the development of that region. The Minister is well aware that his Government has set up many committees, including the Picard Committee, the de Cotret Committee and the Pichette Committee. So far, nothing has happened. Could the Minister tell us before Monday's meeting, whether the Government together with the provincial government and the City of Montreal is prepared to grant fiscal benefits to make Montreal East into a designated or business area? Is the Government going to do its share to help Montreal East economy recover and create new jobs?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, as the Hon. Member is quite well aware, the President of the Treasury Board is the chairman of a committee which has been doing a considerable amount of work in reviewing various proposals. When those proposals are ready, they will be coming forward, and we will be able to make a decision based upon the facts at that time.

[*Translation*]

REQUEST THAT GOVERNMENT PARTICIPATE FINANCIALLY IN ESTABLISHING NEW ENTERPRISES

Mr. Jean-Claude Malépart (Montréal—Sainte-Marie): Mr. Speaker, I have a supplementary question. It is true that the President of Treasury Board has spent much effort, gone through a lot of paperwork, been involved in many discussions, organized many panels, done a lot of on-the-spot running, with no concrete proposals to put forward. Only ten employees out of 650 are reported to be working at the Hearst plant. At the Bombardier plant, they do not know whether in three months from now they will have work for the 650 employees. Would the Minister accept a concrete proposal from the Quebec Government and the City of Montreal to participate financially in establishing new businesses through tax shelters granted to a designated area. Yes or no?

Hon. Robert de Cotret (President of Treasury Board): As my friend the Hon. Member for Montreal—Sainte-Marie has just indicated, Mr. Speaker, we have indeed done a lot of work, carried out many studies and consultations. But above all we have created jobs.

An Hon. Member: Where?

Mr. de Cotret: We have, above all, made considerable investments in the Montreal area. Mr. Speaker, in Quebec we have created 175,000 jobs. In the Montreal area, thousands of jobs were created over the past year. In Montreal East, significant financial help has been provided. As I indicated to all the spokesmen for the area Mr. Speaker, the Federal Government is there to support financially all new business ventures which could create permanent jobs in Montreal East, Montreal West, Downtown Montreal, as well as in the area represented by the Hon. Member for Saint-Henri—Westmount: our money and jobs are there to prove it.

* * *

[*English*]

FINANCE

CREDIT CARD INTEREST RATES

Mr. Reginald Stackhouse (Scarborough West): Mr. Speaker, my question is for the Minister of State for Finance. The bank rate has fallen again. This time it is down 9 bases points.

Some Hon. Members: Hear, hear!

Mr. Stackhouse: Major credit card institutions and department stores are defying low interest rates, a parliamentary report, and public opinion by keeping their rates at excessive levels. What action is the Minister ready to take to remind these institutions and stores that there is such a thing as good corporate citizenship?

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, again I commend my hon. friend for his interest in the subject. I think it is his interest and the work of the House committee which led to a close examination of the problem he raises. Given the fact that a number of financial institutions have made it clear in the last few days that their interest rates are under review, I am more hopeful. Also I should like to say that the provincial Ministers will be discussing the matter shortly at the federal-provincial level. It is not just a question of financial institutions, but it is broader than that. If rates do not come down, as I have said before, we will consider the best way to proceed.

* * *

[*Translation*]

INDUSTRY

GRANT MADE TO COLECO—GOVERNMENT POSITION

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, I have a question for the Minister of Finance. It concerns Coleco. It has just been reported, according to the American vice-president of Coleco, Barbara Wruck, that the Montreal shutdown was part of a restructuring plan devised in 1982, and my question is this: Since the Government approved a $500,000 grant to that company last year, did the company mislead the Government in negotiating that grant?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I was not part of the negotiations, so I am unable to answer the question. I presume the Minister of Regional Industrial Expansion was the Minister responsible, although I am not quite sure the Hon. Member stated specifically what program it was under. However, I will bring the matter to his attention and will get an answer back to him.

Mr. Langdon: It seems to me that the case is self-evident, that a serious and very unfortunate misleading took place.

CLOSURE OF AMERICAN SUBSIDIARY PLANTS IN CANADA

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, I have a supplementary question. What assurance can the Government give us that this will not be the pattern which takes place under any free trade agreement right across the board in Canada, with subsidiaries shut down here to keep plants open in the United States? What possible guarantee can be given to the people of Canada?

[*Translation*]

Hon. Bernard Valcourt (Minister of State (Small Businesses and Tourism)): Mr. Speaker, if that is to be used to link it to free trade negotiations, the Coleco situation in Montreal is this—the grants that were extended generated in Montreal at the time investments of $8 million by that company. The $1.5 million in grants the company received were extended under applicable standards and there is no question of any trickery. In fact, for the last project for which Coleco accepted a grant, it exceeded its job creation goal by 150 per cent.

* * *

[*English*]

WAR CRIMINALS

ISRAEL'S REQUEST FOR ACCESS TO UNITED NATIONS FILES

Hon. Bob Kaplan (York Centre): Mr. Speaker, my question is for the Secretary of State for External Affairs. The United Nations is currently holding 38,000 closed files on war criminals from World War II. Access to these files has been requested by Israel, and the United Nations Secretariat consulted member states on their advice about whether the files should be opened. This weekend, *The New York Times* printed the names of the countries which recommended that Israel not be given access. Why is Canada on that list? Why did Canada refuse Israel access to these files?

• (1500)

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the position of Canada has been that files should be open to access by judicial and quasi-judicial bodies and official investigative agencies, which is the usual safeguard, as the allegations in the files have never been subjected to judicial process or legal evaluation.

REQUEST THAT CANADA AGREE TO ALLOW ACCESS

Hon. Bob Kaplan (York Centre): Mr. Speaker, the result of that tortured answer is that the files may never be open. Is Canada prepared to say yes and allow a responsible member of the United Nations to have access to those files?

Right Hon. Joe Clark (Secretary of State for External Affairs): We would be prepared to allow those files to be open to access by judicial and quasi-judicial bodies, Mr. Speaker.

Mr. Kaplan: Not Israel?

* * *

FISHERIES

LABRADOR SHRIMP PROCESSING PLANTS

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, my question is for the Minister of Fisheries and Oceans. Today we have reports that the federal Government will ban Danish vessels from fishing shrimp in Canadian waters. In Labrador, two co-operatives provide jobs for 1,300 workers in communities such as St. Mary's Harbour, Cartwright, Rigolet, Nain and L'Anse-au-Loup. They do that in exchange for a sufficient

supply of shrimp from the Danish vessels to allow them to process year round. Can the Minister tell this House what specific proposals and suggestions he has to maintain employment, 1,300 jobs, in these communities?

Hon. Thomas Siddon (Minister of Fisheries and Oceans): I certainly can, Mr. Speaker. The decision, several years ago to develop the northern shrimp fishery off the coast of Labrador in particular, was taken to advance the opportunity and the income potential of that resource to the benefit of northern communities, both native and non-native.

Just recently we decided to introduce enterprise allocations and to increase the number of shrimp licences. This will enable Canadian fishermen in Canadian-owned vessels to catch and land shrimp at Canadian operated plants, and to end, as has long been the policy of the Government of Canada, the practice of royalty charters whereby foreign vessels take our shrimp away for nothing more than a cash payment to some particular organization. Our objective is to produce jobs to the benefit of the unions and the native people of the coast of Labrador and in northern areas of Canada.

PRACTICE OF JOINT VENTURES WITH DANISH TRAWLERS

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, my supplementary is for the same Minister. In light of the fact that these co-operatives presently employ 1,300 workers who are prepared to enter joint ventures with the Danish fishing trawlers to continue these jobs, would the Minister consider this arrangement which would, in effect, Canadianize the trawlers and maintain employment for 1,300 people?

Hon. Thomas Siddon (Minister of Fisheries and Oceans): Mr. Speaker, the Hon. Member is speaking of the practice of the Labrador Union Fishermens Shrimp Co. Ltd. and the Torngat Fish Producers Co-op of bringing foreign vessels in each year for several years against our policy and taking nothing more than a cash payment for their own purposes in exchange for renting the right to take a Canadian resource out of Canada and process it out of Canada.

Mr. Broadbent: That is not the question.

Mr. Rodriguez: I didn't say that.

Mr. Siddon: I know what the past practice has been. The policy has been to replace that practice with the encouragement of Canadian participation in the direct harvesting and processing of this resource. We are facilitating the kind of joint venture which the Hon. Member mentions, which will use Canadian vessels landing that resource at Canadian processing plants.

Mr. Speaker: I have to advise Hon. Members that the following question will be the last question. The Hon. Member for Saskatoon East.

Point of Order—Mr. Clark (Yellowhead

REVENUE CANADA

SCIENTIFIC RESEARCH TAX CREDIT DEFRAUDERS—REQUEST FOR EXTRADITION FROM UNITED STATES

Mr. Don Ravis (Saskatoon East): Mr. Speaker, my question is for the Minister of National Revenue. As he is well aware, there are a number of Canadians who have defrauded the Canadian Government of tens of millions of dollars as a result of using the scientific research tax credit. Many of these people are now living in the United States or in other countries.

Will the Minister look at having these individuals extradited from the United States? If not, will the Minister propose changes to the Income Tax Act in order that these tax dollars can be recovered?

Hon. Elmer M. MacKay (Minister of National Revenue): Mr. Speaker, I appreciate the interest of the Hon. Member in this matter which is causing so much difficulty and which has given rise to so many abuses. I can tell him that in cases where our Income Tax Act does not facilitate bringing offenders before the criminal courts, we will certainly utilize the provisions of the Criminal Code, including any extradition processes which are inherent in it. These processes are sometimes difficult. We are receiving good co-operation from the RCMP and from the Department of Justice in this regard.

* * *

POINT OF ORDER

ELUCIDATION OF ANSWER

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I rise on a point of order. An answer I gave to the Hon. Member for York Centre (Mr. Kaplan) may have left an incorrect impression. With the permission of the House, I would like to correct that impression.

Mr. Deputy Speaker: Does the Hon. Secretary of State for External Affairs have the consent of the House to do so?

Some Hon. Members: Agreed.

Mr. Clark (Yellowhead): Mr. Speaker, the position of Canada and the decision of the UN Secretariat would allow a quasi-judicial body of Israel to have access to the files. The distinction is between publishing the files and allowing quasi-judicial bodies, including of the State of Israel, to have access to them. Under that decision, such quasi-judicial bodies of Israel obviously would have access to those files.

Business of the House

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Hon. Herb Gray (Windsor West): Mr. Speaker, I have a question for the Government House Leader. Will he give us a statement of the government business he intends to call for this afternoon and for the next week?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Most certainly, Mr. Speaker. This afternoon we will proceed with Bill C-41, amendments to the Judges Act, followed by Bill C-28, amendments to the Criminal Code, followed by C-2, which is Canagrex, and Bill C-37, which will depend upon the arrangements we can make with the spokesmen for the opposition Parties. On Bill C-37 we are subject to negotiation. That should take us to the end of the week.

My understanding is that arrangements were made to call Bill C-41 first, the Judges Act, and then Bill C-28, the torture Bill.

Mr. Kaplan: I had been expecting Bill C-28, Mr. Speaker.

Mr. Mazankowski: Mr. Speaker, the arrangements have been made for Bill C-28 to be called first. Perhaps we could make that change.

• (1510)

Mr. Deputy Speaker: Is it the wish of the Deputy Prime Minister (Mr. Mazankowski) to have this matter referred not to a legislative committee but to Committee of the Whole?

Mr. Mazankowski: Yes, an understanding has been reached with both opposition Parties.

Mr. Kaplan: Mr. Speaker, in light of the confusion opposite, I might say that I have given notice of an amendment which I would like to make at the proper time and I would like to make a speech on the Bill, and so would one of my colleagues. We do not require that the Bill be referred to a committee other than the Committee of the Whole after second reading. I hope that is of some help.

Mr. Robinson: Mr. Speaker, we agree as well that the Bill in question can be debated at second reading. My colleague, the Hon. Member for Windsor—Walkerville (Mr. McCurdy), will be speaking to this legislation briefly and then it will be dealt with in Committee of the Whole. That is the understanding that has been reached.

GOVERNMENT ORDERS

[*Translation*]

CRIMINAL CODE

MEASURE TO AMEND

Hon. Don Mazankowski (for the Minister of Justice and Attorney General of Canada) moved that Bill C-28, an Act to amend the Criminal Code (torture), be read the second time and, by unanimous consent, referred to Committee of the Whole.

Mr. François Gérin (Parliamentary Secretary to Minister of Justice and Attorney General of Canada): Mr. Speaker, state-inflicted torture has been a fact of life since ancient time. Torture is not a recent phenomenon, nor is it limited to a political system, a regime, a culture, a religion, or a specific geographical region. A good many societies have resorted to torture with a view to obtaining information, meting out punishment, and discouraging opposition to power wielding authorities.

The connection between law and torture has been an evolving process. In earlier times, throughout the world, torture was not prohibited by legislation. Laws covering certain forms of torture were passed gradually in only a few states: some laws banned torture, others created such general offences as acts of violence or intimidation. And yet some societies continued to consider torture as being an acceptable form of interrogation or punishment. Nowadays a number of governments and human rights organizations severely criticize and denounce torture. Many states specifically prohibit torture or similar treatments in their constitution, and many international conventions condemn and prohibit it as well.

In this respect I should like to remind Hon. Members of the House that our Constitution prohibits the use of torture. Canadian Charter of Rights and Freedoms Section 12 states that "everyone has the right not to be subjected to any cruel and unusual treatment or punishment".

And yet, despite these denounciations on a national scale, several international human rights groups do have information to the effect that torture is still a common practice is many states, at the instigation of their leaders or with their expressed or tacit approval. Torture is all the more insidious that it is practiced by state authorities against their own people—the very people they are expected to protect. People in certain parts of the world still believe that torture is acceptable in some cases, to the extent that sometimes it makes it possible to reach other objectives.

The present campaign against torture is being conducted on several fronts. At the international level, negotiations are taking place and conventions and other instruments are being signed to oblige member states to take the necessary steps to prevent torture. At the national level, individual states are criminalizing torture and providing better training for police officers, prison staff and military personnel. Furthermore,

national and international human rights groups are taking an active interest in the campaign against torture. Concerted action is necessary if we do not want torture to be tolerated or covered up.

The United Nations is taking an active part in this campaign, and Canada is giving it energetic support. In 1975, Mr. Speaker, the U.N. National Assembly adopted the Declaration on the Protection of All Persons against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment. Subsequently, the General Assembly asked all member States to reinforce their support by proceeding unilaterally with declarations against torture. Canada did so in 1982.

However, feeling that the Declaration was not enough, in 1977 the U.N. Assembly asked the Commission on Human Rights to prepare a draft convention against torture, based on the 1975 Declaration. Canada was active on the Human Rights Commission's task force and supported this initiative which was a concrete manifestation of international action against torture.

Canada has always been of the opinion that the Convention should not simply repeat the 1975 Declaration but also contain provisions for actual enforcement. In fact, the provisions give a broad definition of torture and provide for universal extraterritorial jurisdiction to prevent safe haven being offered to torturers, and also include a mechanism for compulsory enforcement consisting of an international committee authorized to proceed with investigations and submit comments.

In 1983, Canada jointly supported a procedural resolution, enjoining the Commission on Human Rights to give top priority to the preparation of a draft convention. The text of the draft convention was brought before the General Assembly and adopted by the Assembly in December 1984. The U.N. Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment was ready for signing on February 4, 1985 and was signed by Canada on August 23 of that year.

[*English*]

Under the convention, an obligation is put on parties to the convention to criminalize acts of torture as well as acts constituting complicity or participation in torture. A definition of torture is provided. The convention also provides that neither exceptional circumstances nor orders by a superior officer may be raised as a defence to torture. Any statement made as a result of torture may not be admitted as evidence in legal proceedings.

In order to enforce the convention, a system of extraterritorial jurisdiction is created to prevent safe havens for torturers or for their accomplices. States are obligated to investigate allegations of torture and to prosecute alleged torturers. With respect to a foreign torturer found on its territory, each state is obligated to either extradite or prosecute the alleged torturer. A state may refuse extradition if it fears that the person will be tortured if returned to another country.

In addition to these criminal enforcement provisions, the convention also obligates states to take other legislative, administrative, judicial or other measures to prevent both torture and other acts of cruel, inhuman or degrading treatment or punishment that does not amount to torture. These include regulatory directives, education and systematic reviews concerning arrest, detention and imprisonment. Victims of torture shall have an enforceable right to fair and adequate compensation and rehabilitation.

The convention also provides for the establishment of an international supervisory committee to monitor the implementation and operation of the convention and to receive reports. The implementation provisions further contain two optional procedures enabling the committee to consider complaints against state parties. I will not go into the details of the committee or its powers since this involves matters of international relations. They are not directly relevant to the implementation of the convention within Canada. The convention will come into force once 20 states have ratified or acceded to it. To date, over 50 countries have signed the convention and 16 have ratified it.

[*Translation*]

Mr. Speaker, Canada supports that Convention which enables us to better develop the legal obligations undertaken under the International Civic and Political Rights Pact. Let me indicate for instance that Section 7 of that Pact forbids torture or any cruel, inhuman or degrading penalties or treatments. Further, those obligations are also constitutionnally recognized under Section 12 of the Canadian Charter of Rights and Freedoms, under which everyone has the right not to be subjected to any cruel and unusual treatment or punishment.

By implementing the Convention, Canada would be more committed to promoting human rights internationally, and more specifically to eliminate torture. The Convention's provisions, which for the most part are compatible with Canadian criminal standards and practices, could easily be adapted to it. However, the Criminal Code would have to be amended to make torture a new offence and to establish extraterritorial jurisdiction in this area.

The Bill would enable us more specifically to attain the following goals: it would create a new offence, torture, committed by officials such as police officers, public servants, members of the Canadian Forces and foreign officials performing similar functions under foreign laws.

The new offence would also apply in the case of anyone acting with the express or tacit consent of those officials. Torture would be defined as any act or omission by which severe pain or suffering, physical or mental, is intentionally inflicted on a person for various purposes or for any reason based on discrimination of any kind.

Although it is possible to punish torture under existing provisions concerning assault and battery, what is required is the establishment of a new offence. In the first place, torture is

an offence more limited in scope than assault and battery. It applies only to torture that is intentionally inflicted by officials, that inflicts severe pain or suffering and that is inflicted upon the victim for a purpose or for any reason based on discrimination of any kind. Since Canada has agreed to extradite torturers and, in certain cases, to institute proceedings against them, it is important that such extraditions and proceedings be aimed at the offenses defined by the Convention and be consistent with our international commitments, without however exceeding them. The best way to achieve this is to define a new offense, torture, rather than deal with aggravated assault, an offense wider in scope whose definition is not as narrow as that of torture under the Convention.

Second, we must define a new offense because current provisions dealing with assaults do not apply adequately to the notion of purely and simply inflicting mental pain or suffering, in the absence of violence, or if the acts inflicting the mental pain or suffering are not otherwise illegal.

Third, we must define a new offense because the current legislation would not apply in the case of civil servants who would take an action otherwise lawful, for instance, the lawful imprisonment or interrogation by the police for the purpose of obtaining information from a person, for punishing this person, for intimidating or coercing the person or for any reason based on discrimination of any kind during which these persons would inflict severe mental pain or suffering.

I should like to emphasize that the definition of torture both in the Convention and the Bill applies only to an act causing severe physical pain or suffering, which is intentionally inflicted on a person. Therefore, under this Bill, a great many lawful police or non criminal activities which could unfortunately or inadvertently cause to a suspect or prisoner some degree of normal anxiety will not be deemed to be crimes.

• (1520)

[*English*]

In addition, the Bill, in accordance with the terms of the convention, also excludes pain or suffering arising only from, inherent in, or incidental to, lawful sanctions. In light of the history of the convention and other international instruments in the human rights area, I think it is safe to say that this exclusion shall be interpreted generally in accordance with international law and standards.

[*Translation*]

Fourth, for Canadian officials the creation of this new and specific offence of torture will have an educational dimension.

Pursuant to the convention, the Bill provides that it is no defence to a charge of torture that the accused executed the orders of a superior, or that the acts of torture were carried out in such exceptional circumstances as a state of war, political instability, or any other public emergency.

Again pursuant to the convention, the Bill provides that any statement obtained as a result of the commission of an act of torture would be inadmissible in evidence in any proceedings over which Parliament has jurisdiction, except as evidence that the statement was so obtained.

The measure would enable Canada to take legal action against an alleged torturer in the following cases: the act is committed in Canada, on a Canadian aircraft or ship, the accused or victim is a Canadian citizen, or the accused is, after the commission of the act of torture, present in Canada.

With the foregoing in mind, Mr. Speaker, I think it is obvious that this Bill deserves the support of the House since it flows from Canada's commitment to eliminate torture. Canada signed the convention with the agreement of all provincial governments, for they endorse principles. They have expressed their willingness to take any measure required to implement the convention. Were Canada to ratify the convention at the earliest opportunity, we would be able to sit on the new international committee to be struck under the terms of the convention.

Mr. Speaker, I urge Hon. Members to support the adoption of this Bill.

[*English*]

Mr. Roland de Corneille (Eglinton—Lawrence): Mr. Speaker, as the Liberal critic on human rights and also as a member of the Standing Committee on Human Rights, I recently had the privilege to be an observer with the Canadian delegation at meetings of the Human Rights Commission in Geneva. One of the major concerns of that commission, a concern which has been on the agenda as one of its top priorities, has been to try to eradicate the gruesome practice of torture which unfortunately exists in all too many countries. We in Canada have tried to give leadership, as the Hon. Member who just spoke pointed out, over many years with respect to human rights legislation. Certainly we were one of the first countries to sign the international human rights covenants. We have signed many of the covenants promulgated by the UN. In fact, the Canadian delegation has played a leading role in trying to make sure that these international covenants are signed and ratified by various countries, and that there is an enforcement mechanism such as the optional protocol of the international human rights covenants. Our ultimate goal is that all countries in the world would ratify and abide by these various covenants.

• (1530)

By passing Bill C-28 we will fulfil our commitments and the ideals which we have given leadership to on the international scene. Canada has participated in discussion and preparation of documents in Geneva. An important speech was given in Geneva by Mr. Kurt Herndl on February 2. As the Assistant Secretary- General for Human Rights on the occasion of the opening of the forty-third session of the Commission on Human Rights he said:

> Therefore States have an obligation to see to it that their legislation does in fact correspond to international human rights laws.

That which is before the House today for consideration and passage will enshrine in our national legislation proof that we are ratifying and accepting the responsibilities of that convention and covenant.

I would like to call your attention to a report on the issue of human rights of all persons subjected to any form of detention or imprisonment, torture and other cruel, inhumane or degrading treatment or punishment by the Special *Rapporteur*, Mr. P. Kooijmans, in Geneva very recently. That important presentation will be part of the documentation of human history which is clawing its way slowly upward from primeval cruelty into a more civilized state. In that report the following observations were made:

> Torture should be viewed objectively and seen by everyone, Governments and individuals alike, for what it is: the criminal obliteration of the human personality, which can never be justified by any ideology or overriding interest as it destroys the very basis of human society.

That is a very poignant way of putting the issue. He also made the following succinct statement:

> —torture (is) contempt for the personality of the other individual which has to be destroyed and annihilated. It is for that reason that torture is one of the most heinous violations of human rights as it is the very denial of the essence of human rights, namely the recognition that each living being has a personality of his own which has to be respected.

These words have been addressed to all the nations of the world. I suggest that we in Canada have a very special role to play by setting an example for other countries by ratifying the covenant against torture. By adding the name of our nation to that list we will make it possible to bind the signatory nations together in a solemn covenant to work together to obliterate torture throughout the world.

Mr. Kooijmans also said that he wanted to stress the importance of limiting the period of incommunicado detention under national law since many of the allegations we have received refer to torture in countries where a detainee may be kept incommunicado for a prolonged period. As Mr. Kooijmans points out, we cannot only talk about the eradication of torture because in some countries torture is related to the way in which prisoners are detained, kept incommunicado, and cruelly treated. Therefore, that about which we are speaking goes beyond the nastiness of torture to the very conditions which make torture possible. We are, therefore, talking about a convention against torture and other cruel, inhumane or degrading treatment or punishment. It is in this wider context that we must speak today.

Mr. Kooijmans goes on to discuss the tragedy that in many countries where torture is used medical personnel, including doctors, are, if you will, recruited to carry out the effectiveness of torture by helping to resuscitate the victim and keep that person in such a condition that the torture may continue. It is to this extent that violations of human rights are seen in many nations. It is shocking that some nations which we hoped would have carried on legal, just and humane practices are in fact guilty of gross violations of human rights and of torture.

A list of nations in respect of which urgent action is required includes the following: Bahrain, Bangladesh, Chile, Colombia, El Salvador, Indonesia, Iran, Paraguay, Korea, South Africa, Suriname, Thailand, Turkey and Zimbabwe. These are only the official records. These nations have all been asked, in some cases time and time again over years, and in some cases decades, to report on demands that have been made for information with regard to people who have been tortured or executed and people who have disappeared. This is all part of the same lugubrious picture which exists in the nations I have mentioned. Some are far worse than others.

I brought to the attention of the House and the Secretary of State for External Affairs (Mr. Clark) the problems regarding to the violations of human rights which have been going on in Indonesia practically since its inception. There were vast gruesome occurrences there in the earlier years against their own population and from 1975 on against defenceless people in various areas as well as various minorities. The violations have been recorded over the years by Amnesty International. Amnesty International has brought to our attention and to that of the United Nations the reality of these offences against human rights. Probably no other organization on earth deserves as much credit and appreciation as does Amnesty International for the work it has been doing so patiently and painfully to document the suffering, the disappearances, and the torture that has taken place around the world.

I single out Indonesia because we have good diplomatic relations with that country and have been providing development aid to it. It is one of the core countries with regard to the receipt of CIDA aid. Therefore, I believe we have a special responsibility to carefully monitor the record of Indonesia, not only with regard to what it has done to its own people, its students, minorities and Islamic groups, but also what it has done in areas that were not originally part of Indonesia. I refer particularly to East Timor and Irian Jaya and other places which could also be cited.

• (1540)

I want to bring to the attention of the House and Canadians that Amnesty International published a book entitled *East Timor: Violations of Human Rights, Extra-Judicial Executions, Disappearances, Torture and Political Imprisonments*. They said the following:

> In July, 1983, Amnesty International received a set of military manuals issued to Indonesian troops serving in East Timor. These manuals, among other things, contain guidelines which appear to permit the use of torture and the issuing of threats on the lives of prisoners being interrogated.
>
> Although Indonesian officials have repeatedly tried to cast doubt on the authenticity of these documents, neither they nor anyone else has produced any evidence that might indicate that they are false. Indonesian officials have correctly stated that the Ministry of Defence and Security never published the manuals, but Amnesty International is not aware of any claims that the Ministry did so.

The book continues:

> The manuals appear to have been written by officers of the Command for East Timor for local use and to have no application beyond East Timor.

It continues:

> Indonesian officials have argued against the authenticity of the manuals largely on the grounds that it would, in the words of the country's Foreign Minister, Dr. Mochtar Kusumaatmadja, be "fantastic" that a manual prescribing the use of torture should have been issued. But the documents do not deal exclusively with torture. They are not "torture manuals" and Amnesty International has never referred to them as such.
>
> First-hand evidence from other sources that military personnel have persistently resorted to torture and that people taken into custody by Indonesian troops have been arbitrarily executed tends to confirm Amnesty International's belief that the manuals are authentic.

The entire book is devoted to human rights violations in Indonesia. Amnesty International has published another book on violations in Indonesia.

I bring this to the attention of the House because it points out that this problem exists throughout the world. We must ask ourselves about our relationship with countries which carry on torture. We should consider the role our Government will play in diplomatic sorties in terms of our foreign aid. We must be concerned about the way Indonesia has been torturing its citizens and, even worse, invading other places, such as East Timor, and subjugating the rather primitive tribesman to cruel and unusual punishment. The whole story about the violations of human rights in Indonesia have been documented and I have turned these over to the Secretary of State for External Affairs so he may review them himself.

Other countries to which I have referred are, in some cases, also guilty of extremely gross acts of torture and cruelty. It is important for us today to make sure that Canada sets an example that will help build up that kind of moral and political power and persuasion to bring about a change in the way those countries deal with their prisoners.

I have singled out Indonesia, but one can also speak about the horrors of Chile. While I was in Geneva, a young lady and her mother who now live in Canada were there to testify. This young lady was cruelly beaten, covered in gasoline and left to die. She made her report to the United Nations. Other reports like that have come from Chile and the violations of human rights in that country are so gross that some of the descriptions are almost unbearable to hear. This young lady was burned almost to death. When one sees her, it brings not only a sense of pity and concern but the reality of the cruelty and torture taking place in other countries and makes one feel proud that we are today debating how we can play our part in preventing these gross violations of human rights throughout the world by adding the name of our country to those having ratified that convention against cruel and unusual punishment and torture.

There are some nations that will use the excuse in their laws that they were only acting on orders from higher authorities. For that reason, I commend those who wrote this Bill for including Clause 2(3) which states:

> It is no defence to a charge under this section that the accused was ordered by a superior or a public authority to perform the act or omission that forms the subject matter of the charge, nor that the act or omission is alleged to have been justified by exceptional circumstances, including a state of war, a threat of war, internal political instability or any other public emergency.

When I confronted members of the Indonesian delegation in Geneva with their record of human rights, they expressed the view that if this was done in a local area it was because that person was simply obeying the orders of a local army official who was in charge there. Therefore, it was not really that individual's fault that the events took place.

That was precisely the kind of defence used in the Nuremburg trials following the gruesome holocaust that overtook the world during World War II. During those trials and subsequent war crime trials, there was the excuse of not being responsible because the person was just obeying orders. That is precisely what we want to ensure does not exist in our law or in the laws of other countries. It is simply an excuse, like saying: "The devil made me do it". Such an excuse should not be allowed in our law and that is why I am pleased this clause in the Bill makes it clear that there are no exceptions whereby people can claim they were told to commit acts of cruelty or torture against another.

Our legislation should be a model to other countries who often look at other legislation and sometimes copy it verbatim. It is important that this law include that kind of explanation and provide an example for other nations to follow.

We must ensure that nations like Argentina are not allowed to carry on under the excuse of the generals and admirals that they are following orders to kill, make disappear, or torture thousands of people, including young students who are the cream of the crop of Argentinian young people.

• (1550)

When we look at events during World War II, at events in Argentina and in so many other places around the world today, we realize the gravity of this subject. Our nation is very comfortable. We feel so far away from it all. I only wish my words could create some sense of personal involvement on the part of all Canadians. What we do with this Bill is a major part of what can be done throughout the world. Organizations like Amnesty International and the United Nations can show the example of Canada to other countries. The legislation we create here in the House of Commons can be put before them as an example to follow. Hopefully, after we pass this Bill, we will use our resources to monitor these human violations in other parts of the world, but we should also be concerned about what is happening in our own country.

There is a phrase in this Bill about which I am deeply concerned. It is a phrase which suggests there may be some escape hatch provided along the lines I just mentioned. It is always possible for people to say when they committed some act in the name of the government, in the name of police action or in the name of the state, that they were simply following orders or that it was in pursuit of lawful sanctions. There is no lawful sanction under the fatherhood of God and the brotherhood of man, no lawful sanction which can override the issue of torture and cruel and unusual punishment. There is no law above the law of God. There is no law above the law of the brotherhood of man. There should not be in our

legislation any possibility for excusing ourselves or giving any excuse to anyone else so they can claim they were acting on the basis of some matter of lawful sanctions. I am concerned about that phrase and my colleague, who brought this to my attention, the Hon. Member for York Centre (Mr. Kaplan), will be presenting an amendment in this regard. I hope that Members on the government side will consider very carefully that amendment.

I would like to conclude my remarks by commending the presentation of this Bill. I know our Party is fully behind the Bill itself in general. I urge all Hon. Members to consider the amendment which will be made by my colleague, the Hon. Member for York Centre, later on.

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, it is a pleasure to stand in the House today in support of this legislation on behalf of my Party, thereby joining with, I am sure, all Hon. Members in the passing of legislation which allows Canada to fulfil its international commitments by giving legislative effect to the United Nations convention for the protection of all persons subjected to torture or other cruel, inhuman or degrading treatment.

This is an issue which has a considerable history, but not a long history. The concern about torture in this world and the development of a consensus of the need for its elimination really developed rather late. If one looks back to the development of the declaration in this convention, one sees that it first arose during the 1960s and 1970s when there was concern about reports of torture in southern Asia, Africa, South America, eastern Europe and elsewhere.

Giving a more dramatic effect to the concern, there followed the Bertrand Russell tribunal which examined the situation in Chile, Brazil, Paraguay and Uruguay. The tribunal reached the conclusion that torture constituted a crime against humanity. Since that time Canada has been actively engaged in furthering the development of an international system and convention. Its purpose would be the elimination of torture and the punishment of those who inflict torture. It was a part of the special working group of the Human Rights Commission in 1977. It was the first to sign a unilateral declaration in 1982. In 1983, it cosponsored a resolution according the highest priority to the development of an international declaration and convention. The convention which ultimately resulted was open for signature on February 4, 1985, and Canada signed in August of that year. Canada was among the few nations to provide financing to the UN Voluntary Fund for the Victims of Torture. Canada has consistently provided leadership. This Bill is not only a reflection of Canada's international humanitarian and human rights obligations, it also provides a legislative base for the implementation of appropriate sanctions to implement Section 12 of the Canadian Charter of Rights and Freedoms which asserts that everyone has the right not to be subjected to any unusual or cruel treatment or punishment.

The convention calls upon the signatory states to develop legislation which provides for the criminalization of torture, as well as acts which comprise complicity or participation in torture. This Bill does that. Torture is defined as inflicting severe pain or suffering upon persons, or inflicting severe pain or suffering which results from omission, by an agent of government for reasons of punishment, coercion, intimidation or to obtain information. There is another reason for which torture may not be inflicted which is specified, and that is by reason of discrimination. That is included in the convention and in the legislation and certainly calls attention to the widespread use of torture and other activities which inflict pain on a considerable number of people in South Africa.

The first requirement, that is the criminalization of torture of a mental or a physical sort, is provided for in the legislation. The second requirement is that it be given universal jurisdiction. Torture inflicted by Canadians, imposed by Canadians, or torture inflicted by someone who is in Canada, even if that act took place elsewhere, is subject to prosecution. It also covers acts of torture if it occurs on Canadian ships or aircraft and provides for extradition in appropriate cases and, if extradition is inappropriate, calls for prosecution here.

• (1600)

Further, the convention sets out that there can be no justification for torture, that it is not an excuse to state that torture was inflicted by the order of a superior officer. It also provides that if evidence is provided or statements are made by virtue of the pain inflicted through torture, then they cannot be considered as legal evidence in any proceeding.

In those respects the legislation meets the requirements of the international convention in a legislative way. But when one praises the Government for introducing this legislation, which will surely pass, we have to be conscious of the other requirements that the declaration requires to be met. First, when one considers the requirement that acts of torture be prosecuted, that they not go unpunished, let us not reach the conclusion that we refer only to situations that may occur elsewhere. Of course, Canada is not a nation that has been accused of the use of punishment or torture in ways which are condemned in the universal convention or its preceding declaration. However, there are situations in which torture has been alleged although not proved.

If one refers to an additional aspect of the universal convention, it states that member states are obliged to prevent other acts of cruel, inhuman or degrading treatment or punishment that do not amount to torture. All one has to do is recall the situation some years ago at Archambault Prison where it became evident, as it has all too often become evident in the past, that when allegations of torture or mistreatment are made against the police we are faced with extreme difficulty in proving them. We are all too often faced with a situation in which those who are accused of torture, cruel punishment or inhuman punishment, are the very people, the very groups, the very agencies to whom the allegations are

made. It seems to me in looking at the implementation of this legislation domestically that one has to consider that provision has to be made for the independent examination of allegations, apart from the police or others who may be involved directly, in order to provide those people who make such claims have an opportunity to have their claims properly heard. All too often, and most notably in instances where native people or visible minority groups make allegations of mistreatment, such allegations are left unsatisfied because we do not have the mechanisms by which such allegations may be properly heard by an independent body in which trust can be had.

I note, too, that the international convention provides that there should be compensation for victims of torture, that they should have an enforceable right of fair and adequate compensation, including the means for full rehabilitation, to the extent that that is possible. I hope that in the discussions that are to occur with the provinces the right of those who prove themselves to be victims of torture will be specifically addressed, and that they be compensated for whatever harm has been inflicted upon them.

I hope that we will have a report from governments, federal and provincial, of the extent to which those governments have met another requirement of the convention. I refer to the implementation of administrative, judicial, legislative and other measures to ensure that all who are responsible, whether they be police officers, police forces, military personnel or any others who may be involved in the arrest, detention or imprisonment of Canadian citizens, will be well-informed of the requirements of the legislation that we are discussing today, and that an active effort be made to educate them about the limits of their power and the sanctions that will be imposed upon them if they violate the legislation which we have before us. If there is any prescription for the failure of legislation of this sort, it is not to provide clear directions, a statement of clear regulations and the education of those who might be involved in situations in which torture may occur.

I am proud that Canada has exercised leadership in the area of this international covenant. But I must take note of the fact that when, in 1985, the declaration was approved by the United Nations, there was absolute unanimity within that body in favour of its adoption. However, if we look at the record revealed in reports of Amnesty International we find that 67 nations, more than one-third of the membership of the United Nations, are nations about which allegations of torture, cruelty and inhuman punishment have been made. There is within that fact a great deal of hypocrisy. Some of the nations are well known for their violations of human rights in general, for the inappropriate detention of prisoners and for cruel and inhuman punishment and torture. South Africa leads the list in that regard. Surely, El Salvador, Indonesia, Sri Lanka, Taiwan, South Korea, the U.S.S.R., Israel and Saudi Arabia provide us with a spectrum of nations that are involved in this inhumane treatment of humankind.

Thus we are drawn to another consideration with respect to Canada's implementation of its strong concern about torture. It is to examine closely the kinds of relations this Government has with countries which have clear records of vicious treatment of their own citizens. It seems to me that torture is not that frequent in Canada; this is an empty piece of legislation unless we are able to also implement other measures that will show the world our utter contempt for those who would torture their own citizens, whether in war or in peace, whether for intimidation or because of race. So we should be looking systematically at the human rights records of the countries of the world with which our Government has relations. The Congress of the United States does it. The Americans have a complete listing, and examine human rights situations including false imprisonment, torture, and other inhumane acts. This provides a basis by which policy in respect of those governments can be directed.

• (1610)

When it comes to the provision of aid, the records of those nations should be available to us to determine in what manner, in what form, to whom, and whether we will provide aid. It is significant that we are not only unaware of what nations the Government considers it appropriate to have dealings with, but we do not know to what nations our country sells arms. In many cases that puts Canada in a position where we place guns in the hands of those who kill, maim, and torture their citizens. If we are to live up to our responsibilities in that regard, we must move beyond this legislation. Then we will have met our obligations.

When we look at those who come within our borders, whether they be diplomats such as the Ambassador from Sri Lanka or ordinary people of no particular notoriety, we should examine their records to see whether they have been involved in the imposition of torture. If that is so, we should either put them in jail or tell them to go home where they will be tried for their crimes. Only with complete involvement in ensuring that torturers will be punished will we have fulfilled our international obligations and our obligations to the consciences of Canadians.

Hon. Bob Kaplan (York Centre): Mr. Speaker, the Hon. Member for Eglinton—Lawrence (Mr. de Corneille) spoke on the Bill. He indicated our general position of support for it and our commitment to a large role by Canada in pursuing internationally the elimination of torture.

The reason I wanted to speak was that in my political career I have had fair experience in the workings of the United Nations. When the United Nations is unanimous about anything, I tend to worry. When I was first introduced to this dossier, including the Bill, I took a look at some of the details of the negotiations of the United Nations, of the treaty reached, and of the Bill now before the House. I want to say unequivocally, as did the Hon. Member for Eglinton—Lawrence, that the Bill and the debate which took place at the United Nations represent a step forward in the elimination of torture in the world.

I do not want to indicate that we have any reservations about what the new Government has done at the United Nations and here by bringing forward the Bill in compliance with the terms of the convention which it signed. However, I suggest that there is a very serious shortcoming in the convention signed at the United Nations and in the Bill before us. I do not want to suggest that we should have objected to the convention when it was negotiated at the United Nations. I can almost take it for granted that Canada would have been one of the nations pressing hardest for effective measures to reduce torture and eliminate torture in all parts of the world.

However, the Bill before us could be better. When we reach the stage of clause by clause consideration in Committee of the Whole, which I hope will be in a few minutes, I will propose an amendment. I think the principle is important enough to mention it now.

The United Nations is famous for intentional ambiguities. The ambiguities are intentional because in many cases without ambiguity in the measures brought forward by the United Nations there would not be consensus. It gets agreement among a large number of states because one group has a certain interpretation of what it is doing, while another group has another interpretation. The basic consensus at the United Nations about torture is a step forward, but the Bill before us does not go as far as it should.

When we in Canada talk about domestic legislation, we should set an example in the legislation that we bring forward. It might inspire some of the other countries that signed the convention to bring a forthcoming, unequivocal Bill before their own Parliaments and legislatures to provide real measures for dealing with torture and torturers who may be found in their countries, instead of half measures such as the ones contained in the Bill, which are better than nothing.

Let me explain why the Bill is inadequate. If we look at Clause 2, we see that the definition of torture includes any act—and I am skipping to make the point, certainly not to change the meaning—by which severe pain or suffering, whether physical or mental, is intentionally inflicted on a person for the purpose of punishing that person for an act which he has committed. It is a very good statement, and I think Hon. Members of the House would support it unequivocally. If a person is whipped or beaten, if a person is locked into a freezing room, if a person is buried up to his or her head in the sand, or if a person has a limb amputated, all these things would be permitted under the Act under certain circumstances because of the concluding language in that clause. It says that the definition of torture does not include any act or omission arising only from, inherent in, or incidental to lawful sanctions. We do not need that reservation in Canada. We do not mean to say that an act in which severe pain or suffering, mental or physical, is inflicted for the purpose of punishing a person will be acceptable, if it is incidental to, inherent in, or arising only from lawful sanctions.

There are states which specifically, deliberately, and officially torture people by way of punishment. I was not at the United Nations when the treaty was negotiated, but I say sincerely that I assume we tried to eliminate that type of practice in every country. I would assume we tried to make the convention one which would eliminate that. We succeeded to a point, and that is why I am approving the convention on behalf of my Party. However, I urge the House to eliminate the additional language which would qualify certain kinds of torture and make them justified. I do not think they should be.

In our own country and in our own Parliament where we have control of exactly what we will do in the way of ratifying and carrying forward the noble goal of the abolition or elimination of torture, I hope that when I move my amendment it will find favour.

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, I just wanted to say a few words on the legislation before us and to add my thoughts to the whole question of torture, not simply from a domestic perspective in terms of what goes on in Canada, but from a more global perspective.

It has been quite some time now, but I visited Chile for a couple of weeks. Meeting with people who had been tortured and who lived in such a state taught me some lessons about torture. It is important for Canadians to understand what torture is and for our Government to have a serious global commitment to the elimination of torture.

• (1620)

Torture has to do with democracy and dictatorship. It has to do with a Government being at war with its people. It has to do with living in fear and a Government using torture, using all of the powers available to the state to keep people in line to preserve an unjust regime. Torture has to do with injustice, not only a lack of political freedom and a lack of freedom of the press but also when a society is characterized by social and economic injustice. I saw this in Chile. People are living in poverty the likes of which we do not know here. For the unemployed there is no social safety net, no welfare to keep body and soul together. Families have to go without food. People live in shacks that bear no relationship to what a house is like. This is the context in which we must see torture. Torture is part of an unjust society. It is an instrument that a Government uses to impose its will upon its people.

Any effort that our Government can make in the direction of eliminating torture from this planet is worthwhile. How easily the Government, as many of my colleagues have pointed out, could have gone further. We need to go further. However, it is important for Canadians to appreciate just what torture is in real terms. I wanted to share my experience with Canadians about what I learned of torture by visiting a country like Chile, whose citizens are tortured for speaking out and for calling for action to meet the people's basic human needs. I met with individuals who lived through that and still had the courage to go on, were still part of the human rights organization and who spoke out against the lack of freedom and injustice.

It is crucial that whatever Canada can do to support people who are fighting against political repression that we do everything we can.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: It is my duty, pursuant to Standing Order 66, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: The Hon. Member for Moose Jaw (Mr. Gottselig)—Canada Post Corporation—Future of rural post offices; the Hon. Member for Beaches (Mr. Young)—Pharmaceutical industry—Proposed amendments of Patent Act—(a) Cost of drugs (b) Request for publication of studies; the Hon. Member for Fundy—Royal (Mr. Corbett)—Shipbuilding—Construction of fishing trawlers—Request for Canada-First Policy.

GOVERNMENT ORDERS

[*English*]

CRIMINAL CODE

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Hnatyshyn that Bill C-28, an Act to amend the Criminal Code (Torture) be read a second time and referred to Committee of the Whole.

Mr. Deputy Speaker: Is the House ready for the question?

Some Hon. Members: Question.

Motion agreed to, Bill read the second time and the House went into committee thereon, Mr. Danis in the Chair.

Mr. Lewis: Mr. Chairman, I rise on a point of order. If Members of the House wish, we could bring in officials to assist in the Committee of the Whole House.

Mr. Deputy Speaker: Is that agreed?

Some Hon. Members: Agreed.

Mr. Deputy Speaker: That appears to be the wish of the House. I thank the Hon. Member.

The Chairman: Order. House in Committee of the Whole on Bill C-28, an Act to Amend the Criminal Code (Torture).

Shall Clause 1 carry?

Some Hon. Members: Agreed.

Clause 1 agreed to.

On Clause 2—*Torture.*

Mr. Robinson: Mr. Chairman, I would like to move the following amendment to Clause 2:

That Bill C-28 be amended in Clause 2 by striking out line 42 at page 2 and substituting the following therefor:

"which that person or a third person has com-"

The purpose of this amendment is to eliminate the use of sexist language from the Bill. I have discussed it with the Parliamentary Secretary and I believe there is agreement to proceed with the amendment.

The Chairman: The Chair finds the amendment in order.

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

Some Hon. Members: Agreed.

The Chairman: I declare the amendment carried.

• (1630)

Mr. Kaplan: Mr. Chairman, I move:

That Bill C-28 be amended in Clause 2:

(a) by striking out line 48 at page 2 and substituting the following therefor: "nation of any kind."; and

(b) by striking out lines 1 to 3 at page 3.

I moved this motion such a short time after I made my statement about the purpose of the amendment that perhaps I could save the time of the House by indicating that this amendment is to achieve the purpose I have just described.

The Chairman: I find the amendment to be in order.

Mr. Robinson: Mr. Chairman, I rise to speak briefly in support of the amendment proposed by my colleague, the Hon. Member for York Centre. The reference at the top of page 3 to any act or omission arising only from, inherent in or incidental to lawful sanctions significantly weakens the protection included in the previous part of the provision. As I read them, those words qualify both subclause (a) and subclause (b) of the definition of torture. This would mean that if an individual intentionally inflicted severe pain or suffering on another individual for the purposes which are set out in subclause (a), that would be permitted if it arose from lawful sanctions.

Surely no lawful sanction should be accepted in Canada which would have as its result the infliction of severe pain or suffering, whether physical or mental, for the purpose referred to in the definition of torture. I cannot imagine how under any circumstances such acts or omissions would be considered acceptable in any civilized society. For that reason, I would hope that the Government would be prepared to accept the amendment of my colleague, the Hon. Member for York Centre.

I might just note as well that while certain incidents of the nature referred to in this Bill are, fortunately, rare in Canada, from time to time there have been allegations of serious wrongdoings including the possibility of torture as defined in

the Bill. I recall, for example, visiting Archambault Penitentiary in August 1982 and meeting at that time with prisoners who made very serious allegations of the infliction of physical and mental torture upon them. Unfortunately, those allegations were dismissed by the Solicitor General of the day who suggested that the individuals in question should press charges in court if they felt they wished to proceed with the matter. That Solicitor General, of course, sits today as the Hon. Member for York Centre. It was only after a number of independent investigations including an investigation by Amnesty International, an investigation by the International Federation of Human Rights and an investigation by the very respected Moderator of the United Church of Canada that it became clear that there was indeed a very serious possibility of grave wrongdoing, injustice and possibly the infliction of physical and mental torture on prisoners at Archambault. To this day, there has been absolutely no justice whatsoever rendered in that case.

While we certainly support the provisions of this legislation, I would note that it is important that these provisions apply at all levels within Canadian society including Canadian prisons. I would seek clarification from the Parliamentary Secretary to the Minister of Justice on the circumstances in which it might possibly be considered lawful to impose torture flowing from, inherent in or incidental to otherwise lawful sanctions.

[*Translation*]

Mr. Gérin: I must tell you that the amendment suggested by my colleague is well intended. That is beside the point, except that we are here to ratify an international convention by way of a Canadian Bill. This is what matters. I appreciate that the Hon. Member is asking us Canadians to go further than the international convention, but if we go further than that Convention, we will put other countries to which we promised concurrence in a situation that may be awkward for some of them. It is not without reason that the United Nations took ten years to reach a consensus on that convention. And I know for having attended the United Nations 40th session from beginning to end how difficult it is internationally to reach a consensus, and how much each detail is significant. I cannot visualize that Canada, which is committed to ratifying that international convention, would add an item that has been discussed in the United Nations, that has been extensively discussed and debated and the inclusion of which found no support.

The Convention states at the end of Section 1: "—but does not include any act or omission arising only from, inherent in or incidental to lawful sanctions".

But the latter part of Section 1 also adds that this section is without prejudice to any international instrument or national act that may contain provisions of a wider scope. There are also other arguments for opposing the amendment. Under that convention, we could be obligated to extradite an individual. This means we could find ourselves in a situation where we would have to extradite an individual because we would have gone further than the International Convention and extradited that person to another country that accepted the International Convention as it now stands. We therefore have an international responsibility to abide by that unanimous consensus, as other speakers have indicated.

According to the United Nations, the provision should be interpreted broadly, and I think you have there an answer to your questions, those terms should be interpreted broadly according to international law and human rights. That same section—let us not forget we are implementing it by way of an amendment to the Criminal Code, let us not forget that Section 245 of the Criminal Code is still there and also that that amendment should also be interpreted in the light of Section 245 of the Criminal Code. Hence, Canadian courts will have to use judicial discretion when interpreting Section 245, when interpreting Canadian law.

In conclusion, I would remind you that Section 12 of the Canadian Charter of Rights and Freedoms—because after all that is the basis for all our rights here in Canada—the Canadian Charter of Human Rights and Freedoms states in Section 12:

> Everyone has the right not to be subjected to any cruel and unusual treatment or punishment.

A Canadian judge when faced with a situation as described earlier by the Hon. Member will interpret the case on the basis of the Charter and Section 245, and that should be ample. My point is, however, that we must respect this international consensus. We must, although at the United Nations, we could for instance ask the U.N. Commission on Human Rights to review this matter and consider going a bit further, and ask U.N. partners to provide the amendment you desire, but always according to the normal procedure at that level.

Mr. Kaplan: The Parliamentary Secretary says and admits that our Charter does not contain similar conditions, in other words, administering cruel punishment cannot be justified according to any clause in the Charter because there is none. Here we have a condition for allowing torture. I would like to ask him just to repeat the second article in the Convention he read to us, or both articles. If I remember correctly, the second article provides that the individual State may go further in its own statutes. It is rather difficult to talk about a document I have not read recently. Perhaps I may ask the Parliamentary Secretary or one of his officials to expand on the article that says "without prejudice to any international instrument or national statute containing provisions that are broader in scope." My question is as follows: If we decide to adopt the Bill with the amendment I am proposing, that is, without the qualifying clause and in the spirit of our Charter, will our ratification obligations allow us to do so?

Mr. Gérin: I think the second part of article 1 should be interpreted as a definition of assault. So if in Canada, under Section 245, you want to punish assault and battery and this definition goes further than what we are proposing today, obviously that definition of assault will take precedence. I think that is what is meant. In fact, we could amend other provisions in the Criminal Code to make them stricter, without

tinkering with the Bill that ratifies an international procedure. I think that is how I would interpret it and that is why I think that at the United Nations this second part was added to article 1.

Mr. Robinson: Mr. Speaker, I find it quite extraordinary for the Parliamentary Secretary to suggest that the Canadian legislation cannot have a broader scope than the consensus reached at the United Nations. Of course, that consensus was reached, and various countries had to compromise to reach it. However in Canada, it rests with us to decide what will be our priorities and our legislation. I will then ask the Parliamentary Secretary to explain very clearly to me what is the intention of the Government because section 2 reads as follows: "—torture does not include any act arising only from lawful sanctions."

Does it mean that if the Government of Canada or any other government decided to provide in the law cruel sanctions which would effectively be a physical or mental torture that such sanctions would be accepted and that there would be no penalty for the enforcement of such sanction in Canada or elsewhere?

Mr. Gérin: The Canadian Charter of Rights and Freedoms provides you with all these guarantees. Of course we have the right to legislate in Canada. What I am saying is that it is necessary to take into account the international consensus which was established with Canada's participation and today we have agreed to ratify this Convention. We have the right to legislate, but when we participate in a discussion, join a consensus, and agree to ratify a convention, we have to ratify it as proposed and in a way which will meet our partners' approval. I feel that is the way we will further this issue in the world. Our interest here is as Canadians in Canada but it is also our interest as Canadians to see that there is no torture in the world. In this way, I think we can make progress.

So there is protection under the Canadian Charter of Rights and Freedoms for all the situations you mentioned.

• (1640)

[*English*]

Mr. Robinson: Mr. Chairman, it is one thing to say that Section 12 of the Charter would provide protection, but the proposed amendment to Section 6 of the Criminal Code provides that where the person who commits the act or omission is, after the commission thereof, present in Canada, then that individual can be charged in Canada. Let us say that Chile, referred to by my colleague from Winnipeg North Centre, has a system of punishment which we clearly view to be cruel torture, but which is legally sanctioned in that country. If an individual from that country who has participated in the physical or mental torture of someone in there finds refuge in Canada, according to the wording of this Bill as it now stands, because those acts were legal in Chile, and despite the fact they are profoundly unjust, unacceptable and indeed unconstitutional in Canada, that individual is immune from prosecution in Canada. That is the implication of these words.

Can the Parliamentary Secretary explain why we are prepared to accept within our borders the presence of individuals who have clearly committed acts of torture solely because they are defined as legal acts under the laws of the country in which they were committed? Why on earth should we accept torturers in Canada?

[*Translation*]

Mr. Gérin: All I can say, Mr. Speaker, is that the legitimate sanctions mentioned here will clearly have to be interpreted in the light of international law and the United Nations Charter of Rights.

I suggest this is an adequate guarantee. In this context, the unfair legislation of another country which you mentioned would not be considered legitimate under international law in Canada.

Mr. Kaplan: Mr. Speaker, let us go back to the example given by my colleague, the Hon. Member for Burnaby (Mr. Robinson). In the case of an individual who committed acts of torture in his own country and who comes to Canada, a person who committed crimes elsewhere, except very special crimes in the area of terrorism, the problem is that, in Canada, there is an escape hatch. He has found a shelter, and his country of origin will not seek his extradition. In this country, we could not punish him, because his crime was committed abroad.

Then, we have an opportunity here to do more to abolish and eliminate torture. If we adopt the amendment as proposed, we have the possibility of finding ways to act against this type of torture. That is a very good example. It could happen easily.

I just want to ask again whether the Parliamentary Secretary wants these torturers to find a shelter, or an escape hatch in our country, when we can take action against that.

Mr. Gérin: No, there will be not refuge in Canada. Let us take the example of a country that would enact a statute to make torture acceptable and, after torturing people, contacted Canada and told us: "There is a law in our country that says torture is acceptable." Clearly, Canadian courts would not find that a *lawful sanction.* That is clear. According to the interpretation of Canadian law, international law, international human rights charters, that could never be found lawful. This means that nobody will be able to find refuge here.

Mr. Kaplan: Against such charges, the individual could answer that the torture inflicted was justifiable because this arose only from lawful sanctions. This is what he could say. He would have a case, and this is why I want to delete that language.

• (1650)

[*English*]

Mr. Robinson: Mr. Chairman, I would like to ask the Parliamentary Secretary a very specific question. This is really the crux of the matter. Consider the case of an individual found in Canada who has committed acts in a third country

which we would view as acts of torture, whether they be the infliction of physical or mental suffering. The individual has committed the acts pursuant to laws of that third country. In other words, the acts in question are legal. There are lawful sanctions in the country from which that individual has fled. A Canadian judge would be obliged to find that those acts flow from lawful sanctions because the sanctions in question are lawful in the country from which the individual has fled. There is nothing here which states that if the sanctions are illegal by virtue of international law there can be some sort of escape. The only criterion is whether they are lawful sanctions. If indeed the laws of that third country permit these acts, which we in Canada would view as acts of torture, the judge has no jurisdiction whatsoever. Obviously the country in question will not seek extradition and the individual is free to escape justice.

Does the Parliamentary Secretary not recognize that by including this reference to "flowing from lawful sanctions" he is in fact permitting a very serious escape loophole for individuals who may have committed acts of torture in other jurisdictions?

[*Translation*]

Mr. Gérin: Mr. Speaker, I for one have confidence in the Canadian judicial system to make the necessary distinctions in that area. I do not think you could give me a specific example of what you just mentioned.

The Canadian courts will interpret this in the light of Canadian law and international law. If the action was committed in another country, the courts will also have to base themselves on international conventions accepted and recognized around the world.

So you already have a safeguard, and I do not foresee any complaints. There are countries we will never hear from, where there will never be any problem. When it comes down to it, we know very well where torture is to be found, where torture is inflicted, and we also know those countries often have laws they should be amending.

We in this country will have no problem with that. Our judicial system will make it easy to fight acts of torture that have been inflicted anywhere around the world by people who seek refuge in Canada. I see no problem with that.

[*English*]

Mr. Robinson: Mr. Speaker, I would then ask the Parliamentary Secretary whether he would be prepared to consider an amendment which would make it clear that any lawful sanctions in question must be in accord with the principles of international law. It would appear that that is what the Parliamentary Secretary is in fact stating, and that it is his hope that our courts would in fact interpret the only acceptable sanctions to be those in accord with the principles of international law. If those words at least were included, that would provide some safeguard and an assurance that we are not dealing with sanctions which are solely lawful according to the country in question but, rather, must be recognized as lawful by the international community of nations. The Parliamentary Secretary may wish to consider this and we could certainly come back at an early date to consider the Bill with that amendment.

[*Translation*]

Mr. Gérin: That same suggestion was made at the United Nations, where it was turned down by a group of nations which still wanted to sign, and did sign unanimously that international convention. I will refer you to everything that was said at that time at the United Nations. It is my view that we should pass the Bill now, immediately, ratify the international convention that was unanimously adopted by the nations, in order to give a chance to the largest possible number of nations to participate.

[*English*]

Mr. Keeper: Mr. Chairman, I have a question for my hon. colleague. Is he aware that the torture that goes on in countries such as Chile—and I know this from having visited the country—is lawfully sanctioned? When people seek redress in the courts there is no legal remedy. Chile did not write a piece of legislation which says that it is okay to torture, but torture is lawfully sanctioned. I want to remind the Minister of that.

Why should we have such a provision in legislation in Canada? Surely we are against torture. The Parliamentary Secretary said that we have the protection of the Charter of Human Rights. The Charter of Human Rights also has a qualifying clause saying that whatever is reasonable in a democratic society is acceptable. Perhaps a judge would look at this law and say that since Parliament passed it this is reasonable in a democratic society.

The Minister asks whether we do not have confidence in our courts. The courts are there to interpret laws, not to make them. I ask the Minister to think seriously about this. Does he really want to have an exception in law to a ban on torture in this country?

Mr. Kaplan: When the Parliamentary Secretary indicated that the qualifier conformity with international law had been rejected it reminded me that I had mentioned earlier that I worry when the United Nations is unanimous about anything. The worry is that the measure on which it has become unanimous is so watered down by intentional ambiguities, vague language or exceptions, that it permits a measure of comfort to a number of states which I think Canadians would like to deny to those states. We know that the list of states which are entering this treaty and perhaps passing legislation include states in which torture occurs.

That which the Parliamentary Secretary has said has made me more convinced that this is important for us in our own country. I am not saying we should not have signed the treaty because I think we should have signed it. It is a step forward. As well, this legislation, without my amendment, is better than no legislation. It is good, progressive, liberal legislation which our Party supports, but it would be better and would add more to the war against torture if this amendment were made. I

regret to say that I am more convinced now than I was before we started that the amendment is an improvement and that there is no reasonable excuse for not adding it. I urge him once again, before some of his colleagues, who I know from what I read in the media are not trained seals, to recognize the importance of this amendment and to support it.

The Chairman: It is my duty to interrupt the proceedings at this time and report progress.

Progress reported.

* * *

• (1700)

MESSAGE FROM THE SENATE

Mr. Deputy Speaker: I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate has passed certain Bills.

THE ROYAL ASSENT

[*English*]

Mr. Deputy Speaker: I have the honour to inform the House that a communications has been received as follows:

Government House
Ottawa

March 26, 1987

Sir,

I have the honour to inform you that the Honourable Antonio Lamer, Puisne Judge of the Supreme Court of Canada, in his capacity as Deputy Governor General, will proceed to the Senate chamber today, the 26th day of March, 1987, at 4.45 p.m., for the purpose of giving Royal Assent to certain Bills.

Yours Sincerely,
Anthony P. Smyth,
Deputy Secretary, Policy and Program.

PRIVATE MEMBERS' BUSINESS--MOTIONS

[*English*]

HEALTH

USE OF LEAD IN SEALING FOOD AND BEVERAGE CANS

Hon. Chas. L. Caccia (Davenport) moved:

That, in the opinion of this House, the Government should consider prohibiting the use of lead solder in sealing cans used for food and beverages.

He said: Mr. Speaker, this is a straightforward and very direct proposal. As you indicated, it is a request to the Government to prohibit the use of lead as solder in the sealing of cans used for food and beverages.

The basis for that request is the conclusions of the Royal Commission on Lead, which reported in September last year. That study is rather comprehensive and technical but makes a number of interesting points.

THE ROYAL ASSENT

[*Translation*]

A message was delivered by the Gentleman Usher of the Black Rod as follows:

Mr. Speaker, the Honourable the Deputy to the Governor General desires the immediate attendance of this Honourable House in the Chamber of the Honourable the Senate.

Accordingly, Mr. Speaker with the House went up to the Senate Chamber.

• (1710)

[*English*]

And being returned:

Mr. Deputy Speaker: I have the honour to inform the House that when the House did attend His Honour, the Deputy to Her Excellency The Governor General in the Senate Chamber, His Honour was pleased to give, in Her Majesty's name, the Royal Assent to the following Bills:

Bill C-48, an Act for granting to Her Majesty certain sums of money for the Government of Canada for the financial year ending the 31st March, 1988—Chapter 10, 1987.

Bill C-39, an Act to amend the Canada Shipping Act and to amend the Arctic Waters Pollution Prevention Act, the Maritime Code Act and the Oil and Gas Production and Conservation Act in consequence thereof—Chapter 7, 1987.

Bill C-43, an Act to amend the Territorial Lands Act—Chapter 8, 1987.

Bill C-45, an Act to authorize the disposal of certain assets in the Yukon Territory that are held or used by the Northern Canada Power Commission and to provide for other matters in connection therewith—Chapter 9, 1987.

PRIVATE MEMBERS' BUSINESS--MOTIONS

[*English*]

HEALTH

USE OF LEAD IN SEALING FOOD AND BEVERAGE CANS

The House resumed consideration of the motion of Mr. Caccia that, in the opinion of this House, the Government should consider prohibiting the use of lead solder in sealing cans used for food and beverages.

Hon. Chas. L. Caccia (Davenport): You will recall my earlier reference to the Royal Society's Commission in 1986 on the question of lead in the environment. Lead is a powerful toxin and scientists have concluded that it has adverse effects on several body functions, including the central nervous system and circulatory system. Lead is also believed to affect intelligence, particularly in children, as a result of studies carried out

over the years by the Learning Disabilities Association of Canada.

The findings of the Royal Society last fall concluded that women, especially when pregnant, and young children are the most vulnerable groups. The commission recommended that the Government's public health and environmental policy should be to reduce blood lead to its lowest possible level. Our exposure to lead ought to be reduced. Food in cans with a lead soldered side seam can absorb lead. Studies which have been conducted have concluded that acidic foods or beverages such as tomatoes or fruit juices can have as much as ten times more lead than fresh fruit or vegetables. The commission recommended that efforts should be made to accelerate the decline in lead content in food, banning lead soldered seams on cans as quickly as possible.

As you will note, Mr. Speaker, if you go to a food market and buy food in cans, both imported cans of food and cans manufactured in Canada with soldered seams are not regulated. Let me be absolutely clear on this and quote from the excellent book written by Barbara Wallace and Kathy Cooper entitled *The Citizen's Guide to Lead*. If one wants to be sure when buying food in a can that it is safe, one would want to look for a can with no seams at all. If the can has no seams it is safe; it is leadfree. One can always detect if there is a seam even if there is paper wrapped around the can by scratching with a fingernail. If there is a thin blue or black line running along the seam, that food can is leadfree and therefore it is all right. However, if it does not show a blue line or a black line along the seam, then it has been soldered with lead and therefore it is not desirable or advisable to purchase that type of canned food.

• (1720)

Of course, I am not suggesting that all the sources of lead are from canned food. There are a number of occupations that put men and women in touch with lead, people who have to pay particular attention to the presence of lead. I will quickly mention only a few. They are: auto mechanics and automobile workers, cable makers, dental technicians, electroplaters, electrotypers, gasoline blenders, insecticide makers and insecticide users, jewellers, lead miners and lead smelter workers, linoleum makers, solderers, of course, varnish makers, wallpaper printers, and so on, just to mention a few.

It is important that we also remember that one of the largest single sources of environmental lead is the emissions from cars, cars that use leaded gasoline. Over the years the Government has moved in the direction of reducing the content of lead in gasoline, but we still have a certain distance to travel to the day when all the gasoline that will be used and made available both to light vehicles as well as to heavy ones will be free of lead.

At the present time we face a very disturbing situation with motorists who are misfueling their cars. I refer to owners of cars that should be running on unleaded gasoline who tend to buy gasoline which is leaded because it costs less, in spite of urgent signals that many of us have given to the Minister of Finance (Mr. Wilson) urging him to change the federal tax on gasoline. Nevertheless, there is an increasing gap in the price between the two gasolines.

Those motorists who are misfueling, namely, those buying gasoline that is leaded for cars that should be running on unleaded, are carrying out a practice that is illegal, as well as doing something which is unhealthy and unfair to the rest of society. We know that the Government has urged motorists to abandon the practice of misfueling gasoline. That campaign has been carried out through the use of advertisements. However, those advertisements will have only limited impact, although I hope they will have some impact, since so long as there is a price differential in gasoline we will be facing this type of problem on the part of motorists who will be tempted to misfuel.

We eat food and we breathe air that contains lead. We have food contaminated by lead fall-out from the atmosphere. It comes back to us by way of coal-fired power plants, by way of cars and trucks using leaded gasoline, as I mentioned before, by factories using heavy fuels and also by way of smelters. We can also have an intake of lead by way of canned food or drink that is canned where lead solder is used to seal the can. As I mentioned earlier, acidic food or acidic beverages, such as tomatoes and the like, or fruit juices, seem to indicate a greater incidence in the presence of lead in those foods. Therefore, the Royal Society's Commission on Lead in the Environment concluded that within the human body lead can lead to a number of difficulties which I have already mentioned.

Returning to my motion, I would, through you, Mr. Speaker, call on the Minister of National Health and Welfare (Mr. Epp) to take measures that will ban lead soldered seams on cans, which in itself would be a major step forward. Also, the same Minister through his offices must ensure that the importation of cans with lead soldered seams that contain food be brought to a stop.

Finally, it is encouraging to know that the domestic canning industry is gradually replacing cans with lead soldered seams, but that is not enough. The Minister of National Health and Welfare should accelerate this phase-out, particularly with respect to imported canned foods, for the reasons that I have mentioned and which are so well described in a technical paper in the report to which I have made mention.

In the end you and I will agree, Mr. Speaker, it is the consumer who makes the final decision when choosing what to purchase from the shelf in stores. It is for this reason that I am putting this motion in the hope that the message from the Royal Society will be picked up by the Canadian consumer who can, by refusing to purchase lead soldered canned foods, discourage the use of this type of technology which has proven to be unhealthy in terms of the merits and the advantages of human health in general.

Canned Food and Beverages

[*Translation*]

Mrs. Monique Tardif (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, the toxic effects of lead have been known for quite some time. As early as two centuries before the beginning of our era the Greeks and the Romans were aware of the harmful effects of lead, but still they continued to expose themselves to them through foods and beverages, particularly wines.

Over the years, many outbreaks of lead poisoning were traced to lead contaminated foods and beverages.

The industrial revolution which had a worldwide impact around the middle of the 18th century led to wider use of lead and, early in the 19th century, workplace related lead poisoning had become a serious public health hazard.

During that period, the toxic effects of lead on the children of lead industry workers were noticed for the first time. In addition, cases of sterility, miscarriage, stillbirth and premature delivery were common, not only among women working in the lead industry but also among the wives of men working in that industry, not to mention the fact that infant mortality was very frequent among the children of these workers.

Gradually however, thanks to better occupational health standards in the industry, cases of congenital lead poisoning declined sharply.

Between 1930 and 1940 the United States reported many serious cases of lead poisoning among children. Some of these cases were thought to be brain tumours, whereas others were wrongly diagnosed as being acute abdominal attacks, which required unnecessary surgery.

The number of deaths due to lead poisoning was extremely high, but some health professionals mistakenly thought that the effects of lead poisoning tended to wear off, without serious consequences.

Two researchers, Byers and Lord, published an eloquent rebuttal of this erroneous concept in 1943, and their book has become a classic on the subject.

They observed that this view, although very widespread, did not take into consideration the effects of lead poisoning on the growth and development of the nervous system of children.

They followed the cases of twenty children who had been cured of lead poisoning and found that all except one did poorly in school.

Most of these children had various behavioural problems, including very short attention spans and impulsive behaviour patterns.

Their study was probably the first to infer that low-dose lead poisoning could lead to subtle behavioural changes and other neurological problems. However, there were no clear signs pointing to a deficiency in the central nervous system.

From the early fifties until the mid-sixties, public health workers alerted to the problem in many major cities in the United States learned to recognize cases of lead poisoning when it became clear that many children were suffering from this condition.

They found hundreds of cases. Between 1950 and 1960, for instance, 611 cases of lead poisoning and 48 deaths associated with this condition were recorded in Baltimore. Similar surveys were also carried out in New York, Philadelphia and Chicago.

Because of the interest shown in this problem, an increase in the number of cases diagnosed was invariably recorded, as well as a decrease in the seriousness of the affliction. A consistent picture emerged from the data collected by these cities during that period.

Lead poisoning in infants affected nearly exclusively children between the ages of one and six living in run-down housing in large unsanitary urban areas. Smaller children between the ages of one and three were more at risk than older children. The main sources of exposure in such housing were pealing lead-based paint and cracked lead-soaked plaster.

The affliction occurred throughout the year, but the symptons were most common during the summer months. In the absence of adequate building codes or a proper application of existing regulations, the dangers associated with lead-based paint were seldom corrected, which meant that lead poisoning continued to be widespread.

In the mid-sixties came a new social awareness with the discovery of lead poisoning, an avoidable affliction which had reached epidemic proportions in many unsanitary urban areas throughout the world. Moreover, thousands of children who showed no evident sign of sickness were found to have high lead concentrations in their blood. These findings brought health care professionals to recognize the importance of detecting not only an excessive absorption of lead in children to prevent symptomatic poisoning, but also the toxic effects of lead in youngsters.

While lead-based paint used in millions of homes remains the main source of concentrated lead to which children living in run-down housing are exposed, the frequency of an excessive absorption of lead by young children living outside these zones who could be described as rich resulted in a more detailed examination of the possible sources of this substance in the early seventies.

Other sources of exposure were in fact detected at the time: pottery covered by lead-based glazes, leaded gasoline and lead sealed food and soft drink cans.

The seventies also saw a substantial number of discoveries and new technologies. The world came to understand better the metabolism of lead in the human body and the influence of various nutritional factors on lead absorption and toxicity.

Among the major discoveries, I should mention the documentation of substantially higher rates of lead absorption and retention by the gastrointestinal system of children, as well as the fact that children are more sensitive to lead toxicity.

Studies carried out during the same period on laboratory animals also showed that long term exposure to weak concentrations of lead could result in behavioural deficiencies.

The United Nations Joint Committee on Food and Agriculture and the World Health Organization, which includes experts on food additives, reviewed the question of lead and its toxicity at its thirtieth meeting in Rome last June.

At a previous meeting held in 1972, this committee had set provisionally the tolerable daily dose of lead at 50 micrograms per kilogram of body weight. The admissible weekly intake, Mr. Speaker, is the maximum amount of lead that a person can ingest in a week without any sign of adverse effect. The committee had mentioned then that it did not apply to children. Due to the particular concern about children and infant health, the committee assembled in 1986 tried to assess the dangers associated with lead in those age groups.

The committee reviewed carefully all available data on that subject. Considering that a daily intake of 3 to 4 micrograms of lead per kilogram of body weight did not cause any increase in blood levels in children and infants, a provisional admissible weekly intake of 25 micrograms of lead per kilogram of body weight was established.

Exposure to lead comes from many sources and lead-soldered cans are only one of the possible sources of contamination.

The Department of National Health and Welfare has provided other federal departments and provincial organisations with particular information on health risks associated with exposure to lead and recommended to limit, as much as possible, exposure to that substance. To that end, federal and provincial levels of Government have passed measures to limit exposure to lead.

Limits have been set for lead in a variety of products such as paints, pesticides, solder for kettles, glazing material for ceramics, especially when used for food.

Regulations have also been passed regarding emissions by lead smelting operations. Moreover, the Department of National Health and Welfare is supporting all initiatives to reduce or eliminate lead in gasoline.

Over that period it has been further established that nutrition was the main source of direct lead exposure for the general population, that is, people who are not exposed at work.

It has also been confirmed that lead-soldered seams was an important source of lead contamination in canned food.

Based on those discoveries, Mr. Speaker, experts in the Health Protection Branch of the Department met with representatives of the canned food industry. Their discussions led to a co-operative, Government-industry program aimed at effective, orderly reduction of lead rates in food.

Since it has been established that babies and infants were more sensitive than adults to the toxic effects of lead, regulations have been passed to limit lead rates in canned milk products.

In this way, lead rates in those products could be reduced to concentrations near natural levels. Moreover, other baby foods are no longer sold in lead-sealed containers, and they now include negligible amounts of lead.

Finally, regulations have been made with the aim of limiting the permissible amount of lead in a whole range of foods, including fruit juices, other drinks and more recently, tomato products.

That co-operative effort is on-going and other regulations will be passed where needed to limit the admissible lead concentrations in food.

In an effort to identify any area that could cause problems in that area, the Health Protection Branch of the Department of National Health and Welfare is implementing an on-going monitoring program under which its Canadian and imported products experts look for signs of lead contamination.

What has been found is a constant reduction of lead rates in canned foods since the introduction of the program, to such an extent that the lead contamination from that source is now well below tolerable limits established by the Joint Committee of Food Additive Experts.

This is why, Mr. Speaker, I feel there is no need to forbid generally lead sealing of cans.

• (1730)

[*English*]

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, it is a pleasure to have an opportunity to address the resolution introduced by the Hon. Member for Davenport (Mr. Caccia). As well, it was a pleasure to listen to the very carefully prepared written notes provided by the bureaucracy to the Hon. Parliamentary Secretary so that she could exercise her indirect expertise on the subject of the history of lead poisoning in humans.

Of course we know that lead poisoning is a well-known phenomenon. In fact, if the Hon. Parliamentary Secretary had chosen the correct writer for her speech, she would have found in documents of the Department of National Health and Welfare the record of the effects of lead poisoning even in Roman times. Upon the exhumation of corpses in Pompeii, the skeletons were revealed to contain immense quantities of lead, and therefrom arose the theory that perhaps the downfall of Rome is largely attributable to the wide occurrence of lead poisoning among the Romans. Indeed, it has been suggested that the peculiar behaviour of Nero when fiddling while Rome burned and other peculiarities of behaviour among Roman emperors were attributable to their being victims of lead poisoning. If one speculates on the behaviour of presidents, one might perhaps speculate that lead poisoning is not a dead issue

insofar as its modern effect on the behaviour of national leaders is concerned.

• (1740)

I have listened with interest to the document read by the Parliamentary Secretary. We have had a nice discourse on lead poisoning, its history, its sources and so on. What we have before us today is a proposal to eliminate lead solder welds on cans. It may be argued that to a very large extent regulations have been introduced which limit the extent of lead poisoning. Lead poisoning is not only a serious form of pollution, but a dangerous form of pollution even when it is present in small quantities or low concentrations.

Let me review the effects of lead. The significant toxic effects are on the synthesis of hemoglobin, on renal function and on neurological development, manifesting itself in blood dysfunctions, in aminoaciduria, in glycosuria and neurological impairment. If, during their development, children are exposed to lead, neurological impairment is experienced which manifests itself in difficulty in understanding, in retardation to some degree and on their emotional development. All of this is well documented, and it leads to the conclusion that the effects of lead are so subtle that we should not tolerate any presence of lead in circumstances where it is unnecessary.

The premise of the resolution of the Hon. Member for Davenport is very simple. It is a premise that has been adopted by all of those concerned with environmental pollution. Where it is possible to eliminate sources of pollution, those sources should be eliminated.

One may argue that the regulations already introduced have provided a fair measure of safety. To some degree, that is true. With respect to acid foods where the quantity of lead is to some degree regulated, regulation is not enough. When canned tomatoes, pickles or even a can of milk that has soured are exposed to air, oxidation occurs and lead is spread into the contents. Unless we are prepared to have indicated on every can of food that once opened that can should not sit because it will become acid, then one should approach the problem another way. How many of us open a can of Campbell's Tomato Soup after reading the label carefully? Most of us just open it up, throw the contents in a pan, add milk or water and sugar and eat it, not paying very much attention to what it says thereon.

Mrs. Finestone: What does it say?

Mr. McCurdy: It is not as if the gentleman from Davenport is suggesting something revolutionary and difficult. There is abundant literature, not only on substitute containers for preserved foods but abundant literature on how to seal a can without using lead.

What we have here, with all due respect to my dear colleague, is not a revolutionary proposal but one that I am sure will come as a surprise to the Hon. Parliamentary Secretary, dependent as she is for her notes from the bureaucrats who will defend their past works. There are welding seals, plastic seals and cans without seals at all that can be substituted and so provide an extra margin of safety. Then we could add to the efforts, so far successful in some areas, in cutting down the amount of lead poisoning in the environment to those other measures that have been taken.

But it is the same in this example as in everything else with the Government. Canada is still far behind the United States in regulating the use of leaded gasoline. Somehow we cannot come to grips with changes, or even meet the standards which the Americans have already adopted. Now we have a simple proposal that would not be dismissed in any other context: where there is a source of pollution, eliminate the source and then you will not have to bother about the statistics or the scientific evidence that may be doubtful, because when in doubt, be safe. To be safe, the simplest answer is to take the simplest course—whether immediate or phased, eliminate lead from cans.

Mr. Gerald Comeau (South West Nova): Mr. Speaker, might I just suggest to the Hon. Member for Windsor—Walkerville (Mr. McCurdy) that he might avail himself of the writer of the last speaker's very fine speech, a speech that I found to be superb, well presented, well researched. I would invite the Member from Windsor—Walkerville to see the bureaucrat and have the bureaucrat write his notes.

Mr. McCurdy: I did, but I wrote my own speech.

Mr. Comeau: The Member did not say which country it was, but he suggested there was a certain president somewhere who might be suffering from lead poisoning. Could he tell us who that president is and what is going to happen in the future? Will the president go the way he suggested? Will it result in the fall of the an empire? I would suggest the Member might read history and rewrite history as he wanted to suggest today.

The Health Protection Branch of the Department of National Health and Welfare, recognizing the potential health hazard to Canadian consumers from lead contamination of canned foods, initiated a co-operative program in 1975 with the food canning industry to reduce lead levels in canned foods. One of the options considered in 1975 was a complete ban on the use of the lead soldered can, as is now proposed in the motion before us. This option, however, was not considered viable and was rejected in 1975 in favour of an orderly and co-operative approach aimed at reducing lead contamination of canned foods. This approach involved regulatory initiatives by the Health Protection Branch of the Department of National Health and Welfare, together with improvements in lead soldered canned technology and gradual conversion to alternate technologies by the industry.

Why was the banning of the lead soldered can not considered a viable option? The lead soldered can has been the mainstay of the food canning industry since its inception. Not only was the lead soldered can of high physical integrity and

durability, the technology for its production and use in the food industry was highly developed, both in Canada and world-wide. Canadian can manufacturers and food processors alike had extensive technical expertise on facilities for the production and use of this canning technique.

While alternative technologies were available, these all had a number of shortcomings which mitigated against the Canadian industry making a radical switch to these techniques in a short period of time. For example, the so-called two-piece can which is drawn from a single sheet of metal and does not require any soldered seams lacked the physical integrity to be produced in the many different sizes and styles required by the food industry.

In addition, to be cost effective, the production of this type of can requires that the production line by operated at least 16 hours per day and that a large volume of one size of can be produced. Because of the relatively small production capacities of the Canadian Food Industry, neither of these requirements could be readily met.

The welded seam can, on the other hand, presented other problems pertaining to its durability, functionality and production which required additional research before its utility in food packaging could be fully determined. Other alternatives such as cemented seams instead of soldered seams, pure tin solders and the like were all considered and found to be fraught with difficulties which prevented them from being immediate viable solutions.

• (1750)

Apart from the technical aspects of these alternate technologies, capital costs as well as operating costs for these new can manufacturing methods had to be considered. It was estimated that conversion to the two-piece can would bear a capital cost investment on the part of the industry of between $1.6 million and $6.4 million per production line with an increased operating cost of $5 to $6 per 1,000 cans. Similarly, the welded-seam can would require a capital investment of about $1 million per line with an increased operating cost of $2.50 to $3.50 per 1,000 cans. These costs had to be compared with the cost of line modification to the existing technology to reduce lead contamination which were of the order of $50,000 per line with an added operating cost of only 20 cents to 30 cents per 1,000 cans.

Conversion to these alternate technologies would not only involve tremendous capital and increased operating costs but could also in certain instances affect jobs. Some food processors in Canada operated their own lead-soldered can manufacturing facilities. Faced with the immediate capital outlay required when switching to different manufacturing methods, these companies might well have decided to discontinue their manufacturing operations and to purchase cans from alternate sources. This could well have resulted in a reduction in these companies' workforce requirements. All of these economic factors would undoubtedly have resulted in substantial increases in the cost of canned foods to Canadian consumers.

One other possible repercussion of a ban on the lead-soldered can had to be considered. As I indicated earlier, the lead-soldered can has been the mainstay of the food processing industry for many years and is used world-wide. Canada is a major importer of canned foods. For example, in 1985, more than $300 million worth of canned foods were imported into Canada. A ban on the use of the lead-soldered can by Canadian food processors without a concomitant ban on imported foods packaged in these containers would have resulted in a profound negative impact on the Canadian industry. On the other hand, to ban the importation of canned foods would have been construed as being a non-tariff barrier to trade, contrary to the General Agreement on Tariffs and Trade of which Canada is a signatory.

Bearing in mind the technical difficulties, the potential effects on international trade and the economic consequences of banning the lead-soldered can, it was considered in 1975 that the Canadian consumer could best be served through a program of regulatory initiatives designed to reduce lead levels in canned foods, together with a gradual conversion of the industry to other can manufacturing methods. One might ask if this has been an effective approach. The simple answer to this question is yes. One need only consider, for example, that as a result of this co-operative program between Government and industry, baby foods are now packaged in glass jars, not soldered cans. Consequently, lead levels in such products are in the order of naturally occurring background levels.

In addition, the regulatory initiatives taken by the Health Protection Branch of the Department of National Health and Welfare to limit lead levels in certain canned foods, together with improved lead-soldered can-manufacturing techniques, has resulted in significant decreases in lead levels in many canned foods. For example, average lead levels in canned fruit juices prior to the initiation of this program were in the order of .15 parts per million. Today the average lead level in such products is .08 parts per million. Similarly, average lead levels in canned fruits have been reduced from about .3 parts per million to .18 parts per million.

Furthermore, great strides have been made by the canning industry to convert to alternate technologies in an orderly and manageable fashion. In fact, as noted in the recent report to which the Hon. Member for Davenport (Mr. Caccia) referred, completed by the Royal Society of Canada, entitled "Lead in the Canadian Environment: Science and Regulations", less than one-third of the 3.5 billion food cans used in Canada in 1985 had lead-soldered side seams. Furthermore, the report noted that by the end of 1986, it was then expected that lead-free cans would account for 95 per cent of Canadian production and use.

To sum up, a ban on the lead-soldered can was not an appropriate or necessary measure in 1975 and it is even less so today. The major steps that have been taken by the Canadian industry, in co-operation with the Department of National Health and Welfare, to convert to new technologies and to limit lead levels in canned foods have resulted in Canadian

consumers no longer being exposed to excessive levels of this potentially hazardous metal from canned foods. As the Royal Society of Canada report concluded, food and beverages used to be severely contaminated from solder in cans, but this source has been largely eliminated.

The Hon. Member for Davenport and the Hon. Member for Windsor—Walkerville (Mr. McCurdy) wanted to get into a discussion of lead in gasoline. The Parliamentary Secretary and I would like to discuss this much further one day, and would like to compare what our Government has done on this subject with what the Liberal Government did. That is a challenge.

[*Translation*]

Mr. Jean-Guy Guilbault (Drummond): Mr. Speaker, I am pleased to take part in this debate and make a few comments on the motion introduced by the Hon. Member for Davenport (Mr. Caccia).

Mr. Speaker, the toxic effects of lead have been indentified for hundred of years now, so much so that everybody is aware of the serious consequences of exposure to massive doses at work or as a result of accidents, for example. However, controversy is focused on the potential hazards of ongoing exposure to weak lead concentrations, especially among children. Many scientists in Canada and elsewhere in the world claim that certain intellectual and behavioural child deficiencies may result from continuous exposure to low lead levels. Such harmful effects are very difficult to pin-point, so it is nearly impossible to prove these theories. But we cannot ignore the fact that exposure to lead concentrations once thought to be harmless may indeed have neurological and behavioural implications.

Lead is a metal which abounds in nature. It is found in soil, air, water and food, usually in very limited quantities. However, as a result of human interventions and activities, this soil, this air, this water and this food may contain much more lead than would otherwise be found in nature.

It has been shown that environmental pollution from mines, smelters and refineries increases the lead content of soil, air, water and food. In addition, the manufacture and use of leaded products, particularly batteries and gas additives, are also sources of lead contamination.

After occupational exposure, the three main sources of exposure for adults are air, water and food.

Mr. Deputy Speaker: I regret to interrupt the Hon. Member, but the hour allotted for Private Members' Business has expired.

• (1800)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 66 deemed to have been moved.

CANADA POST CORPORATION—FUTURE OF RURAL POST OFFICES

Mr. Bill Gottselig (Moose Jaw): Mr. Speaker, I am not sure if you know where Aylesbury, Saskatchewan, is but I am sure that you and many others across Canada have heard about it during the past few months. Aylesbury is one of the 33 towns in Saskatchewan which since 1985 have had their post office closed.

I would like to give the House a bit of an idea of what Canada Post was like about 20 years ago. It was a Canadian institution ranked at about the same level and with about the same amount of respect as the RCMP or the Canadian flag. It was cost effective, had many dedicated workers and, believe it or not, delivered the mail on time. Under the previous Government all of that fell apart. Billions of dollars were spent on technology which displaced workers but did not work.

Canada Post went from an institution operating on a break-even basis to incurring an annual deficit of over $500 million. That in turn led to the start up of a lot of courier operations in competition. When the Post Office became a Crown corporation it really did not improve much. Making it a Crown corporation would supposedly remove the political interference that occurred when it was operated by a Minister of the Crown. It did not really work out that way.

People have to voice their concerns and vent their frustrations somewhere about something like this, so they appealed to the only people they knew, their elected Members of Parliament. In Aylesbury, Saskatchewan, people were justifiably and understandably upset when their post office was closed. One of the first things that would happen as a result was that Aylesbury would disappear off the map. Families who had been getting their mail in Aylesbury for three generations would no longer be able to do so. The people protested to Canada Post and to me. I took up their concerns. We finally got Canada Post to agree that these people would still be able to get their mail addressed to Aylesbury even though it would go to either one of two nearby towns. When we indicated that was not good enough, we were told the Post Office would provide green boxes for incoming and outgoing mail. Provision would be made for a stamp agency in town. This was only as a last resort and after the residents of Aylesbury had understandably kicked up quite a fuss.

These people understand the need for restraint and fiscal responsibility. We all understand that. Everyone makes that kind of decision in the operation of their business or household every day. We know we must live within our means. Yet look

at the deficit of $123 million which Canada Post is going to try and eliminate by 1987-88. Compare that to the few thousand dollars lost at the Aylesbury Post Office. It is nothing in comparison. Rural residents are understandably upset.

Canada Post does not seem to realize that the post office is more than a place where you get your mail. It is a social gathering spot in small towns. Everyone goes there in the morning to pick up their mail and they meet their friends and visit with each other there. It is a very important part of rural Canada. Then look at the fact that Canada Post has a president and 14 vice-presidents paid, we are told, in the neighbourhood of $120,000 a year. People find it difficult to understand why we need 14 vice-presidents in a Crown corporation when we have only 10 provinces. People look at the absentee rate in the Post Office. Two years ago the big sorting plants had an average absentee rate of 25 days. Twenty-five days is five weeks out of a year. Although that has now dropped to 16 days a year, it is still too high.

• (1805)

Those are the concerns of the people of Aylesbury. The Mayor of Aylesbury, Mr. Hank Watkins, decided to get active to save his post office. He kept the fight up himself as long as he could and then joined up with Rural Dignity. On January 25, 1987, they had a meeting in Aylesbury which the President of Rural Dignity of Canada, Mr. Gilles Raymond of Quebec, attended. Over 200 people from Aylesbury and towns all over Saskatchewan came to the meeting to voice their concerns. They have brought their concerns to Ottawa by appearing before the standing committee. We now have the assurance of the Minister responsible for Canada Post (Mr. Andre) that Members of Parliament will be notified when post office closures are contemplated. We will then discuss that in the communities.

That is what the people want. They want meaningful discussion and to be able to present their concerns to Canada Post and be assured that Canada Post understands them. The people understand that small post offices which have only a very minimum number of boxes will have to be closed. On behalf of the people of Aylesbury that is the plea I want to make to the Minister responsible for Canada Post.

[*Translation*]

Mr. Pierre Vincent (Parliamentary Secretary to Minister of Finance): Mr. Speaker, as the new Minister responsible for Canada Post (Mr. Andre) said the other day in the House—you may recall, it was Wednesday, February 18—in the past weeks and months some Members of the Opposition have not been very objective in their statements and questions on the Canada Post Corporation. Mr. Speaker, in so doing, they have helped to cause considerable concern among Canadians in rural areas with respect to the future of postal services in those areas. Mr. Speaker, one Member even went so far as to ask whether Canada Post was going to drop a plan to close 1,700 rural post offices.

Mr. Speaker, Canada Post never intended to proceed with wholesale closing of rural post offices. Furthermore, when the President of the Canada Post Corporation, Mr. Don Lander, appeared before the Standing Committee on Government Operations on November 20, 1986, he referred to Canada Post's plan to have more, not fewer outlets in the future. This is what he said, Mr. Speaker, and I quote: "The net result of our representation plan will be that Canadians will be provided with more outlets in more convenient locations, and at more convenient hours, at less cost to the postal user."

Canada Post will introduce changes in the course of the next ten years and after, turning over the majority of its retail services to the private sector. Generally speaking, private sector outlets have lower operating costs because they are often located on premises where other, non-postal products are already being sold. Canada Post plans to upgrade the service enjoyed by Canadians by improving access to its products and services, putting its outlets in more convenient locations, extending business hours and relying more on the private sector.

The Corporation has now approximately 8,000 sales outlets, with twenty-five per cent of them privately operated as auxiliary post offices. The other sales outlets are operated by the Corporation itself under different guises and are staffed by Corporation employees. The current sales outlets were established over a long period of time and generally speaking, they have not progressed with population growth and business development.

Rural Canada is not the only one affected, Mr. Speaker. The rationalization and streamlining of postal services is also occurring in major centres. The Corporation's plans provide for an increase in the number of sales outlets where the public can buy stamps and other goods and services. Furthermore, there are plans to extend service hours to the public.

Moreover, Canadians in rural areas can be assured that no change will be made without public consultation. The Corporation will give a 90-day advance notice, thus ensuring sufficient time for the Corporation to explain its move and for the community to make its response known. You may rest assured, Mr. Speaker, that we will take due note of this response.

Rural service will improve. The purpose here is not so much to close down post offices as to open new avenues for providing service.

In short, Mr. Speaker, Canada Post Corporation projects for the next ten years should not be cause for alarm, doubts or concern about postal service in Canada. During that ten-year period or more, the Corporation will increase and not reduce the total number of sales outlets for its goods and services in urban and sub-urban communities as well as rural ones. Moreover, due to the fact that the hours of opening will be different and the sales outlets better located, the users will have better access to the Corporation's services.

Finally, Canada Post Corporation intends to consult residents of a community before making any change whatsoever and, to this end, it will give at least a 90-day advance notice to Members of Parliament and users of postal services when changes are being considered.

• (1810)

[*English*]

PHARMACEUTICAL INDUSTRY—PROPOSED AMENDMENT OF PATENT ACT-COST OF DRUGS. (B) REQUEST FOR PUBLICATION OF STUDIES

Mr. Neil Young (Beaches): Mr. Speaker, I rise tonight to make a few remarks on the Government's proposed legislation to Canada's Patent Act as it applies to pharmaceutical drugs.

On several occasions I have asked the Minister of Consumer and Corporate Affairs (Mr. Andre) what those changes will mean to Canadian consumers if the legislation is indeed adopted by Parliament. I have also asked the Minister of National Health and Welfare (Mr. Epp) the same question several times. To date I have not received a satisfactory answer from either Minister.

Canadian consumers do not know what the exact cost of these changes will mean to them. Provincial Governments, which in many instances provide free coverage for those over 65 years of age and for people on fixed incomes, do not know what the additional cost will be to them either. For a party that was elected on a promise to bring more honesty and openness to Government in its relations with Canadians and provincial Governments, it is sure going about it in a strange way.

The Government has also denied repeatedly that this proposal is not part and parcel of the free trade negotiations with the United States. Recent documents have shown that the Government has been less than forthright with Canadians on this matter as well.

You will be interested to know that I have a copy of a report from the office of the United States Trade Representative called the 1986 Report on Foreign Trade Barriers. In this report is a discussion of the Canadian Government's Bill to change the Patent Act regarding pharmaceutical drugs. Under the section of the report entitled "Compulsory Pharmaceutical Patents Licensing", there are three items. The first is a U.S. description of the Canadian legislation. It states:

> Section 41 of Canada's patent law says any company may request the Canadian Patent Commissioner to provide a compulsory licence for pharmaceutical patents. It also requires only a nominal 4 per cent royalty payment. Although a similar provision dates back to World War I, this section was enacted in 1969 after assertions that foreign pharmaceutical companies were making inordinately high profits in Canada.
>
> The measure was based on a subsequently repealed British patent law. It was designed to rectify perceived problems and foster greater pharmaceutical industry competition. The law is highly popular.

He means that the law is highly popular in Canada. It continues:

> On May 27, 1983, the Minister of Consumer and Corporate Affairs announced Canada's decision to change Section 41 and launch extensive discussions with provincial governments, the pharmaceutical industry and consumer groups to stimulate the Canadian pharmaceutical industry and maintain reasonably priced drugs.
>
> More than 150 applications for compulsory licences were filed following the May 1983 announcement of a possible change in the law. U.S. officials indicated any legislative change needs to take these applications into account.

That I find rather strange. It goes on to say:

> In June 1986 Canada announced the terms of legislation it will introduce in late fall 1986 to modify Canada's patent law.

The person goes on to say:

> This proposed bill is being reviewed to see whether it would provide acceptable patent protection standards.

Acceptable to whom? In this case the United States Government is saying it would have to find Canada's legislation acceptable to its interests. Under the heading "Estimated Impact" he estimates that these practices which have existed in Canada since 1969 cost U.S. pharmaceutical interests significant lost revenues each year. Under the heading "Actions Taken or To Be Taken", he goes on to say the United States continues to raise its concerns at senior government levels. It urges speedy submission of modifying legislation to address serious U.S. concerns about the inadequacy of Canadian patent protection in this area.

• (1815)

The Minister of Consumer and Corporate Affairs continually stands in this House and tells us that no officials from the United States Government have approached them to have any influence on Canada's patent laws. I find the statements made by this representative of the U.S. Government to be totally in contradiction and, indeed, in conflict with what the Minister has been saying in an effort to try to convince Members of the House, and the Canadian public, that this law is being changed in the Canadian interests. Clearly, the document to which I have just referred shows that the legislation is not being changed in Canadian interests. It is being changed simply because the President of the United States has demanded that Canada change it as a precondition to trade negotiations commencing and also to ensure the multinational pharmaceutical industry a higher degree of profit at the expense of Canadians.

I want to say, as I have said before, that Canadians are going to pay an arm and a leg as a result of this change in policy, whether through higher drug prices or through higher provincial taxes because these governments give senior citizens, for example, free drug coverage. One way or the other, Canadians are going to pay through the nose for this.

[*Translation*]

Mr. Pierre Vincent (Parliamentary Secretary to Minister of Finance): Mr. Speaker, when the Minister replied to the question of the Hon. Member last October 6, he referred to the cost of some 3,000 drugs available on the Canadian market. None of the proposed amendments to the Patent Act should

result in a price increase of these products. The price competition engendered by the generic sector will continue under the new policy since generic products now on the market will not be affected by the proposed changes. In addition, Mr. Speaker, the new compulsory licenses will continue to be granted to generic manufacturers as soon as the period of exclusivity for patented products comes to an end.

In addition, the proposed amendments to the Patent Act provide for establishing a Patented Medecine Prices Review Board which will be empowered to review the prices of all patented medecine. If it finds their prices excessive according to its standards, the Board will have the power to impose sanctions to the producers. The Board will then be able to set a reasonable price level. It will also be able to revoke the exclusivity period for the drug in question or any other drug sold by the same producer.

Mr. Speaker, by establishing evaluation criteria for the price of drugs now on the market, the Board will be empowered to consider the price of drugs in the same therapeutic category as that particular drug or similar drugs, the prices set in other countries, manufacturing and distribution costs, the rate of increase in the price of the drug compared with the consumer price index and any other factor which the Board will consider relevant.

In the case of newly marketed drugs, the Board will be empowered to set an entry price by referring to factors similar to those already mentioned. The Patent Act will require each manufacturer to provide the Board with information to make comparative analyses. Failure to do so will be treated exactly the same as the setting of excessive prices. Thus, the Board will be assured of obtaining all the information required to determine whether the price level of drugs is reasonable or not.

Finally, the Bill includes provisions which will allow for reviews of the legislation four years and ten years after its coming into force. Price trends for drugs and the level of industrial benefits will then be analyzed, and adjustments will be made to the original legislation if required.

• (1820)

[*English*]

SHIPBUILDING—CONSTRUCTION OF FISHING TRAWLERS—REQUEST FOR CANADA-FIRST POLICY

Mr. Bob Corbett (Fundy—Royal): Mr. Speaker, I would like to take this opportunity to make a few comments about the state of the shipbuilding industry and, in particular, how it could be positively affected in Atlantic Canada. To preface my remarks I wish to express my gratitude to the Canadian Shipbuilding & Ship Repairing Association for providing me with documentation, facts and figures, which I hope will go a long way to presenting a positive case to the Minister responsible and the position that I am taking.

I also want to say that I have had an opportunity to talk with the Minister directly since my question to him of November 20, 1986. At that time I asked him to consider a built-in-Canada policy for the construction of fishing vessels over 100 feet in length. I am pleased that the Minister has responded from the point of view of being interested in the points that I have brought to his attention, as well as the points which the association has brought to his attention, and others.

At this time I wish to take a few moments to re-emphasize the points that have been made. Hopefully, the Minister will take this as a positive representation and act accordingly. I am very interested to hear what the Parliamentary Secretary has to say in response to my comments.

I do not think it is any secret that the ship repair industry and the shipbuilding industry as a whole in Canada have taken a substantial plummet in terms of employment opportunities and in terms of contributing to the economy of the nation over the past few years. By way of substantiation of these remarks I would like to point out that in December of 1986 employment by association members in the CSSRA reached its lowest level in one-half a century with the employment of only 5,500 people. Just a short six years ago, in 1982, almost three times that number were working. We also saw several shipyards close last year.

There is no question that we are in desperate need of new policies by the Government to encourage and to inject into the shipbuilding industry a new sense of responsibility and opportunity. I would like to suggest that there is one way we can address ourselves to that.

By way of background, I would like to say that in 1955 there was a decision taken by the Government of the day to exempt fishing vessels over 100 feet in length from the normal 25 per cent duty that had been imposed on foreign ship imports into the country. That move was generally based on the fact that at that time Canada had a 12-mile limit on fishing. In order to allow our fishermen to compete with foreign fishermen, it was decided that it would be in the best interests of the fishing industry to not impose that duty of 25 per cent. It became redundant in 1970 when Canada proclaimed its 200-mile limit on fishing.

Since that time there has been substantial interest expressed in this issue by various Premiers. I refer to Premiers Buchanan, Hatfield and Peckford. All three of these Premiers have come out in favour of removing the exemption, as have the Premiers of Prince Edward Island and Quebec.

I think it is important to point out that at the end of 1985 of the 221 vessels that were in service in the Atlantic fishery, on 194 of them we were able to procure an age profile. We can assume that 20 years is the average life of vessels equipped sufficiently to harvest quality catches. A substantial number of those vessels, at least 169 of them, according to that criterion should be replaced over the next 10 years.

• (1825)

However, taking into consideration the likelihood that new vessels will be more efficient and thus fewer of them will be required, and working with an average of 80 vessels to 100

vessels, we see that the potential for demand could be substantial if indeed the 25 per cent exemption were eliminated. I am talking in the vicinity of anywhere from $560 million over a 10-year period to in excess of $1.1 billion.

I want to impress upon the House and the nation that in terms of Atlantic Canada this could mean an average of 2,700 to 5,700 jobs in the period of 10 years, with the majority being in Atlantic Canada. It is very important to that part of the country.

Also, it would have a minimum impact upon the fishing industry. If all things were taken into consideration, it would probably mean that the fish processing costs would not be increased from a low of .89 per cent to a high of 2.83 per cent.

Our major competitor is the United States of America, and 80 per cent of our fish exports go to that nation. All U.S. fishing vessel repairs and conversions done abroad are subjected to a 50 per cent tariff. In view of those facts, it is obvious that we should adopt an open "buy Canadian" policy which would be a tremendous boon to Atlantic Canada and to the people of the nation as a whole.

I urge the Government to take immediate action to impose a policy which would bring Canadian shipbuilding back on to its feet in Atlantic Canada and to address itself to the very serious concerns of that region of the nation.

[*Translation*]

Mr. Pierre Vincent (Parliamentary Secretary to Minister of Finance): Mr.Speaker, I shall, if I may, respond to the constructive comments made by the Hon. Member for Fundy—Royal (Mr. Corbett) with respect to the tariff applicable to large fishing vessels.

The Government is well aware of the very serious problems facing the Canadian shipbuilding industry, and it wants to do everything it can to help the industry in its efforts to remain viable, considering the world-wide slowdown in activity in the shipbuilding sector and the fiercely competitive situation on international markets.

The Canadian Shipbuilding and Ship Repairing Association has made representations seeking implementation of further safeguards. Unfortunately, we are very restricted in the kind of action we can take on many of these proposals because of our international trade obligations.

One of the requests of the shipbuilders concerns imposing a duty of 25 per cent on large fishing vessels, namely those over 30.5 meters. Smaller fishing vessels are already subject to a duty of 25 per cent. Although the tariff for large fishing vessels has not been consolidated under GATT, I would like to point out that these vessels have been entering this country duty-free since 1955 and that, at this stage, it would be difficult to justify to the fishermen a re-imposition of the tariff, especially at a time when the fishing industry is starting to show signs of becoming viable once more.

Furthermore, Mr. Speaker, as the Minister of State for Finance (Mr. Hockin) indicated on November 20 last year, this question was considered very carefully in preparation for the 1985 budget. At that time, as many Hon. Members will be aware, the Minister of Finance (Mr. Wilson) decided, considering the cost differential between Canadian and foreign vessels, that such a tariff would have put a heavy financial burden on the fishing industry, with no guarantee of benefits for the shipbuilding industry to compensate.

According to the Government, the situation has not evolved to the point that it could reverse the decision it made only two years ago. However, officials have been asked to re-examine the question to confirm that the situation has remained basically unchanged since the 1985 Budget, and this would lead us to believe that the financial burden of such a tariff for the fishing industry would be more than offset by the benefits which the Canadian shipbuilding industry would stand to gain.

Mr. Speaker, I should like in conclusion to emphasize once again that the Government is committed to considering all practical steps that could be taken to help the shipbuilding industry which is experiencing some difficulties, recognizing the importance of that industry for many communities as well as for the national economy.

Mr. Deputy Speaker: The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 11 a.m. pursuant to Standing Order 3(1).

The House adjourned at 6.30 p.m.

HOUSE OF COMMONS

Friday, March 27, 1987

The House met at 11 a.m.

Prayers

STATEMENTS PURSUANT TO S. O. 21

[*English*]

NATIONAL DEFENCE

SIZE OF ANNUAL DEFENCE BUDGETS

Mr. Len Hopkins (Renfrew—Nipissing—Pembroke): Mr. Speaker, in a recent Defence Committee meeting the Associate Minister of National Defence (Mr. Dick) denied that his Party had made a promise to increase the annual defence budget in Canada by 6 per cent in real terms. In his perplexed mood, the Minister said to me: "Darn it, I hope you will be able to find one that has 6 per cent in it and I would like to get a copy of it".

I hated to see the poor Minister in such a state of amnesia, forgetting what went on during the last election campaign, so I was more than happy to help him out of his fog by supplying him with three separate reports from the election campaign of 1984, each clearly pointing out the 6 per cent commitment made by the Tories. These reports can be found in the *Toronto Star* of July 31, 1984, the Halifax *Chronicle-Herald* of August 18, 1984, and the London *Free Press* of August 6, 1984.

These reports not only clearly state that it was PC defence policy to increase the defence budget by 6 per cent in real terms but also quote Tory MPs as stating that a PC Government would look last at its defence budget for funding of other programs. In true Tory form, the Minister of Finance (Mr. Wilson) lifted $154 million out of the defence budget in November, 1984. In his most recent Budget, he lifted another $200 million out of the Budget. Now, two out of three Budgets have allowed negative growth in the defence budget. This makes a mockery both of the Tories' 6 per cent commitment and of their commitment not to touch the defence budget.

Instead of an 18 per cent real increase in defence spending over the last three years, the Tories have given us less than 2.5 per cent over three years. That can be compared with the average annual increase of 5.4 per cent under the Liberal Government between 1980 and 1984. Clearly the Government shares this selective amnesia—

• (1105)

Mr. Speaker: Order. I regret the Hon. Member's time has expired.

* * *

UNEMPLOYMENT INSURANCE

ELIGIBILITY OF EX-SERVICE PERSONNEL—SUGGESTED SPECIAL DISPENSATION

Mr. Ted Schellenberg (Nanaimo—Alberni): Mr. Speaker, 15 years ago members of the Canadian Armed Forces and the RCMP became part of the Unemployment Insurance Plan. Over the years they contributed millions of dollars to help make the plan more financially sound. In January of 1986 our Government brought in measures to prevent wealthy retirees from ripping off the plan. Unfortunately, those changes pulled servicemen and servicewomen into the same category. In other words, those who had served our nation in the Armed Forces and the RCMP, many of whom were forced to retire at middle age but determined to find new work, were suddenly unable to benefit properly from the plan they had paid into. Realizing this, the Minister of Employment and Immigration (Mr. Bouchard) recently brought forward changes to correct this anomaly once another job had been found. However, upon retirement, when the need is greatest, those people are still being penalized.

The solution is simple. Our Government should acknowledge service to country and make special dispensation. The men and women of the RCMP and Canada's Armed Forces ask for nothing less and demand nothing more.

* * *

EXTERNAL AFFAIRS

NICARAGUA—ACTIVITIES OF CONTRA FORCES FUNDED BY UNITED STATES

Mr. Dan Heap (Spadina): Mr. Speaker, President Reagan's $100 million freedom fighters against Nicaragua have killed a mother after taking her baby, burned 25 houses, and blown up a 14-year old boy. These Contra terrorists continue as much as possible to avoid fighting the Sandinista Army or even attacking guarded power sites or bridges. They find it safer to assassinate unarmed farm workers, school teachers, health workers and children.

On the other side, the Sandinista Government has sought peace by releasing two American citizens caught in terrorist activity, delivering weapons or spying. Why does President Reagan continue funding this campaign of terror? The churches of Canada and the United States have urged him to stop. The labour movement has urged him to stop. A huge majority of the UN, including Canada, voted to tell him to stop. When President Reagan visits Canada next weekend, Canadians expect our Prime Minister (Mr. Mulroney) to tell him we are sick of the senseless crimes of the Contras. Cut off the dollars to the Contras and stop the war.

* * *

[*Translation*]

SHIPBUILDING

ACQUISITION OF SUBMARINES—MEASURES GOVERNMENT MUST TAKE

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, our Government is about to overhaul our national defence system and will soon decide whether we should acquire submarines for military defence purposes. The authorities have yet to make a choice between conventional or nuclear propulsion submarines.

Should the Government opt for nuclear propulsion it will have to consider the advisability of such a decision entailing country-wide economic benefits for our shipbuilding industry. Mr. Speaker, our defence experts will have to take into account the skills of the Canadian shipbuilding industry labour force and their amazing adaptation ability should the green light be given to nuclear-powered submarines.

It is imperative that Canadian shipbuilders be soon given indications in that respect. The credibility of their experts does entitle them to this privilege.

* * *

WORLD THEATRE DAY

THEATRICAL ACTIVITIES—REQUEST THAT GOVERNMENT RECONSIDER ITS BUDGETARY APPROACH

Mrs. Lucie Pépin (Outremont): Mr. Speaker, today, on Friday, March 27, all Canadians working in the theatre will join their colleagues throughout the world in celebrating World Theatre Day.

For over 30 years, actors, technicians and playwrights have been marking this occasion.

This year, however, a pall has been cast on the festivities as a result of the cutbacks announced by the Canada Council in its 1987-88 budget for assistance to the theatrical arts in Canada.

Last year, available funding totalled $17,121,000. This year, nearly $1.5 million has been cut.

For the coming fiscal year, the Canada Council will have a little more money to spend on supporting cultural activities in Canada.

Unfortunately, the theatre sector will not benefit from this increase.

Mr. Speaker, with the thousands of actors and actresses, directors and playwrights in this country, I must deplore these cutbacks, and I want to ask the federal Government to reconsider its budget policy and be more open to the needs of the people in the theatre.

* * *

• (1110)

[*English*]

NORTHWEST TERRITORIES

CALL FOR HOLDING OF BOUNDARY PLEBISCITE

Mr. Thomas Suluk (Nunatsiaq): Mr. Speaker, as the last day of the last Constitutional Conference on Aboriginal Rights comes to a close another deadline is approaching in the Northwest Territories—the Ides of March. The N.W.T. Legislative Assembly passed a watered down resolution to put the question of a boundary agreement to plebiscite. This plebiscite is to be held on May 20 if the Dene and Inuit ratify their overlap agreement reached last May by March 31, this issue being a separate matter altogether. The Dene have since reneged on that overlap agreement, hence no plebiscite.

A great injustice has been committed against the residents of the Northwest Territories by denying them the right to decide their own future. I call upon the Minister of Indian Affairs and Northern Development (Mr. McKnight), through this House, to direct the Commissioner of the Northwest Territories to hold a plebiscite without any conditions.

* * *

TRANSPORTATION

DEREGULATION—NEED FOR TRUCKING SAFETY CODE

Mr. Les Benjamin (Regina West): Mr. Speaker, it will not be long before the Standing Committee on Transport is compelled to report the Bills which deregulate the transportation industry. During its hearings many groups, companies, and individual experts repeatedly warned the Government about the severe economic and safety ramifications of Bills C-18 and C-19. The Government, however, remains selective in its understanding of the issues.

Last night the former head of the regulatory agency in the United States urged Canada not to repeat the American mistake of not having a functioning and enforced national safety code for trucking in place before deregulating. The

same point has been made over and over again by the Canadian Trucking Association, individual carriers, and labour, yet the Government seems deaf.

John Nance, transport pilot and deregulation expert from the United States, told the committee that if deregulation proceeds with the American example we should expect even more tragedies like the Arrow Air crash at Gander last year. Even being presented with Mr. Nance's book on air safety, *Blind Trust*, seems not to have affected the Government's own blind trust in so-called market forces to protect the innocent.

* * *

VOLUNTARY WORKERS

PATRICIA STARR—RECOGNITION OF COMMUNITY SERVICE

Mr. Bill Attewell (Don Valley East): Mr. Speaker, a truly outstanding star was honoured in the City of North York on March 24, 1987. Patricia Starr was presented with B'Nai Brith Canada's Scroll of Leadership for her years of unstinting community service. Husband Jerry, daughter Brooke, and four sons, David, Evan, Stuart and Randy, are so proud of this achievement. Her leadership roles include the Integrated Bathurst Prince Charles Building for seniors, disabled and disadvantaged families. Patti and her team of volunteers seized the idea, worked to arrange the supporting government financing, and made sure that construction was completed on time.

Mrs. Starr is president of the Charitable Foundation, past president of the National Council of Jewish Women (Toronto Section), an officer of the Canadian Jewish Congress, and former chairman of the Foundation Division of the Metropolitan United Way Campaign. She was also recently appointed to the board of the O'Keefe Centre.

Patricia Starr, I am sure, will continue to serve community needs in a caring, sensitive way and will continue to attract and lead many other concerned Canadians to give their time, talent, and energies to worthwhile causes.

* * *

ENVIRONMENTAL AFFAIRS

ACID RAIN—UNITED STATES PRESIDENT'S PROPOSED ADDRESS TO PARLIAMENT

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, apparently it is being proposed that President Reagan address a special joint session of the Commons and Senate when he visits Ottawa on April 6. When the President last addressed this Parliament in 1981 he spoke of acid rain, stressing the need to "control the air and water pollution that respects no borders".

What will he say in 1987 about acid rain, that it is a serious matter which needs attention for the sake of maintaining good Canada-U.S. relations? Six years later we can say that Canadians have made progress on the Canadian side of the border. We are cleaning up following the federal-provincial agreement launched in the spring of 1984. However, we cannot say the same about the U.S. Government. It is not cleaning up its act with regard to acid rain.

Will the Prime Minister of Canada (Mr. Mulroney) speak up this time, at the third summit, and ask President Reagan to launch an American program to cut acid rain which would be meaningful to Canada?

* * *

ENERGY

INCREASES IN GASOLINE PRICES

Mr. Bill Tupper (Nepean—Carleton): Mr. Speaker, I recognize the need for ongoing exploration for oil and, therefore, welcome the Canadian Exploration and Development Incentives Program. However, if oil companies are to accept public funds they must also be good corporate citizens, in both their upstream and downstream operations.

• (1115)

My constituents have been deeply concerned about the recent increase in gasoline prices far beyond the one cent per litre increase in tax, and they are equally concerned about the differential in prices between the Ottawa market and those markets outside Ottawa and in southern Ontario. No reasonable analysis on the cost side can justify the increase or the differential.

I therefore welcome the announcement by the Minister of Consumer and Corporate Affairs (Mr. Andre) that the regional Bureau of Competition Policy will investigate this matter to the fullest. The national capital region has long been the recipient of unfair gas prices and this must stop.

* * *

AIR CANADA

PROPOSED PRIVATIZATION—TIME AND MOTION STUDY

Mr. Rod Murphy (Churchill): Mr. Speaker, first I want to thank my MP, the Member for Nepean—Carleton (Mr. Tupper), for that last statement.

Air Canada is now faced with deregulation and privatization. I understand that the airline has hired the Alexander Proudfoot Corporation, a time and motion study firm, to make an analysis of its workforce, machinery, expenditures and so on. This is particularly demoralizing for the workers because of Proudfoot's methods, which invade their privacy and usually precede massive lay-offs.

In view of the hints already made by the president and chief executive officer of the company and by the Government, we want to know if this is being done as a means of attracting a buyer for this Crown corporation. What is the Government spending on Proudfoot's untendered contract? What is the purpose behind this new study? We also want to know what emphasis is being put on safety with regard to this study. We want these answers now.

* * *

ENVIRONMENTAL AFFAIRS

TOXIC POLLUTION OF GREAT LAKES—PUBLIC EDUCATION PROGRAM ADVOCATED

Mr. Reginald Stackhouse (Scarborough West): Mr. Speaker, the respected Royal Society of Canada and the United States National Academy of Sciences have claimed that people living near the Great Lakes have more pollution in their food than anyone else in North America. It is said this is because the lakes are like a sink, with only 1 per cent of the water leaving the lakes in any one year, so that the toxins added to them will simply stay and stay.

This makes urgent the recommendation of the International Joint Commission, in its call for a major program of public education. Frequently we are unintentionally adding to the pollution of the lakes by the products we purchase and consume. Some of us may be part of the problem. We can become part of the solution, and a public education program will help to achieve that.

* * *

HUMAN RIGHTS

U.S.S.R.—TREATMENT OF DISSIDENTS

Mr. Andrew Witer (Parkdale—High Park): Mr. Speaker, the Soviet's new policy of "glasnost", or openness, poses some puzzling contradictions.

While criticisms of Soviet life can now be read in *Pravda*, dissidents convicted of criticizing the Soviet Government remain behind prison walls or in special psychiatric hospitals reserved for political prisoners.

The promised release of 140 political prisoners, to be followed by 140 more, was welcome news. However, according to monitoring groups, some 60 dissidents, less than half the promised number, have actually been released. On returning home, they have been subject to harassment, refused residency permits, had their passports confiscated, or informed that they are on parole. Is this how former political prisoners will fit into Gorbachev's new open society?

As for Canada, is it not an embarrassment for us to be in such a hurry to applaud Moscow for promising conditions that we ourselves would not tolerate for one moment?

The Government of Canada must acknowledge the warning that these contradictions provide and not confuse Soviet promises with Soviet reality.

* * *

FISHERIES

PRINCE EDWARD ISLAND CRAB FISHERY—DELAY IN GRANTING LICENCES

Mr. George Henderson (Egmont): Mr. Speaker, the Minister of Fisheries and Oceans (Mr. Siddon) is dragging his feet once again in granting licences to some 30 crab fishermen on Prince Edward Island. The crab fishery season opens in only two weeks but the fishermen do not know whether they will be getting those licences. They do not know whether they will be able to take part in that fishery this year.

Since the season opens within two weeks, this is the eleventh hour. The fishermen have their gear and equipment ready on the docks, but the Minister is still procrastinating about whether or not these fishermen will be granted those licences. I ask the Government and demand of the Minister that the announcement be made this weekend so the fishermen will know, once and for all, whether they will be able to partake in this fishery.

ORAL QUESTION PERIOD

[*English*]

TRADE

CORN EXPORTS TO UNITED STATES—UNITED STATES SENATE'S PROPOSED INVESTIGATION

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. At a time when the massive U.S. farm subsidies are driving thousands of Canadian farmers out of business, the United States Senate has had the gall and effrontery unanimously to pass a resolution undertaking a unilateral investigation into our own countervail action. Taking into account the incredible nature of that act, does the Government intend to send a note of protest to the U.S. administration pointing out this really breaks the fundamental obligations under the trade contract we have with the United States under international trade rules? Is that the kind of action the Government intends to take immediately to show our reaction to this serious intervention by the Senate?

• (1120)

Right Hon. Joe Clark (Secretary of State for External Affairs): On the contrary, Mr. Speaker, I think it would be useful for members of the U.S. Senate to learn more about the GATT. They will find that the action we took is fully compatible with GATT rules. If they want to carry forward that kind of investigation, we think that would be instructive to them.

REQUEST THAT ISSUE BE REFERRED TO GATT

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, if the U.S. Government does not undertake, as the Government's own spokesperson suggested, that this matter be brought before GATT for examination, would the Canadian Government, under GATT rules, take this U.S. action for arbitration in front of a GATT panel, to examine its own illegality in terms of GATT rules?

Right Hon. Joe Clark (Secretary of State for External Affairs): Let me be clear, Mr. Speaker. Is the Hon. Member for Winnipeg—Fort Garry asking me to refer to the GATT a sense of the motion which was passed by the U.S. Congress?

CANADIAN POSITION

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, the U.S. resolution is not only a resolution by the Congress, it authorizes a U.S. administration to undertake a unilateral investigation. It is clear that that is an act which really transgresses the kind of contractual arrangements we have under GATT rules. I am asking the Secretary of State for External Affairs whether in fact we are prepared to show our serious reaction against this matter and to take it in front of GATT ourselves, if the U.S. authorities, after the Minister's representations, are not inclined to do so.

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, first, the Hon. Member's characterization of the U.S. action is wrong. Second, I do not propose to take a sense of the motion to GATT, a matter on which the United States has not acted. I think it would be very helpful for United States legislators on all levels not only to know more about GATT, but to bear in mind that in the rash of trade actions brought on both sides of the 49th parallel, they have taken many more than we have. The system which is in place now to resolve those disputes is woefully inadequate, whether from an American or Canadian perspective. That is why we are seeking a trade negotiation which will put a better system in place.

[*Translation*]

REFUGEES

REQUEST THAT SOME CHILEANS BE ADMITTED TO CANADA

Mr. David Berger (Laurier): Mr. Speaker, my question is directed to the Minister of Employment and Immigration.

The Quebec Government has concluded that at least ten of the Chileans being held back in Argentina are *bona fide* refugees.

Will the Minister act on the assessment made by the Quebec Minister of Immigration, recognize that the Chileans are refugees and allow them to enter the country as soon as possible?

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, about two weeks ago I said in the House that if new information became available on the case of the Chileans in Argentina, we would be willing to assess it.

The Quebec Government is offering an assessment. Two weeks ago, the same Government told us there were no refugees among the people concerned.

We received some information not long ago, and we are now trying to assess these cases. I think we should be able to give our response soon.

EVALUATION PROCESS—MINISTER'S POSITION

Mr. David Berger (Laurier): Mr. Speaker, I have a supplementary for the Minister.

Considering the amazing contradiction between the Quebec Government's assessment and its initial assessment, will the Minister admit that the procedure for evaluating refugees abroad has some serious deficiencies?

Furthermore, will he agree to meet with Noël Saint-Pierre, a Montreal lawyer just back from Argentina, who would like to give him some important information he picked up there?

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, I have no doubts at all about our evaluation procedures in connection with the refugee case. I think everything is working as it should. If the Government of Quebec has decided to change its assessment, it may be that in light of facts reported by Mrs. Herrera, especially from the Council on the Status of Refugees, we may do the same . . . We have always kept an open mind about that possibility.

Now I repeat, there are quite a few different assessments of this case. Some talk about six, others 16 and others 10. I think that in a case like that, the best thing a Minister can do is to look at the information people give him and make his decisions accordingly. And that is exactly what we are going to do.

• (1125)

[*English*]

FISHERIES

CANADA-FRANCE DISCUSSIONS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is for the Secretary of State for External Affairs. As the Minister knows, the Government of Canada just completed two days of discussions with the French about the temporary fishing agreement to which the two Governments had previously agreed. Is the Minister now in a position to give us a report on those discussions? Specifically, can he tell the House whether the Government of Canada has withdrawn its initial offer to give the French additional access to our northern cod?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I do not think it would be normal or productive for me to report on the conclusions of each set of an ongoing series of negotiations. I think, among other things, that would make it difficult for those negotiations to pursue fruitfully to a mutually agreed conclusion. As the Leader of the New Democratic Party knows, the Canadian delegation involved in these negotiations is broadly constituted, involving representatives of various Governments and interests concerned.

PRESENCE OF MEMBERS OF PARLIAMENT

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I can understand what the Secretary of State is saying about giving some detailed reports on ongoing discussions. However, what I do not understand is the following. If the Minister is now saying that he prefers not to share certain information at this stage with Parliament as a whole could he explain why the Government of Canada had among its delegation as observers two Members of Parliament who happen to be Conservative Members of Parliament who are not cabinet Ministers? Why is it that they have access to these ongoing discussions and that other Members of Parliament are denied that access, in particular Members of Parliament from Newfoundland? Do we have a two-class system of Members of Parliament as seen by the Government?

Right Hon. Joe Clark (Secretary of State for External Affairs): No, Mr. Speaker.

SELECTION OF MEMBERS OF PARLIAMENT TO ATTEND DISCUSSIONS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, that is very interesting. It is a briefer reply than one normally receives from the Minister. We have in the House of Commons today Members who are from Newfoundland who are not permitted to take part in these discussions. Can the Minister tell us why only Conservative back-benchers can sit in on these discussions? Why is the Government excluding other Members of Parliament who have as deep an interest in what is going on as his Party members?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the Leader of the New Democratic Party will know that by their nature these are controversial discussions. For that reason we have gone out of our way to broaden the participation in the negotiations and in the discussions. Naturally, we have assured that representatives of the fishing interests are there, both the fishermen and the industry, that the provinces are there, and that Members of Parliament who have shown an unusual interest in the question are there.

* * *

IMMIGRATION

MINISTERIAL RESPONSIBILITY

Hon. Bob Kaplan (York Centre): Mr. Speaker, my question is for the Deputy Prime Minister. Two Ministers are claiming to be responsible for running the Department of Immigration. The Minister of State for Immigration has said: "I am the minister now and I have the jurisdiction and responsibility to make the decisions." In answer to a question in the House by the Hon. Member for Saint-Denis the Minister of Employment and Immigration admitted that he talked to his colleague, but he said that he was the Minister of Immigration. In light of the confused situation in the Department, which Minister was correct?

[*Translation*]

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, had the Hon. Member been in the House he would probably be aware of what we said last November. I told the House last November that I would ask departmental officials for a complete report on the case in question and make the necessary decisions once their recommendations were available. It simply means that the Minister of Employment and Immigration has not made a decision because the matter has yet to be finalized.

REQUEST FOR EXPLANATION CONCERNING IMMIGRANT RESIDING IN MONTREAL

Hon. Bob Kaplan (York Centre): Mr. Speaker, I did not refer to a specific case, but I have another question for the Minister and it will be interesting to see which one of the two will rise to answer. My question is directed to the Minister who will make the decision in the case of the immigrant who lives in Montreal, has a rather impressive criminal record, and wants to remain in Canada. I should like to ask him how he can allow this man to remain here, considering this Government's attitude with respect to refugees, to people who have just been married, to Chileans, and to other cases which are just as difficult and deserve every consideration.

Hon. Benoît Bouchard (Minister of Employment and Immigration): First, Mr. Speaker, the Hon. Member was in Cabinet long enough to know that only the Minister of

Employment and Immigration has the authority to make a recommendation to the Governor in Council concerning the case he is referring to.

Second, for two years now the Conservative Government has been making decisions concerning immigration, something which you never did have the courage to do. You invariably deferred policies and cases. We have made decisions. By saying what you have just said you are already assuming that people are criminals.

I will make my decisions whenever the information is complete, and this should not take very long since I expect to have the final report very soon. But again I repeat what I said earlier: the Minister of Employment and Immigration is legally empowered to make a recommendation to the Governor in Council, and he alone can do that.

* * *

• (1130)

[*English*]

TRADE

CORN EXPORTS TO UNITED STATES

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, my question is for the Secretary of State for External Affairs. I must start by saying that in my constituency, as is the case across southern Ontario, corn farmers have been badly hurt, as documented by the report of the Canadian Import Tribunal. It indicates that Canadian corn prices were pushed down from $3.67 in July, 1985, to $2.39 in October, 1986. Since the United States Senate has taken extraordinary action, and since we have just learned that the United States is appealing the case in the Canadian courts, will the Minister assure the House that there will not be a backdown in this case? Will he assure us that we will not see a surrender, as we saw in the case of softwood lumber, and that we will protect these hard hit farmers as we should?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, there are certain elemental responsibilities attached to Members of the House. Among those responsibilities is not to become a deliberate purveyor of false fear. That is what the Hon. Member is doing. He knows that there has been an action taken by Canadians in accordance with Canadian law and in accordance with GATT practice. It has had a result in the case of the corn countervail, and Canada intends to stand by that result. There is no doubt about that. He should accept his responsibility as a Member of Parliament not to sow false doubts.

Mr. Langdon: False doubts are so easy to see when one looks across the aisle at a Government which has given in so easily on cases like the softwood lumber one.

USE OF CANADIAN QUASI-JUDICIAL PROCESS

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, I should like to ask the Government about a further step on this major issue. Will the Minister officially remind the United States that we in Canada are using the same quasi-judicial process of which the United States boasted? We are following GATT rules which the United States has used against us more than we have used against it. This includes cases like agricultural products such as hogs, which are presently being hit by ITC rulings that put tariffs on them.

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, not only have I made that case frequently in the United States directly to cabinet secretaries and public audiences, I just made it here in the House of Commons. The Hon. Member would be well served if he would pay attention to proceedings rather than reading reviews in *Saturday Night*.

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PHARMACEUTICAL INDUSTRY

AFFIDAVIT OF CHAIRMAN OF U.S. GENERIC PHARMACEUTICAL INDUSTRY ASSOCIATION

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, my question is for the Secretary of State for External Affairs. Yesterday, in answer to a question by the Right Hon. Leader of the Opposition regarding the contents of the affidavit of Mr. William Haddad, Chairman of the Generic Pharmaceutical Industry Association of the United States, the Minister said that it "is false". Will the Minister explain to the House what investigations he undertook to arrive at the conclusion that the affidavit, in its entirety, was false? Would he explain that to the House?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the Hon. Member has his days wrong. He meant to quote an exchange in the House between myself and the Hon. Member for Vancouver Quadra, who I believe is his Leader, two days ago, not yesterday. The Hon. Member for Vancouver Quadra asked me a question on whether or not the Government of Canada had, in his words, yielded to certain alleged pressures, and the answer to that is "no".

Mr. Dingwall: I would have hoped that the Secretary of State for External Affairs would have answered the question.

REQUEST THAT CANADIAN AMBASSADOR APPEAR BEFORE COMMITTEE

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, my supplementary question is for the same Minister. I now have in my possession a second affidavit, signed by a Canadian citizen, Mr. Jack Kay, and duly notarized, which substantiates the veracity of the affidavit of Mr. William Haddad. They both attended the same meeting with the

Canadian Ambassador in Washington on September 10, 1986. In view of the unqualified evidence before the House, would the Minister not do the honourable thing, in the interests of the elderly, the sick, and the poor, and recall the Canadian Ambassador in Washington to Ottawa to appear before the Standing Committee in order to defend a claim of the Government which is obviously indefensible?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the Liberal Party appears to have discovered affidavits.

Mr. Dingwall: Something you flunked in law school; I would not mention that.

Mr. Clark (Yellowhead): I trust that *Hansard* will pick up what the Hon. Member purports not to want to have on the public record. There is a long-standing tradition in respect of ambassadors and their appearance with regard to committees. The Ambassador has indicated that his recollection of the conversations to which Mr. Haddad's affidavit apply is different from that of Mr. Haddad. I accept the word of the Ambassador. I convey it to the House of Commons. If there is to be further questioning of it, it can occur, as in the normal course, in the House of Commons.

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FISHERIES

CANADA-FRANCE DISCUSSIONS—ATTENDANCE OF MEMBERS OF PARLIAMENT

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. Moments ago, in response to a question from my Leader, he indicated that the negotiations with the French included two members on the government side whom he described as having a particular interest in the negotiations. One wonders why the Secretary of State excluded a number of Members in the House who, all will know, have a manifest, clear interest. Is it that the Government has adopted a policy in these negotiations or in its activities creating two classes of Members of Parliament?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, essentially that is a repetition of the question asked by his Leader, and my answer has not changed.

GOVERNMENT POLICY

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, perhaps the question should be asked more directly. Is it that interest in these negotiations is manifested exclusively by being in line with the Government's policy in this regard?

• (1140)

Right Hon. Joe Clark (Secretary of State for External Affairs): Of course not, Mr. Speaker. Obviously the Government is anxious that the kind of situation will not reoccur that is designed to raise the kinds of illegitimate and dangerous fears that were raised the other day by one of the Hon. Member's comments when he came as close as I can recall someone in this House to deliberately excite anti-French feelings in Canada.

* * *

FISHERIES

ANNOUNCED CLOSURE OF MARINE ECOLOGY LABORATORY IN DARTMOUTH, N.S.

Mr. George Henderson (Egmont): Mr. Speaker, in the absence of the Minister of Fisheries and Oceans I will direct my question to the Deputy Prime Minister. My question concerns the Government's decision to close the Marine Ecology Lab at the Bedford Institute of Oceanography in Dartmouth, Nova Scotia. I know that scientists are to be shifted around in Atlantic Canada. Why would the Government sacrifice a facility which has earned over the past 20 years an international reputation for excellence in marine research?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, in the absence of the Minister of Fisheries and Oceans, perhaps I might take that question as notice, look into it and get back to the Hon. Member as soon as possible.

INSTRUCTIONS TO EMPLOYEES

Mr. George Henderson (Egmont): Mr. Speaker, my supplementary question deals with a gag order which I have here in my hand. This gag order was imposed upon a group of scientists who have criticized the closure. Rule No. 4 of the order says that "DFO employees should not speculate on future policies, programs, activities or direction of DFO." Does the Deputy Prime Minister think that this is an appropriate way to treat internationally acclaimed scientists?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, it is the Government of the day that sets policy and the Hon. Member knows that. I do not have a copy of the document to which the Hon. Member refers. Perhaps he might want to forward one to me. Certainly in the process of looking into this matter before I get back to the Hon. Member, I will take that into consideration without in any way agreeing with the allegations that have been put forth.

REQUEST GOVERNMENT RECONSIDER DECISION

Mr. Rod Murphy (Churchill): Mr. Speaker, my question is on the same topic but I will direct it to the Minister of State

for Science and Technology. The Minister is probably aware that a number of renowned scientists from around the world have come out against the decision of the Government which will close the marine ecology laboratory at the Bedford Institute. In light of international pressure to maintain that unit, will the Government now reconsider that very stupid decision?

Hon. Frank Oberle (Minister of State for Science and Technology): Mr. Speaker, as the Hon. Member knows, the Government spends $4.2 billion a year on research, development and science-related activities. It is the intention of the Government to spend much smarter in the future. If there has been a closure and a phasing out of any of the facilities such as the one to which the Hon. Member referred, obviously the work can be done more effectively, efficiently and productively in another centre.

GOVERNMENT POLICY

Mr. Rod Murphy (Churchill): Mr. Speaker, the Minister knows that there is no other work being done in these fields in Canada. The Minister knows that some of these scientists are leaving the province and some of them are leaving the country. Why has the Government made a decision which is costing us first-class research in an area which is so important to Canada?

Hon. Frank Oberle (Minister of State for Science and Technology): Mr. Speaker, I know no such thing. As the Hon. Member knows, we now have a national policy which has been signed unanimously by all of the provinces. The other day I announced a national strategy on science and technology for the first time in Canadian history. These policies and strategies are intended to build on our Canadian strengths, wherever they are, and to overcome some of our weaknesses. Yes, certain adjustments will from time to time be necessary but they will be in the Canadian interest.

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CANADA MORTGAGE AND HOUSING CORPORATION

COMPLIANCE WITH RENT CONTROL REGULATIONS

Mr. Alan Redway (York East): Mr. Speaker, my question is directed to the Minister responsible for Canada Mortgage and Housing Corporation. Will the Minister confirm that there has been an historic breakthrough in that, although Canada Mortgage and Housing Corporation has no legal requirement to comply with rent control regulations in the Province of Ontario, it has in fact agreed to do so for the Main Square apartment complex in Toronto? Will he also advise the House if CMHC is prepared to follow the same course in all similar cases in the future?

Hon. Stewart McInnes (Minister of Public Works): Mr. Speaker, the Hon. Member is well informed. I can say that there has been a liberalization, if I may use the word, of attitudes in the rent control legislation of Ontario. This permits CMHC to conform to the spirit of the legislation and we intend to do that. The assumption of the Hon. Member's question is quite correct.

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TRADE

SALE OF UNITED STATES CRUDE OIL TO CANADA

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. A Congressional committee has just recently approved proposed legislation for restricting the sale of crude oil and refined petroleum products to Canada. Just recently when Canada required export permits for the sale of those same products into the United States, there were numerous protests from the United States. The Government looked after the protests from the United States because export permits are no longer required. What will the Government do to look after Canadian consumers and independent gasoline retailers who require this allocation of American crude oil products as security against even higher prices from Canada's integrated oil companies?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, we raised that question with American officials. I would have to check my records to be able to give a detailed reply to the Hon. Member as to the response but I am prepared to do that on another day either in the House or privately.

GOVERNMENT ACTION

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, Canadian subsidiaries of multinational oil companies have been talking to their parent companies and to lobbyists in the United States in order to remove this source of competition so they will not have to worry about competition from the United States. The situation of competition in gasoline prices in Canada is a very serious one. Although the Minister has sent a letter, and I would welcome a chance to look at that letter, I would ask the Minister and the Government to send a firm complaint registering in the strongest possible way objection to the action by this Congressional committee, particularly in light of Canada's action against the request of the United States regarding export permits. Will the Government take further action to object to this, or will it stand idly by and let this happen?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I made it clear that we do not idly stand by. I am pleased to receive the representation of the Hon. Member. I have indicated to him that I will try to get back to him with more information, and I shall.

Oral Questions

CANADIAN NATIONAL RAILWAYS

PENSIONS—RESPONSE TO COMMITTEE REPORT

Mr. Les Benjamin (Regina West): Mr. Speaker, my question is directed to the Minister of Finance. It is a question of which I am sure he is aware and no doubt it has been a topic of cabinet discussions. The CNR has finally responded to the report of the Standing Committee on Transport on CN pensions and is pleading poverty. It has indicated that the modest improvements we have recommended cost too much money. Aging railway pensioners whose benefits range from inadequate to ridiculous cannot wait forever. While the Government debates this responsibility with CN, will the Minister of Finance see to it that moneys will be made available now so that benefits to pensioners may be increased and so that the pensioners, some of whom are not able to wait any longer, will not have to wait any longer?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Hon. Member has raised a topic that has been the subject of some discussion in cabinet. It has not yet reached my desk at this point in time but I will certainly take the Hon. Member's interest as a signal that I should be looking forward to receiving some recommendation.

SURVIVOR BENEFITS FOR WIDOWS

Mr. Les Benjamin (Regina West): Mr. Speaker, this is not a new matter, as the Deputy Prime Minister can tell the Minister of Finance in spades. Ultimately the responsibility lies with the Minister of Finance. Will the Minister take immediate action by recommending to his colleagues that survivor benefits for widows of railway pensioners be increased from 50 per cent to 60 per cent, and that other modest improvements to the railway pension plan be met? These improvements will not cost that much money to the Government when amortized over a period of 15 years. Will he proceed to act on that basis?

• (1150)

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I appreciate the information the Hon. Member has given me. As I said, I will discuss the matter with my colleagues and take their recommendations.

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ENVIRONMENTAL AFFAIRS

ACID RAIN—CANADA-UNITED STATES SUMMIT MEETING

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, in the absence of the Prime Minister and the Deputy Prime Minister, I will address my question to the Secretary of State for External Affairs. Yesterday U.S. Senator Leahy said the Reagan administration has left the Prime Minister in the lurch by refusing to take steps to reduce chemical emissions which fall as acid rain in Canada. Earlier this week our Minister of the Environment told a conference on wildlife in Quebec City: "I do not expect the President and Prime Minister to sign some binding accord".

Can the Minister tell this House and the rest of Canada what the Prime Minister expects to accomplish at the third summit?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, there was a time before this Prime Minister and this system of summits when the position of the Government of Canada on acid rain was to walk away from the negotiating table. The Hon. Member knows that position very well because he was the one who gave up and walked away. We did not give up. We did not walk away. We are meeting with the Americans. We have not made as much progress as we wish, but we have made considerably more progress than had been made before.

Mr. Caccia: The Minister is rewriting history and inventing things. We never walked away and the Minister knows better. It is a pretty sad state of affairs when, in reply to a question, the Hon. Minister has to go back several years in order to justify the lack of effectiveness of his own Government after three years in office.

Some Hon. Members: Hear, hear!

STATEMENT MADE BY HEAD OF U.S. ENVIRONMENTAL PROTECTION AGENCY

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, how can the Minister express even a notion of progress when the head of the U.S. Environmental Protection Agency, Lee Thomas, is reported as talking about scientific uncertainty on the cause and effect of acid rain at this stage of the process?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, there is nothing new in Americans speaking about uncertainty on the question. What is new is that we have a very significant commitment by the President of the United States to invest billions of dollars in this issue. We have an agreement with the U.S. to set up a committee to monitor and give guidance in the allocation of that money. The committee will include Canadians so that we can make sure there is an impact upon transboundary emissions. Under the aegis of the U.S. Vice-President we have a major review of state and federal regulatory practices which will affect acid rain-causing emissions. None of that occurred before. All of that occurs now because of the actions of this Government.

It is not yet enough but it is progress, and we intend to continue to make progress against the destruction being wrought upon our environment by acid rain originating in the U.S.

Some Hon. Members: Hear, hear!

REFUGEES

CHILEANS STRANDED IN BUENOS AIRES

Mr. Dan Heap (Spadina): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. He has said several times that he will reconsider the refugee claims of the 80-odd Chileans stranded in Buenos Aires if new information comes to light. Therefore, in view of the Quebec Government's plea to reopen 10 cases based on what they consider new information, I ask the Minister if he will request the UN High Commissioner for Refugees for advice on these 10 and on all the stranded Chilean refugee claimants in Buenos Aires?

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, we have already requested advice about these cases from the High Commissioner, Miss Herrera, in Argentina. We have received the advice and we are dealing with that matter and we will take a decision as soon as possible.

CONFLICTING PRESS REPORTS

Mr. Dan Heap (Spadina): Mr. Speaker, I thank the Minister for his positive answer. In view of conflicting press reports, both about what Miss Herrera has said and other sources, would the Minister seek the advice of the Montreal lawyer, Noel Saint Pierre, who recently interviewed these claimants in Buenos Aires?

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, I heard about the request of Mr. Saint Pierre to meet with me. I do not know if I will have time to meet this gentleman but I believe we are really close to a final decision on the Chileans in Montreal. My friend does understand that we receive two or three different opinions about that case every day. We heard about 36, we heard about 16, we heard about 10. We are trying to deal with all the components and, once again, I think we will be able to give a decision pretty soon.

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ROAD SAFETY

NATIONAL SAFETY CODE FOR TRUCKING

Mr. Terry Clifford (London—Middlesex): Mr. Speaker, the killer truck scenario reported in the U.S. media last weekend cannot be allowed to happen on Canadian highways. The actions taken by the Standing Committee on Transport and Members of this House in this regard have been very important in promoting safety not only among the decision-makers but among Canadians at large. Regulatory reform is one step in this process. A National Safety Code for trucking is paramount. In the absence of the Minister of Transport, can his Parliamentary Secretary confirm that federal and provincial Ministers have agreed to adopt this code effective January 1, 1988, to coincide with the National Transportation Act and the Motor Vehicle Act which are to be put in place at the same time?

Mr. David Kilgour (Parliamentary Secretary to Minister of Transport): Mr. Speaker, the interest in auto safety on the part of the Hon. Member for London—Middlesex is well known. I can tell the House, Sir, that all provincial highway Ministers and the federal Minister agreed yesterday to a National Safety Code.

Some Hon. Members: Hear, hear!

Mr. Kilgour: It will be implemented on January 1, 1988. It will include such things as requiring a safety test for the granting of a licence to truckers, driver training and qualifications, vehicle conditions and maintenance. This measure speaks to the matters raised by the Hon. Member and it will be an important addition to road safety for all those who use the highways in Canada.

* * *

NATIONAL DEFENCE

INTERCEPTION OF SOVIET BOMBER AIRCRAFT OVER NORTH ATLANTIC

Mr. George Baker (Gander—Twillingate): Mr. Speaker, yesterday was a typical day in the ongoing game of who can catch the Bears, that is the Russian bombers known as Bears which, with some frequency and regularity, test our air defence system in the North Atlantic. Is the Associate Minister of National Defence aware that we, under his Government, have to rely on U.S. interceptor jets scrambled from U.S. Air Force bases to intercept Soviet bombers that test our defence lines in the North Atlantic?

Hon. Paul Dick (Associate Minister of National Defence): Mr. Speaker, the Hon. Member poses a very good question but unfortunately he does not have all the information. Two Canadian CF-18s scrambled from Gander to intercept Bear aircraft coming in from the north. Those Bear aircraft turned around and went back to the Soviet Union. While our aircraft were so engaged another two Soviet Bear aircraft came up from Cuba along the eastern seaboard and were picked up on radar by an AWACS aircraft. NORAD in North Bay asked for the closest aircraft, which happened to be those in Maine, to scramble and identify those Bear aircraft.

SITING OF INTERCEPTOR JETS

Mr. George Baker (Gander—Twillingate): Mr. Speaker, there have been three incidents of interceptions of Soviet Bears in Canadian airspace this year. Two of the three interceptions were made by American interceptor jets. Since these Bear aircraft normally come down from Greenland and Iceland and are intercepted off the Labrador coast, and since the Government announced new bases for advanced staging of interceptor

jets, why did it not put those jets where the action takes place, in Newfoundland and Labrador, instead of moving them further away? Does he not realize that the Russian bears are having a picnic at our expense?

• (1200)

Hon. Paul Dick (Associate Minister of National Defence): Mr. Speaker, perhaps the Hon. Member is unaware of the vast expanse which we have in Canada. They were placed in Bagotville because it is more central to the entire northern region rather than only Newfoundland. We usually scramble our aircraft from Bagotville to Gander, the take-off point. The interceptions are usually made off Newfoundland rather than being made by the Americans.

Perhaps the Hon. Member is unaware that we happen to have an agreement which we believe is working extremely well. It is called NORAD. We and the United States work together.

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STATUS OF WOMEN

HARASSMENT OF WOMAN FIREFIGHTER

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, my question is directed to the Minister responsible for the status of women. The Minister will recall that two investigations into the case of Bobbi Stadnyk, Canada's only woman fire-fighter, concluded that she had suffered intolerable sexual harassment and discrimination on the job and was then fired without cause. It is disgraceful that almost a year later the Government has taken no action. Will the Minister insist that the Government provide compensation, as was recommended in these reports, reinstatement, and damages for the torture this woman went through as a public servant?

Hon. Barbara McDougall (Minister of State (Privatization)): Mr. Speaker, the Government has been very concerned about harassment on the job. I have discussed it with my colleagues with a view to developing further policies in this regard. I understand the nature of this case and will continue to try to find a solution.

Ms. Mitchell: Mr. Speaker, this is not good enough. This is the Minister who is supposed to be an advocate for women. This public servant was terribly abused when she worked for the Government of Canada.

REQUEST FOR PAYMENT OF COMPENSATION

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, is the Minister going to take this woman's case up actively now? Is she going to ensure that she gets the compensation to which both investigations said she was entitled? One investigation was initiated by the then Minister of Transport, the present Deputy Prime Minister.

Hon. Barbara McDougall (Minister of State (Privatization)): Mr. Speaker, I have already answered the question. I said this is something about which the Government is concerned and that we have discussed it with a view to developing a policy on it.

Ms. Mitchell: You were concerned a year ago. Let's have some action.

Mrs. McDougall: There is no stronger advocate for women who find themselves in this position than myself.

Mr. Heap: What are you going to do?

* * *

EXTERNAL AFFAIRS

SOUTH AFRICA—ISSUANCE OF TRAVEL VISAS TO ELDERLY AND THE INFIRM

Mr. John Oostrom (Willowdale): Mr. Speaker, my question is for the Secretary of State for External Affairs. Several of my constituents in Willowdale, among them Mrs. Beverley Suttner, who has a ninety-year-old grandmother in South Africa, have approached me and asked if the Canadian Government could, for humanitarian and compassionate reasons, allow only the handicapped, the elderly, and the infirm to apply for a visa in either South Africa or Canada when they wish to visit relatives in Canada. They presently have to travel and remain several days outside South Africa. What does the South African Government have to do in order to have the ban at least partially lifted for the elderly and the handicapped?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the Member has asked two questions. With regard to what the South African Government must do, it must end the system of apartheid. The Government of Canada has announced a practice with regard to visas which I do not intend to vary. However, there are exceptional circumstances of people who are handicapped, ill, or elderly. In those cases we try to facilitate applications through posts which are handling visas with respect to South Africa.

* * *

[*Translation*]

REGIONAL INDUSTRIAL EXPANSION

LAPRADE FUND—INQUIRY WHETHER INTERESTED PARTIES WERE INFORMED OF GOVERNMENT INTENTIONS

Mr. Gilles Grondin (Saint-Maurice): Mr. Speaker, in the absence of the President of the Treasury Board, I should like to ask a question pertaining to the Laprade Fund. The Minister of Regional Industrial Expansion did admit that $40 million would be drawn from the Laprade and Gaspésie-Bas-

Saint-Laurent Funds to promote the establishment of an aerospace industry in these regions. Can the Minister assure us that, before last March 19, local economic agents, trade commissioners and others knew that the Government intended to explore this new development avenue for the Mauricie-Bois-Francs and Gaspésie-Bas-Saint-Laurent region?

Hon. Bernard Valcourt (Minister of State (Small Businesses and Tourism)): Mr. Speaker, in the absence of the Minister of Regional Industrial Expansion, I take notice of the question and will convey the information to the Hon. Member at the earliest opportunity.

DISTRIBUTION OF FUNDS

Mr. Gilles Grondin (Saint-Maurice): A supplementary, Mr. Speaker. Perhaps the Minister might also enquire about this. Since $52.3 million will be left in the Laprade Fund after the withdrawal for aerospace research, how will the funds be distributed in the region to honour the Minister's commitment in the media that the money will be fairly and equitably shared by each of the counties involved in the Mauricie-Bois-Francs region?

Hon. Bernard Valcourt (Minister of State (Small Businesses and Tourism)): Mr. Speaker, I read in *Hansard* that the Hon. Member for Saint-Maurice said something about standing guard over the Laprade Fund. He should have done just that when the Liberals were in office, he might have made some savings and there would be more money left. He can rest assured that the funds will be expended to benefit the region involved. That is what is going to happen.

* * *

[*English*]

TRANSPORTATION

DEREGULATION—COMMITTEE MEETINGS

Mr. Bill Attewell (Don Valley East): Mr. Speaker, my question is for the Chairman of the Standing Committee on Transport. The committee is holding hearings across Canada to consider major changes to the National Transportation Act. Many residents of Metro Toronto fear that safety regulations will be compromised through deregulation.

Would the Chairman please comment on this issue and explain why Metropolitan Toronto, with over 2.5 million people, and southwestern Ontario were not chosen as sites for hearings on this vital issue?

Mr. Pat Nowlan (Annapolis Valley—Hants): Mr. Speaker, the member has asked two very serious questions. With regard to safety, we heard in the House earlier today what has happened on that issue and I will not get into it because it is very much before the committee. The committee will be speaking to that when it reports on Bills C-18 and C-19 to amend the National Transportation Act.

When the Hon. Deputy Prime Minister, the then Minister of Transport, introduced this Bill he said that safety would never be compromised. Clause 8 of Bill C-19 says that there will be an interprovincial and international safety code. More work has been done on the safety code which brought together the 10 Ministers and resulted in an agreement being arrived at yesterday. We all know that that takes a lot of time, and both the present Minister of Transport and the past one deserve credit.

The question relating to Toronto is more in the domain of the committee and myself as chairman. The committee decided to go to the capital city or its equivalent in each province to hold hearings on the Bill. We have already travelled across the country on *Freedom to Move*. We will be completing our last eastern trek next week. In the process of studying *Freedom to Move* and the Bills we have crossed the country twice.

When the last changes were made to the Transportation Act 20 years ago there was no travel whatsoever. We have already heard over 100 witnesses. Everyone from Toronto was able to come here and we have heard all the points of view.

Some Hon. Members: Hear, hear!

Mr. Speaker: Parliamentary reform lives.

Some Hon. Members: Hear, hear!

* * *

POINT OF ORDER

ALLEGED IMPUTATION OF MOTIVES

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, in the tremendous enthusiasm which the Secretary of State for External Affairs (Mr. Clark) seems to draw from Question Period from time to time, he stated today, if I caught his words correctly, that the question which I posed to him indicated that I was deliberately purveying false fears. Is this not, Mr. Speaker, casting aspersions on the motives of Members of Parliament? In addition, is that parliamentary language to use in the House of Commons?

• (1210)

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, if the language is unparliamentary I regret it and withdraw it, just as I would regret the practice.

Mr. Benjamin: The withdrawal is supposed to be unequivocal.

Mr. Speaker: I think that probably disposes of the matter, unless the Hon. Member for Essex—Windsor (Mr. Langdon) has a further representation to make.

Mr. Langdon: Mr. Speaker, it seems to me that this is a serious matter. We were talking about a very serious issue and the question I posed was one of great importance to my constituents and many people across the country. To suggest that purveying false fear is the motive that lies behind that is an important and serious criticism. It was certainly not part of my attempt to get information from the Minister—

Mr. Speaker: The Hon. Member for Essex—Windsor (Mr. Langdon) has raised a matter which has bothered him. The Right Hon. Secretary of State for External Affairs (Mr. Clark) has risen and unequivocally withdrawn—

Mr. Benjamin: No he did not.

Mr. Keeper: It was very equivocal.

Mr. de Corneille: He should make a withdrawal, period.

Mr. Speaker: I am prepared to put it to the Right Hon. Secretary of State for External Affairs that if there is anything more he can do to make that withdrawal unequivocal, I would ask him to do so and the matter could perhaps be ended.

Mr. Clark (Yellowhead): Mr. Speaker, I take the point that has been raised by the Hon. Member. I think it is one of the difficulties of the House, that the practices with regard to parliamentary language do make it difficult to describe in the House actions which occur from time to time. However, those are the rules and, in conformity with those rules—with which I try to stay in conformity—I will make an absolute, categorical withdrawal.

Some Hon. Members: Hear, hear!

Mr. Speaker: The Chair thanks the Right Hon. Secretary of State for External Affairs. I hope that will satisfy the Hon. Member for Essex—Windsor. I might comment that sometimes questions are posed in an argumentative way and imply things of which the Minister would not like to be accused. Similarly, the same thing happens occasionally when a Minister is replying to an Hon. Member who has sought the floor to ask a question. I ask that all Hon. Members continue to be as careful and as co-operative as they have been for this long time now.

Again, I thank Hon. Members for the intervention and thank the Right Hon. gentleman for his generosity and adherence to the spirit of this place.

ROUTINE PROCEEDINGS

[*English*]

EXTRADITION

TABLING OF TREATY WITH INDIA

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, pursuant to Standing Order 67(2), I rise to table in both official languages the extradition treaty with India which came into force on February 10, 1987.

[*Translation*]

Mr. Speaker, I want to take this opportunity to table several other international agreements that have already come into effect.

* * *

PETITIONS

GOVERNMENT RESPONSE

Mr. Doug Lewis (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, pursuant to Standing order 106(8), I have the honour to table, in both official languages, the Government's response to 12 petitions, No. 332-1015 and Nos. 332-1094 to 332-1104, inclusive.

[*English*]

OPPOSITION TO PROPOSED CHANGES TO PATENT ACT

Mr. Les Benjamin (Regina West): Mr. Speaker, for the benefit of the Parliamentary Secretary to the Deputy Prime Minister and President of the Privy Council (Mr. Lewis), I have the honour and duty to present two sets of petitions from residents of Stalwart, Liberty and Imperial, Saskatchewan, and from Weyburn and Oungre, Saskatchewan, in which your petitioners avail themselves of their ancient and undoubted right to show that the Government's proposals to change the Patent Act relating to prescription drugs will increase drug prices for Canadian consumers, will unfairly hurt those Canadians whose health needs require prescription drugs on an ongoing basis, and will result in higher cost to provincial government drug plans. Therefore these petitioners humbly pray that the House will have the Government withdraw that legislation amending the Patent Act.

TRANSPORT—ECONOMIC REGULATORY REFORM

Mr. Les Benjamin (Regina West): Mr. Speaker, I have a group of petitions on another subject. They are from Burnaby, Vancouver, and New Westminster in British Columbia, as well as from residents of Toronto, Brampton, Willowdale, Peterborough and other places in Ontario; from residents of St. John's, Newfoundland, Winnipeg, Edmonton and Leduc, Alberta, in which these petitioners humbly show that in their opinion, transportation is a natural monopoly without economic regulation, and that economic regulatory reform, namely deregulation, of the dimensions proposed in Bill C-18 will create chaos in the transportation industry, lead to unacceptable reductions in safety standards as well as deterioration in the quality, type, and frequency of service. Therefore, the petitioners request that Parliament have the Government withdraw Bill C-18 and retain public convenience and

necessity as a fundamental factor in the development of public transportation.

[*Translation*]

OPPOSITION TO REDUCTION IN POSTAL SERVICE

Hon. André Ouellet (Papineau): Mr. Speaker, I have the honour of presenting a petition drafted by the authorities and residents of the Town of Thurso, who object to Canada Post's plan to start cutting back rural delivery, and especially its plan to close some post offices in municipalities with a population of less than 2,000.

OPPOSITION TO SUBMISSIONS CONCERNING RURAL MAIL DELIVERY

Hon. André Ouellet (Papineau): I also have a petition from residents of the municipalities of Saint-Césaire and Saint-Liboire in the Province of Quebec who object to Canada Post's new procedure for tenders for rural delivery contracts.

These people feel that this policy will reduce the service and be prejudicial to those who for many years have been providing the service at a reasonable rate for Canada Post.

[*English*]

OPPOSITION TO PROPOSED CANADA POST CORPORATE PLAN

Mr. Vic Althouse (Humboldt—Lake Centre): Mr. Speaker, I have petitions from the communities of Annaheim and Dundurn in my constituency who note that the federal Government's proposal to seek financial self-sufficiency by 1988 for Canada Post Corporation will result in cut-backs, deterioration in service of the Post Office and consequently will be at the expense of service to Canadian consumers. They note that this has already resulted in the closure of many rural post offices. The petitioners call upon Parliament to instruct the Government to make improved service the highest priority of the Canadian Post Corporation, and to instruct the Government to abandon this policy of closing rural post offices.

• (1220)

OPPOSITION TO PROPOSED LOCAL MEASURED CHARGES

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, I have the honour to present a petition on behalf of a large number of residents of Burnaby, including, in particular, residents of the Doug Drummond Manor for senior citizens in Burnaby. The petitioners note that the telephone is essential for communications and that rental costs must always be affordable. They note further that the telephone pricing scheme known as Local Measured Service means having a telephone will cost much more per month for most people. Therefore, the petitioners call upon Parliament to direct the CRTC to deny telephone companies such as B.C. Tel the right to charge for each telephone call and order the retention of the monthly rental for telephones.

OPPOSITION TO PROPOSED CHANGES TO PATENT ACT

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, I have the honour to present a petition signed by residents of Burnaby, Richmond, New Westminster, Port Coquitlam, Vancouver and other British Columbia municipalities. The petitioners note that the federal Government's proposal to change the Patent Act relating to prescription drugs will increase drug prices for Canadian consumers and will severely restrict the ability of average Canadians to buy necessary prescription drugs. They note as well that these plans will result in higher costs to provincial government drug plans. The petitioners call upon Parliament to reject these proposals which will increase prescription drug prices for Canadians.

[*Translation*]

OPPOSITION TO ESTABLISHMENT OF TARGET RANGE—SAGUENAY—LAC-SAINT-JEAN

Mr. Svend J. Robinson (Burnaby): Finally, Mr. Speaker, I have the honour of presenting a petition in which it is pointed out that funds earmarked for a shooting range in the Saguenay—Lac-Saint-Jean area could be reinvested there in real development programs for job creation, education, health and social services, tourism, and that is why petitioners are humbly praying Parliament to turn down the plan for a shooting range in the Saguenay—Lac-Saint-Jean area.

[*English*]

RIGHT TO LIFE OF UNBORN BABIES—PROTECTION OF CHARTER OF RIGHTS AND FREEDOMS

Mr. Rob Nicholson (Niagara Falls): Mr. Speaker, it is my honour and privilege to present a petition from approximately 200 residents of Niagara-on-the-Lake, St. Catharines, Virgil, Queenston, St. David's and other places within the Niagara Peninsula. Because of the killing of thousands of unborn Canadian babies each year for reasons of convenience and for such babies capital punishment exists for the crime of being unwanted, the petitioners ask Parliament and all parliamentarians to support Motion M-37 and allow unborn babies to be protected by the Charter of Rights. With those sentiments, I completely agree.

Mr. Joe Reid (St. Catharines): Mr. Speaker, I too have the honour to present a petition to this honourable House, certified as to form, and signed by about 100 Niagara residents who call upon Hon. Members of this House to support Motion M-37 which allows unborn babies to be protected as persons under the Canadian Charter of Rights and Freedoms.

OPPOSITION TO PROPOSED CHANGES TO PATENT ACT

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, I have petitions to present. The first petition deals with the Patent Act. The petitioners indicate that the federal Government's proposal to change the Patent Act relating to prescription drugs will increase drug prices for Canadian consumers and will severely restrict the ability of average Canadians to

buy necessary prescription drugs. The petition is signed by several hundred residents of my riding.

OPPOSITION TO PROPOSED CANADA POST CORPORATE PLAN

Mr. Cyril Keeper (Winnipeg North Centre): My second petition relates to Canada Post. The petitioners indicate that the federal Government's proposal to seek financial self-sufficiency by 1988 for Canada Post Corporation will result in cutbacks, deterioration of service of post offices and consequently will be at the expense of service to Canadians. The petitioners call upon the Government to abandon this policy.

CONTINUATION OF WOMEN'S PROGRAM

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, I have the honour to present a petition on behalf of a large number of women from Whitehorse in the Yukon Territory. The petition states that the undersigned fully support and encourage the continuance of the Secretary of State women's program. The petitioners encourage strong support on the part of Hon. Members of the Government for the Secretary of State women's program and that future applications of REAL women to the aforementioned Government and Members of the House be seriously reviewed and discussed by this House to ensure strict adherence to the Secretary of State funding guidelines, and that REAL Women Canada be dealt with appropriately and in such a manner as this House sees fit.

OPPOSITION TO PROPOSED CHANGES TO PATENT ACT

Ms. Margaret Mitchell (Vancouver East): I also have several petitions on the subject of the Patent Act. Most of them are from senior citizens from various parts of British Columbia who are very concerned that this Patent Act will increase the price of drugs and will hurt senior citizens in particular. The petitioners call upon the Government to withdraw this Bill.

COMPENSATION TO JAPANESE CANADIANS

Mr. Dan Heap (Spadina): Mr. Speaker, it is my honour and duty to present a petition from a number of residents of Toronto, New Hamburg, St. Marys, Stratford, Mitchell and other parts of southern Ontario, on behalf of the National Association of Japanese Canadians as being the only elected national organization of Japanese Canadians in Canada. It has 15 centers in different parts of Canada and has held public meetings on the subject of redress for what Japanese Canadians have suffered during World War II at the hands of our Government. The petitioners request Parliament to deal honourably with Canadian citizens—

The Acting Speaker (Mr. Paproski): Order. Would the Hon. Member get to the end of the petition, please.

Mr. Heap: I was in fact making a request at the point you rose, Mr. Speaker. The petitioners call upon Parliament to deal honourably with Canadian citizens of Japanese descent by entering into negotiations immediately with the National Association of Japanese Canadians. As in duty bound your petitioners will ever pray.

UNIVERSAL ACCESS TO FAIR ORAL HEARINGS BEFORE REFUGEE BOARD

Mr. Dan Heap (Spadina): Mr. Speaker, I also have petitions mainly from people in Toronto, Ottawa and Mississauga, concerning refugees who are applying to enter Canada and the recent changes made in the regulations and the envisaged changes in the legislation. The undersigned, your petitioners humbly pray and call upon Parliament to enact legislation which would embody the principles of fair and complete oral hearings of claimants before a refugee board, independent of the Immigration Commission, and universal access to such hearings for every claimant in Canada, and a fair chance to arrive in Canada to present this claim. In duty bound your petitioners will ever pray.

LOW-LEVEL FLIGHTS AT ARMED FORCES BASE AT GOOSE BAY

Mr. Dan Heap (Spadina): Mr. Speaker, I also have a petition signed by a number of residents of Canada, mainly living in Toronto, London, Benoit's Cove in Newfoundland, Kingston and Port Coquitlam, on the subject of low-level flight training of pilots from NATO countries at the Canadian Forces Base at Goose Bay, Labrador. Because of their concern for the traditional hunting life of the people who live there and for the aggressive and war fighting nature of the training, the petitioners request Parliament to ensure that the Prime Minister (Mr. Mulroney) will end all low-level flight training at the Goose Bay Canadian Forces Base and cease negotiations with NATO for the establishment of a larger base there. As in duty bound your petitioners will ever pray.

UNIVERSAL ACCESS TO FAIR ORAL HEARINGS BEFORE REFUGEE BOARD

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, I also have the honour to present a number of petitions on behalf of citizens of Canada, all of which are duly certified pursuant to Standing Order 106.

The first petition protests the procedures recently adopted which turn away refugee status claimants from ports of entry before their claims are examined, which puts real refugees at risk. The petitioners humbly pray and call upon Parliament to ensure that the Government in Parliament enacts legislation to embody the principles of fair and quick oral hearings of refugee claimants before our refugee boards, independent of the Immigration Commission, universal access to such hearings for every claimant in Canada and adequate opportunity to arrive in Canada to make this claim. As in duty bound your petitioners ever pray. These petitions are signed by a number of citizens of Windsor, Ontario.

• (1230)

OPPOSITION TO PROPOSED CHANGES TO PATENT ACT

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, I have a number of petitions which originate from my constituency in Windsor which are in addition to the many petitions which contain thousands of signatures protesting legislation which will lead to an increase in prices of drugs and an increased cost to government drug plans. The petitioners humbly pray and call upon Parliament to reject these proposals which will increase prescription drug prices for Canadians.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Doug Lewis (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, question No. 49, revised, will be answered today.

[*Text*]

EXPORT CONTROL LIST

Question No 49—**Mr. Riis:**

For the period January 1 to November 28, 1986, did the Government authorize permits for the export of any goods falling under section 7 of the Export Control List where the destination of the said goods was (*a*) Chile (*b*) Syria (*c*) Iran (*d*) Pakistan (*e*) Iraq (*f*) Honduras (*g*) Guatemala (*h*) Nicaragua (*i*) Indonesia (*j*) Libya (*k*) Lebanon (*l*) South Africa (*m*) Mozambique and, if so, in each case, what was the total value of these export permits?

Right Hon. Joe Clark (Secretary of State for External Affairs): Permits for export of any goods falling under Section 7 of the Export Control List for the period January 1—November 28, 1986.

Country	Permits Issued	Total Value
Chile	yes	$ 6,111,150
Syria	yes	441,000
Iran	no	
Pakistan	yes	2,056,734
Iraq	no	
Honduras	no	
Guatemala	no	
Nicaragua	no	
Indonesia	yes	2,156,107
Libya	no	
Lebanon	no	
South Africa	no	
Mozambique	no	

[*English*]

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

Criminal Code

The Acting Speaker (Mr. Paproski): Shall the remaining questions be allowed to stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

CRIMINAL CODE

MEASURE TO AMEND

The House resumed from Thursday, March 26, consideration in committee of Bill C-28, an Act to amend the Criminal Code (torture)—Mr. Hnatyshyn—Mr. Paproski in the chair; and on the amendment of Mr. Kaplan (p. 4608).

The Deputy Chairman: When the committee was interrupted at five o'clock on Thursday, March 26, 1987, Clause 2 of the Bill was under consideration and an amendment to Clause 2 had been moved by the Hon. Member for York Centre. The Hon. Member for York Centre had the floor at that time. I now recognize the Hon. Member for York Centre.

Mr. Kaplan: Mr. Chairman, I will be brief. The Parliamentary Secretary has now had the evening, as well as the benefit of excellent advice from officials. I wish to ask him whether the Government is prepared to accept the amendment which I moved yesterday.

[*Translation*]

Mr. Gérin: No, for the same reasons mentioned yesterday afternoon, but we do hope the Bill will be adopted very quickly so as to enable Canada to be the eighteenth country to sit on the international commission which will monitor the implementation of this important treaty.

Mr. Kaplan: Mr. Chairman, I do not intend to delay the study of the Bill. But still in our discussions yesterday we raised the possibility of another amendment, an amendment to reduce the meaning given in the definition of torture. In that sense I should like to ask the Parliamentary Secretary whether one of the drafts of the other amendments can be acceptable, for instance a reference to international law or another formula between no reservation at all and the reservations proposed under the Bill.

Mr. Gérin: As we know the United Nations studied this question for nearly 10 years and came to the conclusion . . . I gave the United Nations documents to my colleagues from York Centre and Burnaby. I just want to read the last conclusion:

[*English*]

However, it was widely agreed that in the absence of specific existing international standards it was not advisable to refer to universally acceptable principles.

Mr. Kaplan: Mr. Chairman, I agree with the Parliamentary Secretary that a reference to international law would not take us very far beyond the situation that I was describing. I regret the Government's decision. However, under the circumstances of this Parliament I am prepared to move my amendment without any further debate or argument. I hope that some members of the Government will see the wisdom of removing this reservation on the definition of torture. I propose to leave it at that.

Mr. Robinson: Mr. Chairman, I have received the documents which were forwarded to me by the Parliamentary Secretary from the United Nations Commission on Human Rights, as well as from the Economic and Social Council. I would like the Parliamentary Secretary to clarify whether or not it is the intention of the Government that in interpreting the reference to lawful sanctions courts should be guided by the provisions of the Universal Declaration of Human Rights and the 1949 Geneva Conventions Act and the protocols to that Act. If it is the intention of the Government that these particular principles of international law guide the courts in their interpretation of lawful sanctions, then certainly that would go some distance to meeting the concern that has been raised. I certainly support the amendment proposed by my friend, the Hon. Member for York Centre. I hope that at the very least the Parliamentary Secretary is prepared to indicate that the courts in viewing this provision should be guided by the relevant principles of international law.

[*Translation*]

Mr. Gérin: As I understand, Mr. Chairman, that is how the Government interprets this passage, and I am convinced that Canadian courts—indeed they have done so on many occasions in the past—will interpret this provision just the way you have suggested.

[*English*]

Mr. Robinson: By way of a supplementary question, Mr. Chairman, if it were argued on behalf of an individual who had been engaged in acts of physical or mental torture in a third country, that those acts were in fact lawful in that individual's country, but nevertheless those acts were clearly in violation of the internationally accepted standards with respect to punishment, would it then be the intention of the Government that the courts could in fact proceed with respect to such acts?

[*Translation*]

Mr. Gérin: Yes, that is our conviction.

[*English*]

Mr. de Corneille: Mr. Chairman, I am not quite clear in my mind as to how the assurances that I know are well-meant by the Parliamentary Secretary will in fact have any impact when a matter such as this is before a court of law. I do not see how at that particular juncture his views will particularly persuade the judges that that is what the law is really saying.

• (1240)

Recently Mr. Kurt Herndl, Assistant Secretary-General of the Human Rights Commission said:

> Norms of international law, whether based on treaty or custom, address themselves as a matter of principle to States and hence have to be implemented primarily by them. This holds true for human rights provisions as well as for any other rules of international law. Therefore States have an obligation to see to it that their legislation does in fact correspond to international human rights law. To that end States may have to adapt their laws or enact new legislation. It is in this process that the United Nations can be of direct assistance—

That is exactly what is happening today. Through this law it will be possible for us to ratify the covenant on torture.

I also point out to the Parliamentary Secretary and to my other colleagues in the House that more is at stake than that. Countries look to Canada to show leadership in the field of human rights. Our country has an eminent record in that respect. The actions of the Government at this time will carry forward Canada's very esteemed program in the field of human rights. However, if the Government passes legislation which except for this clause is rather comprehensive and clear and leaves in it a clause which would seem to other countries to provide an out or an escape hatch, the example will not be as persuasive and convincing. We can say, as happens so often in countries behind the Iron Curtain, that those rights are provided in the Constitution. However, if we provide, as is the case in some of those countries, escape hatches in the legislation, it nullifies and makes void the legislation.

Countries look to Canada to find written legislation to copy and use for their laws. If oppressive countries can say that they are using the same laws as Canada and then use the escape hatches, it would be regrettable, not only on the basis of making our own law, but on the grounds that we do not want to set that example for other countries. We do not want them to say that provided there are lawful sanctions, it is fine. In effect, that would nullify the effectiveness of the law itself.

If an individual intentionally inflicts pain or suffering upon another individual, according to this clause it would be permitted if it arose from lawful sanctions. That is the problem. Unfortunately in some countries it may very well arise from emergencies and lawful sanctions. This is why I think to include such a clause does nothing for Canada, because presumably we would not have to worry about that. It certainly does not set an example for other countries and in effect it says that we are really not serious in that we have built in an escape hatch which we can use.

I believe I pointed out yesterday that this has been a problem throughout human history. Whether we are talking about Nazi Germany or the admirals and generals in Argentina or whoever, the appeal has always been that it was done according to the law, because of orders, et cetera. It seems to me that the key phrase is found in subclause 2(3):

> It is no defence to a charge under this section that the accused was ordered by a superior—

To include an escape hatch that the situation is different if it is a lawful sanction nullifies what follows, to a considerable degree.

For the sake of setting an example, not just for ourselves but for other countries, I hope we will consider the eradication of those three lines as a helpful suggestion to make this law an absolutely exemplary one.

Mr. Nicholson (Niagara Falls): Mr. Chairman, most of us who were in the House when the piece of legislation was tabled applauded the Minister of Justice. Canadians who have followed the course of the amendments are very hopeful that they will soon become the law of Canada.

I was somewhat encouraged by the Hon. Member for York Centre who said that he did not want to delay the Bill. I think that is the hope of everyone. I must say that I am somewhat disappointed that this piece of legislation was not enacted yesterday.

In any case, I wanted to direct a question to the Parliamentary Secretary. It is my understanding that for the United Nations Convention to come into force it is necessary for a number of countries to ratify it, so that it will be brought into force throughout those countries. How many countries are necessary to have the Convention ratified to bring it into force, and how many countries have done so at the present time?

[*Translation*]

Mr. Gérin: Mr. Speaker, I thank the Hon. Member for his question, because this is extremely important. Twenty nations must ratify the convention before it is implemented. To this day, 17 countries have ratified it, and let me add that after 20 have done so, an International Commission will then be established to monitor the convention's implementation. It is my view that Canada could play a very important role in that commission, and it is also my understanding that the legislation should be accepted as it now stands, because it would give Canada a better chance of playing a role in the convention's implementation.

[*English*]

Mr. McCurdy: Mr. Chairman, I would just hope that in expressing his irritation about the delay in the passage of this piece of legislation the Hon. Member for Niagara Falls was not imputing the motives of members. It ought to be perfectly clear that all members are very anxious for Canada to pass the necessary legislation to implement the international Convention.

Mr. Nicholson (Niagara Falls): Let's get on with it, then.

Mr. McCurdy: It does not help in serious discussion of a matter which concerns us all for the Hon. Member to say: "Let's get on with it, then". Those kinds of expressions indicate all too often much haste and little thought. When we address ourselves to the caveat, it is because we are concerned.

In response to my colleague the Parliamentary Secretary indicated the basis upon which, I would hope, the courts would interpret the law when it has been implemented. They would provide by judicial decisions the kinds of protection we hope will be there in terms of ensuring that torturers will be punished. However, we are still left with some doubts.

One must ask the Parliamentary Secretary about some rather specific cases, practices, and actions which have occurred. One would want to ask about the activities of the CIA when it administered drugs to the wife of one of my colleagues. One would want to ask, were it to occur now, whether it would be covered by the legislation. The Soviet Union sanctions in law the use of drugs, under the pretence of psychiatric treatment, which cause pain, mental anguish, and doubtless physical harm. In South Africa, children 11 years and 12 years old, by virtue of being deprived of association with their families, may be deemed to have been subjected to mental anguish and significant harm, but it is sanctioned in law. In Iran, people are stoned as a part of the system of criminal justice. This is not the kind of treatment that would be sanctioned in Canadian law but someone accused of breaking this convention by virtue of those sanctioned activities might escape punishment unless we are absolutely sure that no interpretation will be imposed that would allow it to be tolerated. As well, if one considers martial law, all kinds of activities by the military are not subject to any kind of limits or even supervision. That set of circumstances is sanctioned in law.

• (1250)

Are we absolutely certain that, by virtue of the inclusion of this caveat and by virtue of the statements made in response to questions put by my colleague, none of those instances would be allowed to circumvent the intent of the legislation?

[*Translation*]

Mr. Gérin: Let us not try to re-invent the wheel, to rediscover the world. The United Nations Organization includes more than 150 nations which unanimously accepted the wording and recommended that other definitions not be added. That was unanimous. And what we are asking the House is to ratify the unanimous convention that was accepted by more than 150 world nations. That is all we are asking finally—nothing more, nothing less. We are asking that the convention be ratified, which would allow Canada to play a leadership role by becoming one of the first nations to sign the convention and hopefully to be in a position eventually to sit on the commission that will supervise its implementation.

[*English*]

Mr. Robinson: Mr. Chairman, I have just one brief question to ask because we too are anxious to see this particular legislation adopted so that Canada will join with other nations which have ratified it. Hopefully this will allow Canada to play a major role in the oversight process of the convention as well.

At what point does this particular amendment to the Criminal Code come into effect? Would it only apply to acts which are alleged to have taken place after the coming into

force of the Criminal Code amendment, or would it apply as well to acts which took place prior to the coming into force of the amendment but with respect to which the alleged perpetrators of the acts are present in Canada after the coming into force of the amendment?

[*Translation*]

Mr. Gérin: There is no provision for retroaction in the Bill, and in order that there be retroaction, it would have to be mentioned in the Bill as such.

[*English*]

Mr. de Corneille: Mr. Chairman, is the Parliamentary Secretary telling us that the text we see in this Bill is the text which was sent to the Government by the United Nations and therefore has been approved by the United Nations? If the answer is no, I would like to ask the Parliamentary Secretary what is the purpose of the phrase, "but does not include any act or omission arising only from, inherent in or incidental to lawful sanctions". I would gather from what the Parliamentary Secretary said a few minutes ago that some 140 nations approved this text. Is this the text the United Nations gave us, and if it is not the text, why was this phrase put in and what is its purpose?

[*Translation*]

Mr. Gérin: Those provisions on lawful sanctions are taken from the United Nations wording. I will not read again the document from which I quoted earlier. I have given a copy to Mr. Kaplan and Mr. Robinson. I have another here before me and I will be pleased to send it to you.

[*English*]

Mr. de Corneille: Mr. Chairman, the answer is not quite clear. Is he saying that this is the text the United Nations sent to us to use as the text for our Bill?

[*Translation*]

Mr. Gérin: In the definitions, we took those in the United Nations wording, but the United Nations did not send us the wording of the Canadian Bill.

[*English*]

The Deputy Chairman: Is the House ready for the question?

Some Hon. Members: Question.

The Deputy Chairman: The question is on the amendment of Mr. Kaplan:

> That Bill C-28 be amended in Clause 2:
>
> (a) by striking out line 48 at page 2 and substituting the following therefor: "nation of any kind."; and
>
> (b) by striking out lines 1 to 3 at page 3.

Amendment (Mr. Kaplan) negatived: yeas, 9; nays, 18.

Clauses 2 and 3 agreed to.

Title agreed to.

Bill reported.

The Acting Speaker (Mr. Paproski): When shall the Bill be read the third time? By leave, now?

Some Hon. Members: Agreed.

Mr. Wilson (Etobicoke Centre) (for the Minister of Justice) moved that Bill C-28, an Act to amend the Criminal Code (Torture), be read the third time and passed.

Motion agreed to and Bill read the third time and passed.

The Acting Speaker (Mr. Paproski): It being 1 p.m., I do now leave the chair until 2 p.m. this day.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

[*Translation*]

JUDGES ACT, FEDERAL COURT ACT, TAX COURT OF CANADA ACT

MEASURE TO AMEND

Hon. Paul Dick (for the Minister of Justice and Attorney General of Canada) moved that Bill C-41, An Act to amend the Judges Act, the Federal Court Act and the Tax Court of Canada Act, be read the second time and, with unanimous consent, referred to a Committee of the Whole.

Mr. François Gérin (Parliamentary Secretary to Minister of Justice and Attorney General of Canada): Mr. Speaker, the amendments to the Judges Act, the Federal Court Act and the Tax Court of Canada Act provided under Bill C-41 are important in substance though not in form. Time is of the essence, and I want to thank the Hon. Member for York Centre (Mr. Kaplan) and the Hon. Member for Burnaby (Mr. Robinson) for agreeing to have the second reading of this Bill today.

The Bill before the House today, Mr. Speaker, deals with several important matters that concern the magistracy. It is an attempt to apply equality and equity to the retirement age of federally appointed judges. The purpose of this Bill is to strengthen the fundamental principle of the independence of our magistrature, as reflected in the criteria for tenure of office. For the benefit of the House, I will deal with these amendments in the order in which they appear in the Bill.

First of all, Bill C-41 will maintain the indexation of judges' salaries, substituting the Industrial Aggregate for the Industrial Composite.

Under the provisions of Section 100 of the Constitution Act, Parliament sets and pays the salaries, allowances and pensions of judges appointed under Section 96, and thus of all federally-appointed judges.

Since 1981, judges' salaries have been indexed on April 1 of each year, using one of the two following percentages, whichever is less: the difference in the Industrial Composite or 7 per cent. An indexation formula was adopted to allow for annual increments so that the Parliament of Canada would not have to make these changes.

Statistics Canada has now dropped the Industrial Composite, and like other users I am asking Parliament to approve substitution of the Industrial Aggregate in its place.

Hon. Members of this House will no doubt recall that for the past few months we have been considering some statutes which were similarly amended, that is the Canada Pension Plan, the Salaries Act, the Senate and House of Commons Act.

Moreover, Mr. Speaker, and that is perhaps the most important aspect, this Bill will set a consistent retirement age for all judges appointed by the federal Government.

Since 1971, there are for retirement purposes two groups of judges: those who retire at 70 years of age and those who retire at 75 years of age. Judges of county and district courts as well as those of the Tax Court of Canada and the Federal Court leave their office at 70 years of age. Judges of Provincial Superior Courts are bound, under the Constitution, to retire at 75 years of age. Judges of the Territorial Supreme Courts and the Supreme Court of Canada are allowed under the legislation to carry on their duties up to that age. In addition, all judges of county and district courts who held an office on October 6, 1971 and judges of the former Exchequer Court which held their office when that court was called the Federal Court of Canada have been given a special privilege. Although the other judges sitting in those Courts will retire at 70 years of age, those who held an office on the date when the 1971 clause was enforced will not be compelled to retire before 75 years of age. Consequently, there are not only two categories of judges dependent on the court, but in some cases two categories of judges within the same court.

When the clause dealing with both ages of retirement was implemented in 1971, the validity of the legislation was never questioned. However, what was valid at the time is no longer so because of the Canadian Charter of Rights and Freedoms. Charter Section 15 did constitute one of the sound arguments to contest these two retirement ages for Federal Court judges. In 1985, in the case of Mr. Justice Addy, the ruling was that Federal Court Act Sub-section 8(2) did prejudice his rights to equal treatment. Indeed it was stated that the law had created two categories of judges in that court, namely those who had been judges of the Exchequer Court of Canada and who were allowed to retire at age 75, and those who had not been with the Federal Court in its early days but who had been appointed later and had to retire at age 70.

The Minister of Justice (Mr. Hnatyshyn) and his predecessor agreed to be bound by the court ruling in this case, to the extent that it applied to Federal Court judges. We have agreed to introduce the necessary legislative amendments so that judges of other courts in a similar situation will benefit from this ruling. The amendments are deemed to have come into force on April 17, 1985, the day when Charter Section 15 came into force. This Bill honours our commitments and sets the same retirement age for all federally appointed judges. We are therefore standardizing the age of retirement to conform generally to the Constitution, and more specifically to the Charter of Rights and Freedoms.

To protect the rights of judges who are now obliged to retire at 70 and who may wish to take advantage of the previous system, they will be allowed to retire earlier and will be given the option of retiring at 70 or at 75.

Changing the age of retirement to 75 for the entire federal magistrature will require consequential amendments to the provisions of the Judges Act for election of supernumerary status. The Supernumerary Judges Program allows judges who have held judicial office for many years to take on a reduced workload, without any reduction in salary, provided they meet certain legal requirements as to age and the number of years they have held judicial office.

Election of supernumerary status vacates a seat in the court which can then be filled through a new appointment, while the court can still call on the services of a judge with many years of experience. Court judges whose retirement age is set at 75 are allowed to elect supernumerary status at 65, provided they have held judicial office for at least 15 years, and at 70, if they have held judicial office for at least 10 years.

Judges who are supposed to retire at 70 were offered only the first option, that of electing at 65 after 15 years in office. Now that the age of retirement has been changed, all federally appointed judges will have the same options for electing supernumerary status.

Finally, there are a number of amendments relating to tenure of office. All federally appointed judges hold office during good behaviour. However, they are removable for good reason, under certain conditions. Judges of the provincial superior courts may be removed by the Governor General on address of the Senate and the House of Commons to the Crown. The same statutory guarantee with respect to tenure applies to judges of the Supreme Court of Canada and the Federal Court. Similarly, judges of the Tax Court of Canada may be removed on address of the Senate and the House of Commons, but by the Governor in Council, not the Governor General. This distinction may not seem very important for practical purposes and in the light of present day constitutional law, but it does not provide the same guarantees enjoyed by judges of the courts mentioned earlier. The difference is most flagrant when we look at judges of county courts and district courts who may be removed by the Governor in Council on recommendation of the Minister of Justice.

We believe that, as a guarantee of the independence of the magistrature, this is not satisfactory and that all federally appointed judges should be on equal footing. The purpose of this Bill is therefore to amend the Judges Act and the Tax

Court of Canada Act in order to remove these two anomalies and provide judges in the county courts, district courts and the Tax Court of Canada the same guarantees for tenure enjoyed by judges of the provincial superior courts under the Constitution.

Mr. Speaker, the last three amendments I mentioned are in response to concerns based on the Canadian Charter of Rights and Freedoms. The Parliament and the people of Canada have placed a heavy burden on the courts. We have entrusted them with the task to safeguard our individual rights and freedoms. We expect them to strike a balance between our rights and those of the community, between our rights and our obligations to Canadian society.

It would be strange indeed if conditions for the tenure of judges who are asked to shoulder such major responsibilities were to become a subject for concern, in terms of the Charter of Rights and Freedoms. These amendments are aimed at giving judges fair and equitable conditions of tenure, and that is why I urge Hon. Members to adopt this Bill as soon as possible.

• (1410)

[*English*]

Hon. Bob Kaplan (York Centre): Mr. Speaker, I view this Bill as a housekeeping matter, although I recognize that there are parts of it which are very important housekeeping, bringing the judges retirement age into compliance with the Charter, taking account of important cases decided under the Charter. I listened with care to what my friend, the Parliamentary Secretary, had to say about the Bill and my Party supports it for the same reasons.

As I suggested earlier, I would be perfectly happy to deal with the Bill in Committee of the Whole but, if my counterparts in the other two Parties are disposed to refer it to a legislative committee, I will not withhold my consent.

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, I am pleased to rise to participate in the debate on Bill C-41, an Act to amend the Judges Act, the Federal Court Act and the Tax Court of Canada Act. The essential thrust of this Bill has already been outlined by the Parliamentary Secretary to the Minister of Justice (Mr. Gérin). I will not elaborate on the details of the Bill. The Bill makes some important changes of a technical nature which, nevertheless, are overdue. For that reason we are certainly prepared to support the Bill before the House. The amendments in question relate to uniform mandatory retirement age, supernumerary status for judges, and tenure for federally appointed judges. There is also an amendment with respect to indexation.

The age of retirement has been established at 75 for Superior Court judges. This Bill would set the age of retirement for Federal Court judges, Tax Court of Canada judges, and county and district court judges at the same age and establish the same mechanism for the removal of those judges. With regard to district and county court judges, only in the Provinces of Ontario, British Columbia and Nova Scotia do county or district courts now exist. In all other provinces the superior court is the sole court at that level.

I would like to take this opportunity to raise a couple of concerns with respect to the nature and substance of the process of the appointment of judges in Canada. In November of 1984 the then Minister of Justice, the Hon. Member for St. John's West (Mr. Crosbie), announced with great fanfare that a longstanding dispute between the Government of Saskatchewan and the federal Government concerning appointments to the Superior Court of Saskatchewan had been resolved. Members of the House will recall that there had been considerable debate and controversy about the lack of consultation with the Government of Saskatchewan, and in particular the Attorney General of Saskatchewan, prior to the the appointment of individuals who fill Superior Court judgeships in that province.

In November of 1984 the then Minister of Justice promised a new era of consultation with the provinces before superior court appointments were made. Members on all sides of the House welcomed that promise of consultation. This was particularly appropriate because only a few months previously there had been a significant number of patronage appointments made by the outgoing Liberal Government. You will recall, Mr. Speaker, that 23 Liberal Members of Parliament were given public appointments. Of those 23 Liberal Members of Parliament, five were appointed to the judiciary; three to the Federal Court and two to the county courts of Canada. Those five appointments were the subject of considerable controversy.

In the wake of those appointments the Canadian Bar Association established a special committee to study the issue of judicial appointments in Canada. That committee conducted its work from the summer of 1984 until August of 1985. It submitted its report to the annual conference of the Canadian Bar Association in August, 1985.

• (1420)

As I mentioned, shortly after the present Government took office in November, 1984, it announced this new era of consultation. Sadly, while that consultation was announced and there was a tremendous spirit of openness and co-operative federalism, in the case of one of the most recent appointments, the one to fill a vacancy in the Manitoba Court of Appeal, that consultation process was ignored. While we welcomed the announcement of the then Minister of Justice in November, 1984, that there would be effective consultation before appointments were made, unfortunately the Manitoba Attorney General indicated that that consultation was completely lacking in the case of the most recent appointment to the Manitoba Court of Appeal.

Unfortunately, in response to that we have a situation in which the Province of Manitoba has decided to proceed with legislation similar to legislation that was in effect in Saskatchewan prior to the 1984 decision of the Minister of Justice to

consult. We are back to a situation where a provincial Government was not consulted and, therefore, will bring forward legislation to ensure that no further vacancies are filled unless that consultation takes place.

Let me return to the Canadian Bar Association recommendations with respect to the judicial appointment process. The Bar Association appointed a committee of distinguished lawyers, chaired by Neil McKelvey, a lawyer from Saint John, New Brunswick. That committee met with many individuals and groups across Canada and submitted to the Canadian Bar Association their report on the appointment of judges in Canada.

The findings of the Canadian Bar Association report on the appointment of judges represent a very damning indictment of the system of the appointment of judges which has existed for many years in Canada.

In their report, the special committee said that Canadians are cynical about the current method of appointing judges and want a totally different approach. They point out as well that in a number of provinces, politics—meaning partisan politics—play too great a role in selecting candidates for the Bench. The committee pointed out, for example, that political favouritism played an especially dominant role in federal appointments to the higher levels of courts in a number of provinces, including New Brunswick, Nova Scotia, Prince Edward Island, and Saskatchewan. They point out as well that with respect to appointments in Alberta, Manitoba, Newfoundland, and in Ontario to county and district courts, political favouritism has in fact been a significant consideration. Indeed, the Canadian Bar Association Committee went so far as to note that in one province 100 per cent of the appointments were to supporters of the Party in power. Obviously there is serious damage to the integrity of the judicial system in Canada when appointments are made exclusively on the basis of one's partisan political background.

The committee noted that since 1978 there was strong evidence to indicate that being a friend of the Party in power in Ottawa and in some of the provinces was in fact the main criterion for landing a judicial appointment. The committee noted further that although the quality of the Canadian judiciary is good, it is uneven, with some of the more manifest weaknesses being attributable to patronage appointments.

Mr. Kaplan: Mr. Speaker, I rise on a point of order. I have been listening to the representative of the New Democratic Party for several minutes. He has been devoting his time to talking about the process of appointing judges, and insulting members of the Bench appointed by my Party and members of the Bench appointed by the Party that forms the present Government. That might be in order, as tasteless as it would be, if the Bill had something to do with the appointment of judges. However, it does not. I would ask Your Honour to impose the rules of order and ask the member, if he has anything to say, to direct himself to the provisions of the Bill.

[*Translation*]

Mr. Marin: On a point of order, Mr. Speaker.

The Acting Speaker (Mr. Paproski): Order, please. The Hon. Member for Gaspé (Mr. Marin) on a point of order.

Mr. Marin: Mr. Speaker, if our New Democratic Party colleague wants to make accusations, I would suggest he ought to give names and spell out his accusations.

[*English*]

The Acting Speaker (Mr. Paproski): I think the Hon. Member for Burnaby (Mr. Robinson) realizes what is happening during his speech this Friday afternoon. I hope that he will refer to the Bill and discuss what is before us, rather than making any further accusations.

Mr. Robinson: Mr. Speaker, certainly no one is making any accusations. In fact, I was quoting from a unanimous report which was submitted to the Canadian Bar Association by a number of very distinguished lawyers, including J. J. Robinette, and a committee which was chaired by Neil McKelvey of New Brunswick. I was quoting concerns that these individuals raised with respect to the appointment process in Canada. This Bill certainly deals with the question of appointment of judges, with the removal, the tenure of judges and a number of other concerns of that nature.

Mr. Kaplan: Mr. Speaker, I rise on a point of order. It does not deal with the appointment of judges. It has nothing to do with the appointment of judges.

The Acting Speaker (Mr. Paproski): As I see it, the only portion of the Bill that deals with the appointment or removal of judges is Clause 5. I will have to look at it more carefully, but I hope that on this wonderful Friday afternoon we could settle the problem in a very short time. The Hon. Member for Burnaby.

Mr. Robinson: Mr. Speaker, I will be brief in my remarks. I wanted to take this opportunity, since this is one of the few opportunities when the Judges Act comes before the House for amendment, to raise some concerns which flow directly from the provisions of that Bill.

The findings of the McKelvey committee were certainly a serious indictment of the present practices of the appointment of judges in Canada and certainly Mr. McKelvey himself indicated, when he was asked, that indeed the practices of the former Government appear to have been continued by the—

Mr. Kaplan: Mr. Speaker, he keeps coming back to this question of appointment. He has no basis for doing that.

The Acting Speaker (Mr. Paproski): The Hon. Member for Burnaby.

Mr. Robinson: Mr. Speaker, I have made reference to a number of the concerns that were raised by this Canadian Bar Association committee with respect to the appointment of

judges. What flowed from that was a recommendation that there be special advisory committees established to advise the Government of the day with respect to the appointment of judges.

[*Translation*]

Mr. Gérin: A point of order, Mr. Speaker.

The Acting Speaker (Mr. Paproski): Order, please. The Hon. Parliamentary Secretary on a point of order.

Mr. Gérin: Mr. Speaker, again the Hon. Member for Burnaby (Mr. Robinson) is making partisan remarks as he speaks to a Bill which does not have anything to do with that process as such. There will be many other opportunities because the Government said recently that it intends to review this process. As a matter of fact, with respect to the appointment of commissioners, it was this Government which implemented a new parliamentary system that is a lot better than what we had before. Sadly enough, in his attempt to debate an issue which is totally alien to the measure under consideration, the Hon. Member is delaying the adoption of this Bill which was introduced in the House solely to make it consonant with the Canadian Charter of Rights. I suggest that the Hon. Member for Burnaby who claims, like his NDP colleagues, to be a great champion of the Charter, could lead the way today by immediately supporting this Bill and keeping his partisan remarks for another forum.

[*English*]

The Acting Speaker (Mr. Paproski): I think the Hon. Member for Burnaby (Mr. Robinson) has been here long enough to realize what is happening. Perhaps he will come to a conclusion so that we do not have to carry on with any more points of order this afternoon.

• (1430)

Mr. Robinson: Mr. Speaker, I have been trying to come to a conclusion of my remarks, but I have been interrupted constantly by points of order. Perhaps I might be given an opportunity to conclude my remarks by noting that the study to which I referred did make a recommendation for a new system of advisory committees to seek out potential judges and assess their qualifications. It noted that such committees exist in six provinces. I would hope that the Government might take the opportunity to put into place a new model for a revised appointments system for the appointment of judges to the federal bench.

It was in February of 1986 that the then Minister of Justice in fact promised that before the end of 1986, a new system for the appointment of judges would in fact be in place. I had hoped that in the Bill which came forward today—

[*Translation*]

Mrs. Mailly: Mr. Speaker, I rise on a point of order.

The Acting Speaker (Mr. Paproski): Order, please! The Hon. Parliamentary Secretary rises on a point of order.

Mrs. Mailly: Unfortunately, Mr. Speaker, the Hon. Member has no respect for the House. He is again dealing with a matter which, as he has just been informed, has nothing to do with the bill. He complains about being interrupted. The reason he is interrupted is because he is out of order.

Therefore, he should be considerate and polite enough to respect his colleagues and the House.

[*English*]

The Acting Speaker (Mr. Paproski): The Hon. Member for Burnaby.

Mr. Robinson: We certainly had hoped that the Minister, in tabling legislation dealing with the Judges Act, would bring forward the changes which were promised over a year ago. It is entirely in order, in speaking on a Bill to amend the Judges Act, to raise concerns with respect to other subject areas which might have been included at this point and which in fact have not. I know the Speaker recognizes that as well.

I would hope the Minister or his successor, the Hon. Member for Saskatoon West (Mr. Hnatyshyn) would in fact live up to the promise made by his Government to bring forward a new appointments system at the earliest possible time. We recognize, particularly in dealing with some cases with complex socio-economic questions arising from the Charter of Rights, and in dealing with a review of Cabinet decisions—the courts can now review these decisions, after the decision of the Supreme Court of Canada in the Cruise missile case—that it is essential that partisan political considerations not play a role in the appointments process.

I believe as well that in examining the nature of this process, the Bench should more accurately reflect the ethnic and multicultural diversity of our country. There should be more women appointed to the Bench. I would hope that the Supreme Court of Canada position which is now vacant would in fact be filled by one of the excellent women from the Province of Quebec who are eminently qualified to fill that position. I am pleased that the record of the Government with respect to the appointment of women has improved significantly. I am quite prepared to concede that and to concede as well how pleased I am, particularly in view of the fact that until this Government took office not one woman had been appointed by a Conservative Government to a federal judicial post in the history of the country. I welcome the progress which has been made in that regard.

To conclude, I want to reiterate our concern that the judicial appointments process in Canada must be changed. There must be a role for independent advisory bodies. There must, indeed, be a role for Parliament to play with respect to appointments to senior judicial positions at the Appellate Court level, the level of the Supreme Court of Canada. I would hope the Government would recognize its responsibilities in this regard and will move forward to quickly overhaul the judicial appointments process in Canada.

At this point I would like to ask for the agreement of the House, pursuant to discussions I have had with the Parliamentary Secretary to the President of the Privy Council that this Bill not be dealt with at this point in Committee of the Whole but that it be dealt with by reference to a legislative committee. My understanding is that that is agreeable and that the legislative committee would, of course, deal with the Bill expeditiously.

[*Translation*]

Mr. Gérin: Yes, because I feel that otherwise, the Committe of the Whole would be dealing with another matter, as suggested by the Hon. Member for York Centre (Mr. Kaplan). Therefore, it will be referred to a legislative committee.

[*English*]

Mr. Kaplan: Mr. Speaker, I was consulted about this agreement. The agreement I was prepared to accede to was not that the Bill be dealt with expeditiously in committee but that it be dealt with at one meeting with the Minister in committee.

The Acting Speaker (Mr. Paproski): Is that so agreed?

Some Hon. Members: Agreed.

The Acting Speaker (Mr. Paproski): Is the House ready for the question?

Some Hon. Members: Question.

The Acting Speaker (Mr. Paproski): The question is on the motion of the Minister of Justice.

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

Some Hon. Members: Agreed.

Motion agreed to, Bill read the second time and referred to a legislative committee.

* * *

CANAGREX DISSOLUTION ACT

MEASURE TO ENACT

Hon. Paul Dick (for the Minister of Agriculture) moved that Bill C-2, an Act to dissolve Canagrex and to amend certain Acts in consequence thereof, as reported (without amendment) from a legislative committee, be concurred in.

The Acting Speaker (Mr. Paproski): Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to.

Mr. Dick (for the Minister of Agriculture) moved that the Bill be read the third time and passed.

Canagrex

Mr. Geoff Wilson (Swift Current—Maple Creek): Mr. Speaker, I am pleased to have this opportunity to speak to Bill C-2, an Act to repeal the Canagrex Act and to dissolve the Crown corporation. The details of this legislation, and the reasons for it, have been fully outlined in this House previously and at the committee stage. Therefore, I will only briefly review the matters involved.

Canagrex has been, in effect, phased out since April of 1985. The purpose of Bill C-2 is to officially dissolve the corporation. As far back as the November, 1984 Economic Statement by the Minister of Finance, the Government has made clear its intention to phase out Canagrex. There were good reasons for this decision.

First, the initiative reflected our policy of fiscal restraint and our firm resolve to make the most efficient use of available resources. Second, it was, and remains, our view that Canagrex was not going to achieve the target set out for it. We believe the industry was not going to use the Crown corporation in the manner planned. Third, we believe that existing government departments would be more effective in co-operating with the private sector in pursuing our trade goals.

Many of the intended purposes of Canagrex were certainly worthy ones. Canagrex was to identify new markets, to promote exports of Canadian products, to participate in state-to-state trading, to provide export counselling to the industry, to make available grants, contributions, loans and loan guarantees, and to import, export, buy and sell. These functions are now being carried out more cost effectively and in a co-operative manner by the Department of External Affairs, the Export Development Corporation and Agriculture Canada. The Agricultural Products Board of Agriculture Canada can also buy and sell, if necessary.

The Export Development Corporation, the EDC, provides insurance, loans and guarantees. Through the EDC, the Government has introduced new, more flexible insurance programs which have succeeded in putting Canada's agricultural exporters in a much better competitive position.

The Department of External Affairs takes a lead role in foreign markets. Its program for export market development will have spent more than $1.2 million for export promotion activities. This program, combined with a promotional projects program, is more effectively mounting Canadian exhibits at international trade shows and bringing foreign buyers to Canada.

• (1440)

Agriculture Canada and External Affairs work jointly on numerous trade initiatives. Recently, the two departments worked to improve their co-operative relationship. The results have been beneficial to agricultural exporters. For example, the two departments have co-operated in numerous technical and promotional activities, seminars and trade fairs. They worked together to develop the export market information system, which provides current, detailed information on

agricultural markets throughout the world. They have established a joint committee on agri-food trade. This committee ensures that resources in the two departments are combined, whenever possible, in order to identify new market opportunities, and to help the private sector take advantage of those opportunities. In addition to co-operating with External Affairs, Agriculture Canada works closely with the private sector and the provinces to develop markets for our agricultural products.

Federal and provincial Ministers of Agriculture have reactivated the federal-provincial Market Development Council as a mechanism to enhance market development, both domestic and foreign. The federal-provincial Agriculture Trade Committee continues its active work. These efforts are complemented by Agriculture Canada's Export Expansion Fund and the Export Development of Agriculture Products Program.

The department also provides export counselling and co-ordinates private sector trade initiatives. Often, the department has been successful in helping to overcome technical barriers to export expansion through, for example, the establishment of animal and plant health agreements with other nations.

The Government recognizes that it is the men and women of the private sector in Canada who export, not governments. The task of government is to assist the private sector in developing and facilitating international trade. It is an approach that is working. I ask Hon. Members to consider the results.

Thanks to some enterprising Canadian engineering firms and officials at Agriculture Canada, a number of foreign buyers have made trial purchases of Canadian agricultural and food processing machinery. Further sales could pave the way for greater economic diversification of Canada's agriculture sector.

Producers in the Maritimes have found new customers for their hay, particularly as a feed for racehorses in the United Kingdom and in the United States. This success story is a result of federal and provincial co-operation with the private sector, as well as support from the federal Export Expansion Fund.

These examples demonstrate that in a challenging world trading environment we are succeeding in creating new export opportunities for Canadian agriculture. We are doing so by creating a positive environment for exporters, by strengthening interdepartmental co-operation, and by forming closer working relations with the private sector. We are proving that we can attain our goals without necessarily creating new corporations, agencies or bureaucracies.

Clearly, the 1984 decision to dissolve Canagrex has proven to be a sound, responsible initiative. I urge all Members in the House to support the Bill that is before us.

Some Hon. Members: Hear, hear!

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, the debate we are participating in this afternoon is really a form of memorial service for Canagrex. The Government dissolved Canagrex well over a year-and-one-half ago. We are now finally completing the formalities of a legislative burial for this agency. I was hoping that the Government might at least have the decency to provide a proper burial. Instead, the description we heard in the statement made by the Government's spokesperson seemed to miss the whole point. What we had was a recitation of the original intentions of the Government in getting rid of Canagrex.

I ask Hon. Members to listen to what they were. First and foremost was a demonstration of the Government's commitment to fiscal restraint. Mr. Speaker, if 6,000 farmers were in arrears with the Farm Credit Corporation, if export markets to Third World countries had dropped by 20 per cent or 30 per cent, and if western farmers and those in Ontario and Quebec were losing markets daily to the European Economic Community and the United States because of their aggressive, massive subsidization of agriculture, do you think you would have brought forward fiscal restraint as your first objective? Do Hon. Members not think that the Government might have at least had the wit to say that, unquestionably, the overriding priority, at a time when the Canadian agricultural economy is facing the most severe challenge since the Depression, is to help the farmers? Would it not have had the wit to say that it wants to help develop new markets and develop new products? Would it not have had the wit to say that it wanted to help farmers develop the capacity to break into areas in which there was intense competition? Oh no, the answer was, "fiscal restraint". Unfortunately, that is the continuing motivation that drives the Government's economic policy, something which is totally oblivious to the circumstances surrounding it, and in many cases the tragedy surrounding it. I cannot believe that any Member in the House would be foolhardy enough to try to argue that, in fact, there is not an incredible crisis facing Canadian agriculture today.

One of the tragedies which I think we have to recognize in this memorial service late on a Friday afternoon is that Canagrex might have provided one of the effective responses to that crisis. Canagrex was specifically set up to provide Canadian agriculture with an alternative means of selling its products, of developing its products and of promoting its products. When the Hon. Member for Swift Current—Maple Creek (Mr. Wilson) said there was no acceptable proof that it was doing its job, the fact is that in the first nine months of its operation, while the Party of which I am a member was still the Government and Canagrex was in an embryonic stage, it had already something close to $16 million worth of committed sales and was in the process of negotiating another $150 million worth of sales. That is clear proof that in a short nine-month period there was an incredible opportunity of which to be taken advantage. In fact, a vacuum needed to be filled by an agency that would be able to help small farmers, in particular, farmers who did not have large marketing agencies such as the Wheat Board working for them. In a short period

of time it was able to develop a sure commitment for $16 million worth of sales and $150 million worth of pending orders. Clearly, that demonstrates the need for such an operation.

The government spokesman went on to say that he did not think it was necessary because there were other departments that could do the job. He referred to External Affairs, the Department of Agriculture and the Export Development Corporation.

I would now like to recite to Hon. Members the events that have occurred since then. Has there been one single additional contribution from the Export Development Corporation to promote agricultural exports? It has had its budget cut back. The only area in which the Government has increased funding for the promotion and marketing of our exports is in the area of defence. The primary objective of the Government is to become a big arms exporter. That is where it is putting its money. That is the area in which it has increased financing, that is, to sell arms overseas, not to help farmers sell their products. When we look at the budgets in the last Estimates the only increase that we can see is with respect to DIPP, the Defence Industry Productivity Program. It received a big increase in funds. If we look at the Export Development Corporation's own estimates we see that there was a substantial reduction.

We admit that other departments did not like Canagrex. External Affairs saw it as a turf battle. It wanted to be the great chieftain of export management and trade. They were to manage this new trade strategy of the Government, and we have seen how they have managed it. The softwood lumber case is costing the Canadian industry $600 million. There have been more countervail cases in the last two years than in the last 20 years. There has been a total and complete withdrawal from any serious commitment to multilateral trade negotiations. They have closed embassies. They have closed consulates. They have cut back staff and financing to the Department of External Affairs. It was to be the great engine of motivation for increasing Canadian trade. However, we have seen a shrinkage, an erosion, a cut-back, and a withdrawal from any kind of commitment.

• (1450)

The Hon. Member also gave us some examples. He indicated that there was a little more hay from the Maritimes being sold to Great Britain. I apologize that I did not leap to my feet and click my heels in wild exultation at that good news. Did the Hon. Member talk about the number of lost sales of specialty crops in western Canada? We have been pushed out of business in the Middle East. Did the Hon. Member talk about losing the opportunity to put together co-op efforts for field crops across Canada. He did not say a word about lost opportunities or lost sales. He talked about selling a little more hay to Great Britain. It seems that is the sum total of the contribution of the Tory agricultural trade strategy.

Although I do not want to strain Your Honour's generosity, I am tempted to speak for a moment about the other side of the trade picture, that is, the trade war in which we are engaged with the European Economic Community and the United States on the question of grain sales. I must take note, for the sake of relevance, of the response which we received this morning from the Secretary of State for External Affairs (Mr. Clark). When he was asked about the resolution passed unanimously in the U.S. Senate authorizing an investigation, of all things, into Canadian agricultural subsidies, he said that he thought it would be a useful lesson for Americans to learn.

Since the inception of the United States Farm Bill, grain prices to Canadian farmers have fallen on the average of 15 per cent to 20 per cent per year. This spring farmers are facing the reality that when they put seed in the ground they will get 50 cents to 60 cents less per bushel than their cost of production, and that is a minimum judgment. Those prices are being driven down by Americans day after day. With their BICEP program they are pushing us out of markets in Algeria, Saudi Arabia, and you name it. They are after our skins.

The flaccid response of the Secretary of State for External Affairs was, "I do not see anything wrong with it. Let the Americans learn a lesson or two". There is no inclination on the part of the Government to go after the United States Senate and the U.S. administration and say, "What the hell do you think you are doing to us? You have a lot of nerve trying to investigate us when you are driving down prices and driving us out of the markets and when you are about to destroy our grain economy".

Where is the Canadian Government's investigation of U.S. subsidies which are putting us out of business? Where is the diplomatic note asking what is going on? Where is the Government's willingness to go to GATT and say that unilateral action on the part of Americans is breaking the trade contract which we signed years ago?

I suppose we should know better than to expect the Secretary of State for External Affairs to have any backbone when it comes to dealing with the Americans. I suppose we should know better by now than to expect the Government to represent Canadian trade interests with any kind of courage or dignity.

The Tories are compelled by that obsessive demand that they must get the free trade deal on the table. They know the political credibility of the Prime Minister (Mr. Mulroney) is going into the ashcan. The one way they are trying to save it is by signing a cosmetic deal with the Americans. Everything is sacrificed for that deal. Everything is surrendered. Everything is put up for grabs, including Canadian farmers. Do we have the right to expect any more? Surely, when dealing with agricultural products and the plan of action for Canagrex, one would have thought there would have been an effort by External Affairs, Agriculture, or someone else to make a gesture to fill the vacuum. On the contrary, they have in fact ignored the problem.

I should like to recount—and I am glad to share the information with other Hon. Members of the House—a tour which members of my caucus and I took to western Canada three weeks ago. We visited the four prairie provinces and met with over 80 groups, many of which were agricultural groups. Time after time we heard a very clear appeal for assistance of all kinds. I think western farmers recognize that they have to deal with a different kind of international market. Many of our former customers are now our competitors. They realize that they will have to shift into wider diversification in crops and get much smarter when it comes to sales, promotion, and marketing. There is a willingness or a receptivity to begin to broaden and diversify the agricultural pitch.

However, at the same time those farm groups said that they were not big enough to do it themselves, particularly in specialty crops and field crops. Those operators are usually smaller ones and do not have the major economic muscle necessary to mount a big promotional campaign.

They also pointed out that the Government of Canada cut back on agricultural research and on the very capacity to help develop new products and new strains. The Government has eliminated Canagrex. It has cut back on the budget of EDC. It does not provide the support for farmers which is absolutely essential if they are to cultivate new markets. The willingness is there. There is interest and there is co-operation. However, what they see is a full-scale retreat.

We know why that is. The Hon. Member for Swift Current—Maple Creek referred to it in the first words of his speech. It is because they are interested in fiscal restraint. That is very dumb economics. If we force people into bankruptcy and force farmers to go broke, there will be fewer taxpayers to help pay future bills. Fiscal restraint is another expression for squeezing the small guy. The entire country will pay the price.

We know that the legislation simply formalizes a ghost. The damage has already been done. If there is any purpose in a memorial service, I hope it is to draw some lessons from the short nine-month life of Canagrex. The Government of Canada has a real responsibility to give the farming community the support it needs to diversify its crops and sell them abroad in a toughening international market.

We want to see some action. We want to see the trade strategy of the Government incorporating agriculture as a major component. We do not want to see it throw up its hands and say that it is waiting for some negotiation down the road, throw a cream puff at the Americans, or say that we will sell more hay to Great Britain. That is hardly a proper epitaph for Canagrex. It is a compounding of the failure to come to grips with the hard reality of the world of international agriculture trade. All I can say is that we live with some hope that some time soon, someone in the Government will come to his or her senses and do something about it.

• (1500)

Mr. Vic Althouse (Humboldt—Lake Centre): Mr. Speaker, I rise at third reading stage of this Bill to make what I suppose will be one last speech on Canagrex. Canagrex had a very short life. It was brought to an unseemly end just at the very beginning of its attempt to fulfil a mandate which I felt was one that needed to be fulfilled.

We do have a great need for an agency like Canagrex to act as a facilitator between the producers of farm products and potential markets. Government spokesmen, today and previously, have justified the disposal of this tiny, budding new agency by saying that there exists in various Departments most if not all of the expertise necessary for farmers to pursue markets in other countries for those commodities that are produced in relatively small volumes in Canada.

When we supported this experimental initiative, it was our feeling that it would help numerous producers of small-volume commodities, from honey producers to pea and bean producers to even at times tobacco producers and soybean producers. The list goes on and on. Commodities that have as yet been produced only experimentally to see if they are agronomically suitable to our climate could perhaps have been grown here under economically viable conditions if markets for them had been made available.

I think it is quite clear to anyone who has attempted to market some of these products for which there are no existing national boards that the act of going through the various departments, agencies and branches of Government to attempt to put together a marketing project is so costly and time-consuming that very few commodity groups have the volume necessary to make it economically viable. Canagrex with its few dozen experts in insurance, finance and intermediary businesses proved that it could do that for these groups. When people from Canagrex made trips to foreign countries with market potential for Canadian agricultural products, they were able to go with briefcases containing six, eight or even 10 commodities that were looking for markets. They could therefore spread the cost of marketing initiatives over that many products. It was a cost-effective and efficient kind of marketing that was made possible with Canagrex. One need only read its first annual report which, I remind the House, the Government attempted to keep from being presented as it should have been presented by law.

To digress for a moment, I would point out that the Progressive Conservative policy on Canagrex is consistent with the rest of its policies. It had always run hot and cold on Canagrex and it has always been quite contradictory. I suppose that is typical of the words "Progressive Conservative", which in themselves are going in two different directions at once. When the Bill was first introduced, we saw the spectacle of the then House Leader, Erik Nielsen, making a speech at first reading stage of the Bill, something which in itself is quite unusual. On December 8, 1981, as reported on page 13834 of *Hansard*, he said the following:

Madam Speaker, we on this side are delighted to give our consent to the introduction of an idea initiated by the Hon. Member for Elgin (Mr. Wise) when he was in office. We in this party express our gratitude to the minister for perpetuating the idea of the hon. member for Elgin in this legislation.

He then pointed out what a successful piece of legislation it was and what a successful future Canagrex would have from the point of view of the Progressive Conservative Party.

The now Minister of Agriculture (Mr. Wise), who at that time was his Party's critic for agriculture, rose in the House on second reading debate to praise the implementation of Canagrex. The only thing he could find to criticize about it was that Eugene Whelan, the then Minister of Agriculture, was proposing a budget for the new agency of only $14 million to be spread over three years. It was the current Minister of Agriculture's contention that he would have given the agency $60 million over the same period of time and that, had he continued as Minister of Agriculture, he would have made it a very successful, well financed agency.

The debate on second reading stage went on for some time. The current Minister of National Health and Welfare (Mr. Epp) rose to defend the implementation of Canagrex and outlined some proposals that he had for Canagrex that would permit some of his constituents to export veal calves to Israel. He was quite supportive of the program. In fact, all those of the then Official Opposition who spoke were supportive of the Canagrex initiative until it came time for the Hon. Member for Etobicoke Centre, the current Minister of Finance (Mr. Wilson), to speak. He took great exception to the implementation of an agency that would provide some assistance to farmers in exporting products. He thought that this was an infringement on the export activities of private enterprise which, I point out, was not doing the job anyway. He succeeded in convincing his caucus over the initial enthusiasm of the now Minister of Agriculture and the now Minister of National Health and Welfare that Conservative Members should reverse their position and oppose to the last drop of blood the implementation of Canagrex.

Those Hon. Members who were here at the time will recall the historic and histrionic display of emotions which then occurred in the House of Commons, the likes of which we had not seen before. The bell-ringing incident that went down in history was attached to this Bill. The Bill was stalled in committee stage. We saw the spectacle of having the chairman of the Ontario Soybean Board, Peter Epp, come from southern Ontario with his officials on two separate occasions to give testimony before the Committee on Agriculture, and because of procedural games playing, the then Official Opposition prevented the committee from hearing the testimony of Mr. Epp on not one but on both occasions. That was the emotion that the initiative of the current Minister of Finance generated over the good initial judgment of the now Minister of Agriculture and the now Minister of National Health and Welfare.

• (1510)

I submit that the agency, during its very short life, showed signs of being able to bring these various scattered bits and pieces of trade and commerce, external affairs, agriculture, trade insurance, transportation and other brokerage operations together under one roof where a producer could go for both advice and service. It succeeded despite a very slow start caused by the political heat generated by the Official Opposition during committee and report stages of the legislation. The agency had succeeded in selling some $16 million worth of agricultural products which would not have been sold without it. As well, about $150 million in sales were under negotiation. Anyone involved in marketing knows that you have to initiate deals many months in advance at times. Those sales were just written off when the Minister of Finance stood up to present his budget statement in November of 1984. That was done without consultation with the employees or board of directors of Canagrex, or any of the farm organizations who used Canagrex. It was simply a unilateral decision by a Minister and members of the Government who, during the election campaign, took pride in saying that they would form an open Government that would be democratic and consult with people.

After that initiative was announced, there were certain moves to avoid the rule of Parliament over procedures engaged in by the Government. The Government attempted to avoid the law which required an annual report to be tabled in the House of Commons. That requirement was avoided for several months, but eventually complied with. We brought the debate to a close over that issue and the official death of Canagrex, the final act of which is happening in this debate, was delayed until such time as the Government began to live up to the letter of the law.

We have indicated there was much that could have been done with this agency. The plight of a great many producers of small volume commodities would be much better than it is had the agency remained in operation. It had the expertise and direction to seek out and open up new markets for those producers. It would have been the contact point for a producer or group of producers who wished to initiate such sales, and it had the power to provide all of the services necessary to complete an international sale, including the insurance and transportation arrangements, without jumping around to a multitude of agencies, boards and brokers. Instead, the Government decided to follow the advice of the Minister of Finance, regrettably so, and overrule the initial instincts and, I think, the good judgment of the opposition agriculture critic who supported implementation of Canagrex in its initial stages.

Because I have only four or five minutes left in my time I want to refer very briefly to another action taken by the Minister of Finance which has been extremely harmful to another group of farmers. I am speaking of the first excise tax imposed by the Minister upon tobacco users and the harm done as a result to tobacco producers. That tax increased

tobacco taxes by 40 per cent. It raised close to $500 million annually. At the same time the Minister and his colleagues assured tobacco producers there would be some compensation to assist them in adjusting to the reduced demand resulting from this taxation policy. Two years and five months later there is no program. I was in the tobacco-producing region yesterday and the day before listening to the plight of some tobacco farmers. We know that between 600 and 1,000 tobacco farms out of just over 2,000 are now out of business as a result of this program. They have received none of the promised assistance to this point in time.

Just to put it in context I will tell you how little assistance they were hoping to get. They had understood that of the approximately 40 cents extra per package that the Budget put on the price of finished tobacco products, about a nickel would go to an industry restructuring program. Some 18 months of inaction has produced the demise of close to 600 family farms. There is now a rumour about that there may be a program amounting to about $15 million, which is about 1.2 cents per package instead of the promised five cents, or about one-fifth of the original promise. There are still no details on a program, simply more talk.

Before I sit down I want to read into the record some comments of a woman who appeared before the subcommittee on tobacco yesterday. In the context of closing down Canagrex and another agency I think it is fitting, given the demise of a great many of these tobacco farms, to listen to what she had to say. She recalled an incident on November 11 when she did what she usually does with her younger children in gathering them together to talk about what Remembrance Day means. She said she would like to draw to their attention the fact that the freedoms they enjoy in our democracy were brought about at the expense of other people's lives in the two world wars. She said that they, as the people carrying our traditions into the future, have a responsibility to understand the meaning of those deaths and to try to carry some of these ideals forward. She reported that after her little talk, her youngest son Jonathan, 10 years old but quite keen of mind, stopped for a moment and asked a very touching question. He said: "Why don't I have a grampa or great-grampa who fought in any of those wars?" She explained to him that it was perceived during wartime to be very important to the country to have farmers and that the Government, having realized we could not win a war without farmers, ensured that farmers stayed home to produce food for the survival of the country. Since all of his forefathers were farmers, none of them had fought in the wars. He thought for a few moments and then he said, "Mommy, why don't they care now if we lose our farms? Isn't Canada still a country and don't we still need farmers?"

• (1520)

That is the basic question which the Government is avoiding. It cannot avoid it. We still need farmers to be a country. The Progressive Conservatives understood that when they initially supported the concept of Canagrex which would have permitted farmers to get their production into the hands of consumers around the globe through an agency with the concentrated expertise which Canagrex could have put together. The Government failed to do that. It has failed the people of Canada and, most importantly and regrettably, it has failed the farmers of the country.

Mr. George Henderson (Egmont): Mr. Speaker, I want to make a few brief comments on Bill C-2. This will likely be the final opportunity to speak to this Bill. I say that with a great deal of sadness because I think Canagrex would have done a lot for our farmers. I supported Canagrex when the previous Government brought the Bill to the House to establish the corporation. I supported the then Minister of Agriculture, Mr. Whelan, not because I was a member of his governing Party, but because I thought that the agricultural community needed some expertise and direction in marketing. I also supported it because the potato producers in the Province of Prince Edward Island were totally in support of the Bill. I had met on many occasions from 1980 to 1984 with potato producers and other farmers in my province. They made it quite clear to me that they, as farmers, did not have to be told how to produce a product, that they were quite capable of producing their products very efficiently.

I remember the great debate on Canagrex. In the early stages after the Bill was originally introduced by the former Minister of Agriculture most Members of the then Opposition, including the present Minister of National Health and Welfare (Mr. Epp), thought Canagrex would be a vehicle to aid the agricultural industry. It was not long after the present Minister of Finance (Mr. Wilson) spoke in that debate that most of the then opposition Members changed their tune. I remember the bell-ringing incidents, the tactics which the then Opposition used to stall this legislation. I was not very proud of that and I think that after reflection a lot of the members who took part in those tactics were not very proud of their actions either.

I remember that those tactics brought the subject to the minds of the farmers across the country who derive their income from the production of agricultural produce. They had seen the benefits of Canagrex as we in the previous Government had seen them. In order to remember what people were saying at that time I will read into the record a letter from the Prince Edward Island Potato Producers' Association. The letter was addressed to the Member for Malpeque (Mr. Gass), myself as the Member for Egmont, the Member for Hillsborough (Mr. McMillan) who is now the Minister of the Environment, and the then Minister of Veterans Affairs in the former Government, Bennett Campbell. The letter reads:

Dear Sirs:

At a Potato Producers' Association meeting held on January 6, 1983, a motion was passed that we write to our three MPs and Cabinet Minister to again re-iterate our support and desire that Canagrex be passed as quickly as possible.

We, in the Association, feel that this Bill would be of great benefit to the Island potato industry in the area of export. We feel new markets could be created and old ones strengthened by export credit, which we understand is part of this package.

On behalf of the potato industry, we hope you can see your way clear to support this legislation. As to some criticism of the bill that Canagrex has the power to enter the market if it so desires to buy and sell product we do not see this as a great threat provided it is only done when it can be shown the private sector cannot survive this service.

Yours truly,
P.E.I. Potato Producers' Ass'n
Norman Ramsay, President

I received many letters in 1983 from people who were interested in the agricultural industry in Prince Edward Island. They expressed the same sentiments toward Canagrex as did this letter. There is nothing the Liberal and New Democratic Opposition can do. There are 211 Members on the government side and they are certainly bent on burying Bill C-2 and what is left of Canagrex. There is no question that we have done everything we could. I have spoken on this subject many times. We should remind ourselves of what Canagrex was all about. The Bill is now in its final stage and during the last weeks and months some of us may have lost sight of what Canagrex would have done for our agricultural industry and other industries which could have participated in the program which Canagrex could have offered. Canagrex would have actively assisted export development in this country.

• (1530)

The powers contained in the legislation that was passed gave Canagrex six main purposes. The first was market identification and intelligence. I have been told by shippers that while they know there is a possibility of markets, since they are small shippers they have difficulty developing those markets in foreign countries. Indeed, many of those countries which may need those products have difficulty in providing the Canadian funds required to pay for them and may require a line of credit.

This was one of the difficulties facing our potato exporters. Argentina and other South American countries do not have enough foreign currency and the producers must wait lengthy periods for payment. They see Canagrex as a vehicle which could have helped them by providing loans and guarantees while waiting for their payment for their product. Indeed, Canagrex could have arranged a state-to-state agreement to sell goods and services.

The second thrust of Canagrex is promotion and information services. Trying to develop a new market in a new country is not much different from developing a new market for a new product in our country. There must be a great deal of promotion and education about the product. Canada is known throughout the world for its excellence in quality. We certainly had good inspection regulations to ensure that we deliver the very best quality products to foreign markets.

It is very difficult to create a new market for a new product that is basically unknown. For example, the promotion of generic fishery products in the United States, which the Government abandoned, would have helped our small producers and processors market their fishery products in the United States. The large companies such as National Sea have marketing outlets in the United States and, in fact, many have their own marketing and distributing facilities there. However, the smaller companies do not have the money to promote their products and the generic promotion program in the fishery would have helped.

Canagrex could have acted as an agent of the Crown in negotiating state-to-state contracts. It could have provided grants and contributions to help accelerate product development and promotion or the provision of needed infrastructure.

In no way was Canagrex given a monopoly in the legislation over any commodity, either in exporting or importing. Its powers could have only been used in conjunction with private trade, to facilitate exports on a state-to-state basis. In other words, it could have helped any of the agencies, but only at their invitation. For instance, if the Canadian Wheat Board wanted help from Canagrex it could have received that help to develop new markets abroad.

In my area the fox trapping industry has revived in the last number of years. Many years ago Prince Edward Island was a world leader in the silver fox industry but, due to changes in style and other factors, the fur industry declined from the late 1930s until its revival in the late 1970s.

There are a number of well organized and efficient fur farmers in my riding. Approximately one month ago the manager of England Fur Farms Limited told me that he had identified a number of markets for fox furs in Finland, Poland and other European countries, as well as an interest in Japan. He said it would require a lot of money to form a group to visit those areas. He inquired where the funds could be obtained in order to help develop that market, and I suggested the Department of Regional Industrial Expansion.

We phoned that Department in Charlottetown, since it had helped the fur industry in the past. They were able to form a partial package and take two fur farmers to Poland. These farmers had great praise for the two departmental officials who accompanied them to Poland, with some of the live animals which they had to put on show.

While the reception was favourable and there is a market in Poland, it is difficult for Poland to provide the Canadian funds in order to develop the market for the furs and live animals. A corporation such as Canagrex could have played a role in assisting this industry. It would have helped the industry and probably some 150 people on Prince Edward Island.

The fur industry is growing because we have some of the best quality furs. Our fur farmers are progressive and have been able to keep up with the latest developments in cross-breeding and new technology in the industry. However, the premium markets cannot necessarily afford to pay the price and Canagrex certainly could have assisted in developing a strategy for the fur industry for Prince Edward Island and Canada.

• (1540)

It is not just Prince Edward Island any more. There are a lot of fur farmers in the western provinces and a goodly number of them in Nova Scotia, New Brunswick and Ontario. Certainly, the demand is there in certain areas, but there is a problem in some parts of the world to get that hard currency in Canadian dollars.

I come back again to the potato producers and what they have been telling me about losing Canagrex and how they feel it would have been helpful to them. I have talked a lot over the years since I came to Parliament about potatoes. I have not talked too much about potatoes this year because, fortunately, it is a supply-demand situation in which we find ourselves. We are very pleased that the price is good for potatoes this year, so I am not here harassing the Minister of Agriculture (Mr. Wise) or the Minister of Finance to help alleviate a drastic situation in the potato industry.

I must mention, as I did last year and this year, and will continue to mention, the inspection fees. The Government is going ahead with three cents a hundredweight charged for inspection fees this year. By the year 1990, it will be 15 cents a hundredweight. That is very short-sighted. There was a unanimous resolution passed a couple of weeks ago in Prince Edward Island. That resolution was passed by the good Liberal Government in Prince Edward Island and the opposition Members, the few Tories who are left down there. They themselves agreed there should not be potato inspection fees. I am sure the Minister of Agriculture—I do not know about the Minister of Finance—would have received a copy of that. The resolution asks the Government to act expeditiously to abolish those inspection fees which never should have been imposed in the first place. I have always believed, and always will to my grave, as this Bill is going to its grave today, that the inspection is a protection for the consumer and the cost of it should not be put on the backs of the producers.

I want to say that it is a sad day, I think, that we are winding up the debate on third reading of this Bill which would have given a lot of hope to the agricultural community in my province, but it has been given the death knell. It is now going to its final resting place until after the next election when, hopefully, we will be able to revive it. When we get a good government back in power, we will be able to revive Canagrex and some other good programs and policies which this Government has thrown out.

Other speakers have mentioned that Canagrex did not really have a fair chance having been only nine months in operation. The Government continues to throw the baby out with the bathwater and it will pay for that mistake when the next election rolls around.

Hon. Herb Gray (Windsor West): Mr. Speaker, when many people think about southwestern Ontario it signifies to them automobiles and automobile parts. However, southwestern Ontario is also a major agricultural area. Many people do not realize that more wheat is grown, for example, in southwestern Ontario than in the entire Province of Manitoba. It is a major producer of corn. Southwestern Ontario, especially the Country of Essex, is also a major source of cash crops such as tomatoes, beans and so on. Not only is agriculture a major source of economic activity in terms of the growing of products, but thousands of people earn their living by working in factories which process agricultural products, particularly cash crops like tomatoes.

In my area we have major plants operated by Green Giant and by Heinz, and I can mention many other companies of that sort, which produce many thousands of jobs for Canadians.

There was a lot of interest in the Canagrex concept in my area and there is a lot of sadness at this point in time because of the way in which this foolish Conservative Government choked off and is killing Canagrex just as it was getting going in a way which could have been very beneficial to the farmers of southwestern Ontario and the thousands of people who work in the companies which process the agricultural products of our region. The concept of Canagrex was that it was going to assist Canadian producers of non-grain commodities with export sales. Assistance to producers would include the promotion, development and enhancement of Canadian agricultural products around the world. Canada is one of the major producers of food. It is one of the few countries which produces enough food so that it can export food to the rest of the world. That does not mean that all the opportunities for export of Canadian food products, both unprocessed and processed, have already been identified or seized.

The previous Liberal Government received advice that there were opportunities for further sales of Canadian agricultural products, both processed and unprocessed, which were being overlooked and missed through not having an organization operating in the way in which Canagrex was intended to operate. It was argued, and there was strong evidence to support the argument, especially when it came to smaller manufacturers of food products and individual farm groups or farmers, that there were opportunities we were not able to take advantage of and, as a result, the potential for incomes from exports for our farmers and food manufacturers and the resultant jobs were being lost. This was the case not only with respect to those countries where there was a market system but also countries which were essentially based on the concept of state trading. These countries had more confidence in deals where there was involvement of the Government of the exporting country. With the killing of Canagrex, these opportunities will be lost. That is why there is tremendous sadness in my area, throughout Ontario and in much of Canada in the agricultural sector. It is a foolish and short sighted action of the Conservative Government in killing the concept of Canagrex.

At the time Canagrex was first proposed, there was concern among certain people and organizations in the agricultural sector that Canagrex was going to supplant and take the place of activities already being carried out by private sector entities.

The previous Government went to great lengths, not only to assure people that this would not be the case, but to modify and tailor the Canagrex concept to ensure that Canagrex would help fill gaps and help the Canadian private agricultural sector to take advantage of opportunities which would otherwise be lost if there was no entity in place like Canagrex. Certainly, by the time the Bill was adopted by Parliament, the private sector connected with agriculture largely, although perhaps not entirely, had come to agree with the Government that there was a need for Canagrex, that there was a gap in filling the potential for exports of agricultural products, both processed and unprocessed, and that Canagrex was there not to supplant but to help the private sector. This I think was proven by the fact that outstanding private sector executives were willing to accept appointments to the positions of operating heads of Canagrex. More important, it was proven by the fact that outstanding representatives of the private sector in agriculture, both from producer groups and from some manufacturing companies, were willing to accept appointments to the Board of Canagrex to help direct its work and ensure that it carried out its mandate.

• (1550)

I do not think people of this calibre would have accepted these appointments if they were not convinced that there was a valid role for Canagrex to play, a role which was not being carried out by any other entity or that would not be carried out by any other entity in the future. I am given to understand that at the time that funding for Canagrex was removed by the Government and it was killed *de facto* pending this legislation there were deals that were about to be put in place, deals which were being booked, that could have brought in some $100 million more in exports of Canadian agricultural products abroad. If that was the case only within the first few months of its existence, imagine what could have been accomplished if, instead of being killed, Canagrex had been supported and encouraged by the Government responding to the responsible voices of agriculture in my region and across the country. That has not happened. The Government has put narrow inward-looking ideology ahead of common sense. It has put narrow, inward-looking ideology ahead of seeking practical opportunities to help Canadian agriculture find new and additional markets outside of the country.

As a result of the passage of this legislation we will see not only sadness expressed on the part of the Canadian agricultural sector but we know that there will be missed opportunities for this sector which would have been to the benefit of the Canadian economy if this Bill had not been presented and if Canagrex had been supported and allowed to flourish and grow.

When the Bill to dissolve Canagrex was first introduced by the Conservatives in September of 1985, they said that resources would be made available to External Affairs to continue the work of Canagrex. It would appear that that has not been the case. We have looked long and hard in the Estimates for External Affairs for 1985, 1986 and 1987. We find that there are no funds to carry out this so-called commitment. This is just one more broken promise to add to the ever growing and lengthening list of broken promises made by this foolish Conservative Government. The Government said that if Canagrex was dissolved, the money that would otherwise have been spent in support of it would be there and that External Affairs, through its external trade component, would be carrying out its work and nothing would be lost. But the money is not there. The work is not being carried out. Thus the opportunity for better incomes for Canadian farmers and more jobs in food processing for workers in my area is lost.

What else does this failure of the Conservatives to carry out their promise to provide funds through the Estimates for External Affairs to carry on the work of Canagrex in a different form mean? It is further proof that the Government lacks credibility. It is further proof that the Government, in spite of its lip service, is not really committed to agriculture, at least not to the important agricultural sector of my region, as well as to areas like Prince Edward Island. The riding of the Hon. Member for Egmont (Mr. Henderson) comes to mind in this respect. It also means that in the area of trade the Government is showing its foolishness in terms of not wanting to be creative in order to protect and to create overseas markets. This is not only another move to be added to the long list of broken promises. It must also be added to the long list of foolish actions taken by the Government which are hurting the best interests of the country. There was the sell-out of Canada on shakes and shingles. There was the sell-out of Canada on softwood lumber. There was the sell-out of Canada when it came to our dealings with France on the fishery. Added to this black record there is the sell-out of agriculture in my region when it comes to killing the opportunities that were there and which could have been dealt with through the support of Canagrex.

It may be that for the time being the Conservative majority will blindly march into this place to support the Government in terms of carrying out its blind commitment to narrow, inward-looking ideology in place of common sense and in place of support for Canadian agriculture in general, and, in particular, agriculture in my area. The Bill may well pass. But we will make sure that the farmers and the workers in the food processing sector in the country, in particular those in my region, will not forget this foolish, narrow, inward-looking move. We will make sure that they remember, so that when it comes time to vote in the next election one of the reasons the Government will be thrown out of office and massively defeated will be the way it killed Canagrex before it had a chance to do the job that the farmers and the workers in the food processing plants in my region wanted it to do in their interests.

This foolish Conservative Government has been working against the interests of agriculture in my area, just as it has been working against the interests of the automobile and other manufacturing sectors. The people of my area will not forget. No matter if the Conservatives use their majority to get this

Bill through the House or do not, the Canadian people, particularly those in my region, will have their say in terms of what they think of this decision when they vote *en masse* against the Government and throw it out of office after the next election.

The Acting Speaker (Mr. Paproski): Are there questions or comments?

Mr. Althouse: Mr. Speaker, would the Hon. Member for Windsor West (Mr. Gray) care to make any comparisons between the Government's action with respect to Canagrex and its apparent flip-flop with respect to the implementation of a national tobacco agency, which is one of the promises it made in the last election campaign? We permitted the Bill to go through the House and yet the agency is still not in place.

Mr. Gray (Windsor West): Mr. Speaker, I am glad my hon. friend reminded me of this matter. This was another promise made to one sector of the agriculture area in southwestern Ontario. If the Conservatives have some good reason to break this promise why do they not come into the House and come clean and say that they will not proceed with it?

Mr. Benjamin: Another sacred trust.

Mr. Gray (Windsor West): My hon. friend says—was it a secret trust or a sacred trust?

Mr. Benjamin: Both.

Mr. Gray (Windsor West): It is both secret and sacred. It is a broken one at that. What will members of the Government say to the growers in the area of Delhi and Norfolk County about this promise? That promise is gone; it has been broken. As my hon. friend said, in the closing days of Parliament before the last election special efforts were made to add to our farm marketing law the opportunity to have a marketing agency in that sector.

There are those who would argue that there may be reasons why that is no longer sensible. There are those who would argue instead that now is really the time to have such an agency since that sector is under pressure and it may well need to restructure. But what has happened to it? I ask that in light of the fact that the Minister of Agriculture (Mr. Wise) is from southern Ontario. He should have been the one standing up in Cabinet pounding on the table saying: "No. Canagrex is a good idea. I know we said that Canagrex should go, but it is a mistake. I want you to listen to the farmers of my area". Where was he? He was silent. Was he asleep or scared? I do not know. But when it came time to speak up for agriculture in my area he was not there.

The Acting Speaker (Mr. Paproski): Is the House ready for the question?

Some Hon. Members: Question.

Mr. Benjamin: No! It is four o'clock.

The Acting Speaker (Mr. Paproski): Mr. Wise, seconded by Mr. Weiner, moves that Bill C-2, an Act to dissolve Canagrex and to amend certain Acts in consequence thereof, be now read the third time and passed.

• (1600)

Mr. Benjamin: It was four o'clock.

The Acting Speaker (Mr. Paproski): All those in favour—

Some Hon. Members: Yea.

The Acting Speaker (Mr. Paproski): Carried on division.

Some Hon. Members: No.

Mr. Gray (Windsor West): Mr. Speaker, I rise on a point of order. With the utmost respect that I have for you—and I do not think anybody else has more respect for you than I have—there are those who argue that when you got to your feet it was actually four o'clock. In addition to that, when you called for—

The Acting Speaker (Mr. Paproski): Fine, fine.

It being four o'clock p.m., the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS--MOTIONS

[*English*]

PUBLIC SERVICE

PROTECTION OF WHISTLEBLOWERS

Mr. Alan Redway (York East) moved:

That, in the opinion of this House, the Government should consider the advisability of introducing legislation to protect federal public servants, employees of Crown corporations, employees in businesses regulated by federal law and employees of businesses contracting with the federal government who report, in a written or oral communication, a violation or suspected violation of any law, rule or regulation, or mismanagement, a gross waste of funds, an abuse of authority, or a substantial and specific danger to public health or safety, from being discharged, threatened or otherwise discriminated against with respect to the terms or conditions of his employment unless the employee knows that the report is false and providing that the employee who alleges any such violation, may bring a civil action for appropriate injunctive relief, actual damages or both, within 90 days after the occurrence of the alleged violation.

He said: Mr. Speaker, I appreciate Your Honour's fine reading of the motion before the House. I also appreciate the Hon. Member for Parkdale—High Park (Mr. Witer) having seconded it.

As all Hon. Members of the House know, the motion before us is something which is known to most people as whistleblowers legislation or a proposal for whistleblowers legislation. That type of legislation is aimed at protecting employees who tell the public of improper practices or improper conduct carried out on behalf of their employers. As we all know, it is a

very dangerous thing to do. It can cause great problems for employees who have the courage to blow the whistle or to tell the public of problems about which they learn in the course of their employment.

Of course it can result in employees being branded as trouble-makers, as malcontents, or as publicity seekers. However, worse than that, it may well mean that an employee is fired or transferred to some other department or part of the business. He could be demoted, isolated by other employees or by the boss, blacklisted, harassed, or intimidated. There are all sorts of retaliation which takes place when an employee in fact speaks out and reveals something publicly which his or her employer has done that will cause a problem for the public.

The motion is aimed at getting at the problem of protecting employees in such situations. It is not a problem which is unknown to Members of the House, nor is it unknown to you, Mr. Speaker. You are well aware of a variety of cases in which this sort of activity has come to the attention of the public and has raised concern in the public mind.

I suppose the classic cases are those in the United States. I am thinking, first of all, of the Firestone Tire case in 1973 where a senior employee of the company discovered that there were flaws in one type of tire it manufactured. He advised his employer of the fact that he knew there would be problems. In fact, the employer ignored the advice and censured him. Later, as we all know, there were massive problems as a result with tire blow-outs on automobiles in the United States which caused a number of deaths and a number of injuries. There were lawsuits and replacement tires had to be issued by the company. A great deal of money was involved. Most serious of all was the deaths of a number of people resulting from the fact that the particular person who wanted to blow the whistle was unable to do so in an effective way.

Similarly, there was the classic case with asbestos. It has now been documented that since the 1930s workers in asbestos companies were aware of the health hazards caused by asbestos and that in fact it was not made public. There was the case of a medical consultant with an asbestos company who, when he warned about health hazards with asbestos, was actually fired from his employment.

In addition, we are aware of the Hooker Chemical Company and the Hooker Chemical case. That was the company which gave us the Love Canal, the Hyde Park chemical dump, the S-Area chemical dump, and the 102nd Street dump in the Niagara frontier of the United States. The Hooker Chemical Company knew, as a result of its employees, that it was polluting underground water in California through toxic pesticides. However, it kept it quiet until suddenly the Love Canal situation burst on the world and we all became aware of the great health hazards involved.

In Canada there has been a number of cases as well. The ones which come to mind occurred recently, such as the Ad Varma case in Canada Post. This man indicated that he had information and knowledge that millions and millions of Canadian taxpayers' dollars were being wasted in Canada Post by mismanagement or improper management. He made it public, and of course he was fired.

When he was reinstated, the Government which had a hand in reinstating him was accused of political interference. It was accused of political interference in reinstating an employee who was trying to do a public duty and trying to prevent his employer from wasting millions and millions of dollars.

Even more recent was the example in the City of Ottawa. I am referring to John Quigley in the Department of Immigration. Members of the House are familiar with that case. I understand that the Standing Committee on Labour, Employment and Immigration is investigating the matter.

Mr. Quigley was fired for telling the public—and I understand for in fact telling the Minister—that in order to get rid of the refugee backlog, known criminals were being invited to apply for landed immigrant status because discretionary powers were granted to immigration officials to deal with the situation. Because he blew the whistle in that case by telling the public and the Minister, he was fired by senior officials. We are now into an investigation of the problem by the standing committee.

The problem is not a new one. It has been around for a long time. Of course, the difficulty is what sort of protection there is for this type of individual who has enough courage to get up in public and try to protect the public. There is very little, if any, protection in the law as it now stands. There have been some attempts to correct the situation.

In January 1985 a task force of the Association of Professional Engineers of Ontario recommended that there be legislation to protect professional engineers in such cases. In July 1986, just last year, the Ontario Law Reform Commission called for legislation to protect Ontario civil servants in such cases.

Recently we debated Bill C-229 in the House. It was an Act to amend the Canadian Human Rights Act, the Canada Labour Code, and the Public Service Employment Act, to deal with the whistleblowing situation in the public sector. Of course my motion goes beyond the public sector. It deals with the private sector as well to the extent that it is possible within federal jurisdiction.

• (1610)

In many American states, there is already legislation protecting whistleblowers. There are some forms of whistleblower legislation in the States of California, Connecticut, Illinois, Kansas, Louisiana, Michigan, Ohio, Oregon, Maine, New York and Rhode Island. The courts in the States of California, Connecticut, Indiana, Massachusetts, Michigan, New Hampshire, New Jersey, Oregon, Pennsylvania and West Virginia have banned retaliatory firings in cases of whistleblowers. Unfortunately, we do not have that sort of protection in Canada.

All of us in the House have at one time or another called for open Government and for an openness in dealing with public dangers and hazards. Surely that is what this motion is all about. It is about trying to protect the public, and it is inconceivable to me, Mr. Speaker, as I know it is inconceivable to you, that in this day and age, Hon. Members would not want to do everything in their power to protect their constituents. I urge all Hon. Members to support this motion and to see that it passes so that the Government can introduce legislation for the protection of whistleblowers in Canada.

Hon. Bob Kaplan (York Centre): Mr. Speaker, I too have a motion before the House on the establishment of whistleblower legislation and I am glad to be able to support this resolution on the same subject. Indeed, I hope it can come to a vote and that the Government will take account of the feelings of the House and will bring in whistleblower legislation in short order.

From the thought I have given the subject and the discussions I have had on it around the country, I have no doubt myself that it is an idea whose time has come. Canadians, as are people in other democracies referred to by the Hon. Member for York East (Mr. Redway), are indignant when they find that a person who, in their opinion, in editorial opinion and in media opinion, is performing a public service has been fired or charged with an offence under Section 114 of the Criminal Code on the grounds of breach of the duties of a public servant.

While the Hon. Member for York East was speaking, I was thinking not of the cases he mentioned which have occurred in other countries nor was I thinking of the Quigley case. I was thinking of the Richard Price case. In that case, a Canadian official, during the term of this Conservative Government, was working in the Department of Indian and Northern Affairs at a time the Minister was reassuring the Indian communities of Canada that no cut-backs were being planned in Indian programs. At that time, Richard Price and his fellow workers had been assigned by the Minister and the Government to prepare cut-backs in the budget for programs of the Department of Indian and Northern Affairs. Mr. Price, who was a highly principled man and a lay clergyman, got in touch with the head of his religious order in British Columbia and had some consultations with him about how he could square his duty under the Criminal Code and his normal master-servant common-law duty, which is also very clearly defined, with his sense that there was a higher public interest to be served by going public.

In this case, Richard Price went public. He gave his information to a Member of Parliament who raised it here in the House of Commons and across the country. The public servant was suspended and charges were laid against him by the Attorney General of Canada. Then there was a big public outcry in this House and elsewhere in which I was involved on behalf of our Party. In the end, the Attorney General backed off and did not proceed with charges.

There is a balance that must be achieved. I have been a Minister of the Crown and I hope to be one again. I would like to see us move on reforms with which we can live. I think the general duty of a public servant to respect his undertakings of confidence and loyalty to his employer, the Government, not the larger sense of the Canadian people at large, must be real. Again, while the Hon. Member for York East was speaking, I was thinking of a situation I experienced which Hon. Members might find enlightening.

While I was Solicitor General, I received a letter from a corporation that owned an island off the coast of Canada, and I will not be any more specific than that. This corporation was closing down an industrial operation on that island and had the idea that it might make a good prison colony. Canada does not have prison colonies. A prison colony is a place where inmates and free people together go to live in a community. There is some measure of surveillance, but the people who are serving time basically act like the other people and interact with the other people. Those who are serving time can hold regular jobs and can live with their families. In other words, it is an interesting idea that has not been part of the Canadian tradition.

I wanted to give the matter some thought. One of the first things I was advised about by my political advisers was the political aspects of the matter. We were worried on the one hand that some Canadians would say we wanted to set up a Siberia in Canada while, on the other hand, others might say that we wanted to set up a paradise island where inmates could live with their families rather than being punished for having committed crimes. I wanted to think my way through the problem, but I also wanted some time to decide what position I could take with respect to my colleagues in Cabinet, what position we could advocate.

If, during my consideration of the matter, a member of my Department had felt free to go to the media to reveal the story that the Minister was thinking about establishing a Siberia or thinking about establishing a paradise island for inmates, I would not have been able to respond properly to the idea. That is only one example showing why a balance is needed. There are thousands of examples, some more sensitive than others, proving that a Minister should be able to count on the discretion of his or her officials and should not feel that the officials will go around thinking that while they work for the Government, they also work for the taxpayers and they had better warn the taxpayers about certain things.

My colleague, the Hon. Member for York East, has come up with a pretty good list of exceptions, cases in which officials should feel entitled to go public and to be protected. Obviously a good case is when a crime is being planned or committed. Another good case is when there is a danger to public health, public safety or the environment. As well, it is possible that a Minister could lie in the House, as occurred in the *General Belgrano* case. In that case, a Minister of the Crown in Great Britain said the reason the armed forces shot the *General Belgrano* was that it was approaching their theatre of war,

while in fact all the records of the department showed that the *General Belgrano* was leaving the area of conflict and therefore there was no excuse for shooting it. This aggravated the war and resulted in the loss of lives. Such a case, which I am sure my friend would add to his list, would be a good one as well.

Just before I conclude, I want to deal with another dimension of the problem, and that is the sanctions that should be available to the Government for a government employee who improperly blows the whistle. I wonder why the Crown requires the protection of the Criminal Code in so many cases. If an official blows the whistle when he should not have, why does the Government not use the ordinary remedies open to an employer whose employee is in breach of his duties? Why does the Government not simply fire the employee, demote him, dock his pay or put a black mark on his performance record? The sanctions available to the Crown are pretty dramatic. Fourteen years in prison is too great a sanction for an employer to have, even if it is the Government, in order to force employees to toe the line and comply with the duties attached to their employment. I am not saying there are not certain areas where blowing the whistle improperly or going public improperly could cause a disaster. For example, an official giving secrets to a foreign power that would use them against Canada is a good example of where Criminal Code sanctions should apply. However, in this case it is broader than it needs to be. I would like to see a whistleblower law, but not the way some states have it where an official can go public when it is in the "public interest" to do so. That just gives the problem to the courts, and I do not think that is an appropriate way for legislators to deal with the problem.

• (1620)

My third point is that we should have sanctions which are more like those that a normal employer has when an employee steps out of line.

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, I just wanted to say a few words in support of this resolution. I think the notion of having legislation to cover those people who speak out in the public interest when their organization is doing something wrong, or contrary to the public interest, is an idea whose time has come.

When an organization, whether it be government or private, is threatening people's health or safety, wasting public resources, or breaking the law, people who work for those organizations should have the right to blow the whistle, so to speak, so that the public is informed about what is going on. When I say "blow the whistle", that brings to mind the image of a policeman, a cop. What we are really looking for here is a citizen cop who can make a citizen's arrest when organizations are operating contrary to the public interest. We have had examples in Canada where it would have been worthwhile to have legal protection in place for someone who is willing to speak out. We all know that there is pressure to fall in line, and that includes legal sanctions. It takes a great deal of courage for someone to speak out. If a law is being broken, then someone should be able to speak out about it and be protected when doing so. There was the example of Ad Varma, who worked for the Post Office. He said millions of dollars were being wasted and spoke out about it. He lost his job as a result. The newly-elected Government took another look at that case and decided he had been unfairly treated and should be given his job back. In fact, an investigation was made into his claims. The outcome was not entirely satisfactory in that the report says that the investigators were not really able to determine whether his claims were accurate. Perhaps more facts about that case will come out in the future, who knows?

There have been examples in the auto industry involving safety. People have had knowledge that a car their company produced was unsafe. I remember one gentleman who waited until he retired before he spoke out. He lived for years with this knowledge, and of course people died in the interim. Therefore the time has come to strike a new balance between responsibility to the public and responsibility to the organization you work for.

In the case of Government, obviously there has to be confidentiality in order for Government to function and develop policy. We all have a lot of experience in this city with government documents being leaked, and it does not seem possible for a Government to keep anything confidential. It always ends up in the public arena before the Government wants it there. There has to be a balance between the need for secrecy in Government and the need to provide some protection for those willing to speak out when the public interest has been severely breached. That applies whether it is a law being broken or whether it involves people's health and safety. That is where we need to strike a new balance so that people who are willing to speak out can be given some protection.

[*Translation*]

Mr. Speaker, I just wish to say that I support this motion, because it is about time we provide protection for employees who have the courage to indicate that their organization is acting in a way that is detrimental to the public interest. It is necessary to balance this protection with the organization's need for confidentiality. Now is the time to find a new balance.

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, in rising to speak to this motion I would like to thank the Hon. Member from York East (Mr. Redway) for this expression of his concern for the rights of Canadian workers. I share his concern, and I am eager to support any measure that would improve the safety of Canadian workplaces and the accountability of employers in the federal jurisdiction.

I will limit my comments to the safety and health implications of the motion, for I am very concerned about the appalling losses of life and property caused by industrial accidents. As you may know, Mr. Speaker, every year in this country about 1,000 workers die and many more are seriously injured because of workplace accidents and employment-related illnesses. In addition to the pain and suffering that

result, these accidents and illnesses take some $14 billion out of the economy in the form of lost wages, lost production, equipment damage, and workers' compensation payments. If the Hon. Member's motion represented even a partial solution to this serious problem I would gladly support it.

Unfortunately, I fear that the action suggested by this motion would not offer such a solution. In fact, it might reduce the efficiency of existing procedures under the Canada Labour Code for preventing potentially hazardous working conditions. It might even create an atmosphere of confrontation and hostility in certain workplaces, which would be both contrary to the goals and policies of this Government and itself a threat to workplace safety.

The Hon. Member's motion is intended to protect workers who resort to a practice known in labour affairs circles as "whistle blowing". The phrase implies that, if an employee knows that his or her employer is engaging in illegal, unscrupulous, or dangerous practices, he or she is not obliged to meekly go along with a course of action that is wrong, but may instead "blow the whistle"—that is, inform the authorities or the general public through the news media and thus help end the abuse.

Certainly, Mr. Speaker, the responsiblity of the law-abiding citizen to defend the public good does supersede the employee's loyalty to an unscrupulous employer.

But there are ways already provided in law for employees to report irregularities without inviting retaliatory action from the employer.

The majority of workers under federal jurisdiction belong to unions, and a union can bring strong pressure to bear on a delinquent employer. In most cases, a concerned worker would be best advised to inform his or her union of any irregularities such as are foreseen in this motion and rely on the established practices of the industrial relations system to correct the matter. The employee who complained would remain anonymous and so need not fear retaliation. Where safety and health are concerned, both unionized and non-unionized workers are protected by provisions of the Canada Labour Code that guarantee the right to refuse dangerous work.

Let me briefly describe what happens under present legislation when an employee believes that his or her employer is in violation of safety and health regulations or engaging in practices that could create, in the Hon. Member's words, "a substantial and specific danger to public health or safety". Section 85 of the Canada Labour Code states that, if an employee has reasonable cause to believe that a particular work process or condition could be dangerous to himself or any other employee, the employee has the right to refuse to do the work, without being subject to any disciplinary action or discriminatory treatment because of the refusal.

In certain cases, these conditions could have public safety implications. For example, a truck driver required to drive in excess of the maximum hours permissible under the Code may pose a threat to employee and public safety. There are established steps that must be taken when an employee refuses to do dangerous work. First, the employee must inform the employer of the refusal to work and the reasons for it, and also report the incident to the workplace safety and health committee or representative. Second, the employer must then investigate the condition, along with the safety and health representative or a member of the committee. Third, if the condition is not corrected to the employee's satisfaction, a Canada Safety officer is to be called in to investigate the complaint. Fourth, if the employee is still not satisfied that the condition is safe or has been corrected, the matter may be referred to the Canada Labour Relations Board for adjudication.

Throughout this procedure, the employee is protected from dismissal or discriminatory treatment for refusing to work in dangerous conditions. The Canada Labour Relations Board has the authority to make the employer reinstate an employee who has been dismissed for this reason, rescind any disciplinary action, and repay any wages the employee may have lost because of the employer's discriminatory action.

Furthermore, under Section 72 of the Canada Labour Code, an employee who complains to the Minister of Labour about any irregular working conditions imposed by the employer may request that his or her identity be kept secret. Clearly, a worker who chooses, instead, to blow the whistle on his or her employer by reporting abuses to the news media cannot expect to remain anonymous. In short, Mr. Speaker, the intent of the Hon. Member's motion, insofar as it concerns circumstances under the purview of the Canada Labour Code, is already being adequately met by the existing legislation.

Furthermore, the measures recommended in the motion, if adopted by this House, could potentially disrupt the Government's whole approach to ensuring workplace safety and health. This Government takes very seriously its responsibility to improve the safety and health of Canadian workplaces. Over the past year it has implemented a coordinated policy to ensure that employers and employees comply with the occupational safety and health regulations that have been drafted into law.

Fundamental to this compliance policy is the recognition that occupational safety and health is the joint responsibility of employers and employees. Mandatory joint safety and health committees have been established because we believe that, whatever their differences at the bargaining table, employers and employees have a common interest in making their workplaces safer and thus more productive. We do not assume that all employers are angels, and the policy does provide for swift and strong action against an employer when warranted.

But we do give employers credit for acting responsibly in this area of common concern, and we recognize that it is the people who work in an establishment, employers and employees together, who are best able to ensure the safety and health of that establishement. Only an atmosphere of co-operation will help ensure safer workplaces and a less secretive management.

The measures proposed in the Hon. Member's motion, on the contrary, would foster an adversarial approach, which I believe is in no one's interest. The potential is there for a few disgruntled employees to make frivolous disclosures inspired by spite rather than commitment to public good, and this could discredit many others whose concerns are well-founded.

Equally dangerous, complex issues involving interpretation of the law might end up being debated in the news media, with all the inaccuracies and confusions that would inevitably result. So, by encouraging public disclosures rather than co-operative problem solving, the procedures recommended in this motion may well result in a hardening of attitudes that would work against a speedy resolution of problems in the workplace.

This could only result in more confrontation, less co-operation, less sharing of information on safety and health matters, and therefore greater secrecy and suspicion and a more dangerous working environment for Canadians.

For all of these reasons I recommend that all Hon. Members reject this well-intentioned but ill-conceived motion.

Mr. Marcel Prud'homme (Saint-Denis): Mr. Speaker, I listened with a great deal of attention to the remarks of my hon. colleagues on the Bill introduced by the man we call Mr. Redway. I prefer to use his name as we see it here.

• (1630)

[*English*]

Members always say that they did not intend to participate and will not be long, but end up talking extensively. However, I will try to make the shortest speech of my 23-year career.

I favour this Bill. I hope that all my colleagues will indicate whether they favour the Bill, object to it, or would like to have it referred to the appropriate committee where the subject matter can be discussed. I am sure that the Hon. Member who moved the motion would be prepared to change it after having listened to the remarks today.

My hon. colleague, the Member for York Centre (Mr. Kaplan), has put on the record his views in favour of the motion. I do not wish to repeat what he or the Hon. Member for York East said. I favour the Bill. I see nothing wrong with studying it further in committee. Therefore, Mr. Speaker, I am delighted to have participated so briefly. I believe that my colleagues, too, should speak briefly and allow the motion to be sent to the appropriate committee for further study, amendment and action.

[*Translation*]

Mr. Louis Plamondon (Richelieu): Mr. Speaker, I rise to speak concerning motion M-92, proposed by the Hon. Member for York East (Mr. Redway).

Basically, the motion calls upon the Government to consider the advisability of introducing legislation to protect federal public servants, employees of Crown corporations, employees in businesses regulated by the federal Government and employees of businesses contracting with the federal Government from being discharged, threatened or otherwise discriminated against for having reported legal violations, mismanagement or other wrongdoings on the part of their employers. The motion further stipulates that the employee should have the right to bring a civil action for appropriate injunctive relief or damages in cases where he or she is made to suffer for his or her disclosure.

Mr. Speaker, I realize that this motion seeks to achieve a number of desirable goals. At least in its principle in our society, and in an age when many persons distrust large and powerful organizations. The lone employee who risks his or her job in order to bring abuses and wrongdoing to light has taken on the status of a hero.

Indeed, such disclosures often play an important role in maintaining integrity and efficiency in business and government. However, Mr. Speaker, I find I must strongly oppose this motion. For no matter how commendable may be the sentiment that inspired it, it is seriously flawed because it is too sweeping, too general, and too vague, and because it fails to take into account a great many realities and factors in the areas of labour law and of employer-employee relations.

In short, it seems to me that the full repercussions of these proposed measures have not been sufficiently identified. Or considered. In the first place, human nature being as it is, it is obvious that not all disclosures are necessarily motivated by high ideals. Frivolous disclosures inspired by reasons other than commitment to the public good can and do occur, and may well be in nobody's best interest.

Mr. Speaker, when we examine this motion in detail rather than dwelling on the overall principle that inspired it, its flaws become clearly evident. For instance, the motion mentions disclosure of "mismanagement", as well as disclosure of legal violations. Now, Mr. Speaker, a legal violation may be determined by referring to definitions contained in law. But what exactly is mismanagement? When does a waste of funds become "gross"? What exactly is an abuse of authority? One person's mismanagement is another's reasonable decision. What one person sees as an abuse of authority may appear as firm, decisive action to another.

This brings me, Mr. Speaker, to another serious problem with this resolution. It is proposed that employees who make such disclosures shall enjoy protection "unless the employee knows that the report is false." Who would bear the onus of proving that the employee knew the report was false? Could any employee who wishes to discredit an employer avail himself of this provision? In many cases, disclosures may be based on half-truths and partial information. The employee may happen to see a document proposing a course of action that would in fact have been illegal but which, unknown to the employee, had been rejected in a subsequent decision. Could such an employee not honestly claim that he did not know his report was false? If the employee's disclosures were reported in the media, subsequent corrections and retractions would, in fact, do little to repair the damage caused by the initial publicity. Which brings me, Mr. Speaker, to an unjustified assumption upon which this entire motion seems based, namely, that the media will in all cases accurately assess the credibility of a disclosure and report the pertinent facts in a just and even-handed manner, and that the significance of a particular fact or event will be reported in context.

It should also be noted, Mr. Speaker, that the proposed measure could lead to serious problems for employees as well. Employees who unknowingly cause a false report to be published in the media might be protected from dismissal, but they would not necessarily be protected from a libel action by employers.

The provisions of this motion would affect roughly 900,000 persons in the federal Public Service, and in industries and Crown corporations regulated by the Canada Labour Code, but would also apply to "employees of businesses contracting with the federal Government".

Also, Mr. Speaker, since the provinces have jurisdiction over labour law in most enterprises in Canada, it can safely be assumed that many or most of the businesses contracting with the federal Government are under provincial labour jurisdiction, including construction firms, almost all forms of manufacturing, and many forms of service industry. Yet, according to the terms of this motion, the Parliament of Canada would be assuming the right to regulate an aspect of employer-employee relationships within these enterprises. For this reason, Mr. Speaker, I have serious misgivings as to whether this particular provision of the motion, if enacted, would even be constitutional.

In respect to labour relations, this motion ignores another important reality, namely, the privacy of the collective bargaining system as a preferred and viable way to achieve realistic solutions to workplace problems. Intrinsic to this principle is the fact that group rights, with certain caveats, take precedence over individual rights. This means that the locus of responsibility for workplace problems primarly rests with the duly elected representatives of workers—union officials. These officials are expected to, and in fact are required to—pursuant to the duty of fair representation requirements of Section 136.1 of part V—act faithfully and fairly on behalf of the employees they represent.

This would clearly include a responsibility to respond to the kinds of problems detailed in the Hon. Member's motion. It would not necessarily, however, involve a rather kneejerk public disclosure of the alleged problem. This is so because the collective bargaining system rightfully recognizes that with few exceptions the most meaningful forum within which to address and resolve such problems is either the bargaining table during the open period of collective agreements or by ongoing dialogues with management during the term of agreements. It should be stressed that disputes arising during the term of agreements can, where impasses occur, be resolved through the grievance/arbitration system, as the previous speaker said.

Mr. Speaker, this motion, when examined in detail, proves to be ill-conceived, vague, overly general, and basically counter-productive. That is why I urge this House to vote against its adoption.

• (1640)

[*English*]

Mr. David Daubney (Ottawa West): Mr. Speaker, I am pleased to participate in this debate on a motion introduced by the Hon. Member for York East (Mr. Redway), a member for whom I have a great deal of respect.

This matter was given a thorough airing in this Chamber only some six weeks ago, on the second reading of a Bill which was introduced by another colleague, the Hon. Member for Hastings—Frontenac—Lennox and Addington (Mr. Vankoughnet). The Bill was aimed at providing sanctions to help prevent public sector employers from discharging employees in retaliation for reporting, or blowing the whistle, on serious misconduct by their employers. Bill C-229 called for amendments to the Canada Labour Code, the Canadian Human Rights Act, and the Public Service Employment Act.

The motion we are debating today, if adopted, would have the Government consider the advisability of introducing legislation to protect a wide range of employees, including those in the federal Public Service, Crown corporations, the transportation and communications sectors, and those employees of companies which contract with the federal Government. As you will appreciate, this is a huge number of people, so huge that I dare say no Member of the House, and certainly not myself, could tell you today what that number is.

These people would be employees of organizations that are very different in size and mandate. They vary enormously also in the amount of influence they might have on the daily lives of ordinary Canadians. At one end of the spectrum we would have the federal Public Service, the largest employer in Canada, with approximately 230,000 employees across the country. At the other end, we could conceivably have small businesses, perhaps consisting of no more than a few employees. The motion proposes that these people be afforded special protection from a variety of sanctions when they report on such things as perceived violations of the law, alleged mismanagement, possible gross waste of funds, or abuses of authority.

• (1650)

I would like to look back for a moment to Bill C-229. Its purpose was to provide sanctions for those who might retaliate against whistleblowers. As one way of looking at these two approaches, we might say that one could take a punitive approach, and as the other, a protective approach. It would seem to me that the latter, the protective approach, would be more in keeping with modern human resource management if, indeed, new protective measures are actually warranted.

Bill C-229 proposed amendments to legislation. This motion, on the other hand, envisages a new piece of legislation. No one needs to be reminded that Acts of Parliament have a habit of spawning regulations, regulations spawn policies, and policies lead to directives, which in turn call for interpretation, updates, monitoring and administration until, inevitably, they spawn their own bureaucracy to oversee everything.

During the debate in this Chamber in January on Bill C-229, the Parliamentary Secretary to the Secretary of State made what I think is a very important point in relation to the experience to date since the Civil Service Reform Act was passed in the United States in 1978. This U.S. Act provides protections such as those envisaged in Bill C-229. The Parliamentary Secretary made his point in the form of a question, and I think that question is crucial to the debate on this motion as well. He asked: "What are the motives of the whistleblowers?" This nagging question has been asked many times in the United States since the passage of its protective legislation. I think Hon. Members must ask themselves that question before we proceed further in our review of this motion.

Authorities on the whistleblowing phenomenon have noted that whistleblowing can be a defensive mechanism on the part of employees who are already under threat of disciplinary action for reasons unrelated to the alleged misconduct. In other words, public servants about to be discharged for unsatisfactory work performance could seek to protect themselves by accusing superior officers of misconduct. Whistleblowing can also result from personal or organizational conflicts, again unrelated to the alleged misconduct complained of. What about employees using this blanket protection to embarrass the Government of the day for personal partisan political reasons? It seems to me that the potential for abuse is very significant.

Hon. Members will see from these serious concerns just what a complex issue this is. Its very complexity is reflected in the infinite variety of circumstances in each instance, affecting and influencing the actions of each individual whistleblower. What of those who blow the whistle using proper existing internal procedures, alerting superior officers or senior management so that appropriate action can be taken? I think it is clear that it is virtually impossible to subject all these organizations, all their people and all circumstances to the rule of rigid law and regulations, rigidly prescribed and rigidly enforced.

Hon. Members will know that there is already in place legislation which deals with the abuse of authority and responsibility by public servants at all levels. Section 110(1)(c) of the Criminal Code, for instance, makes it an offence for any official or employee of the Public Service to demand, accept or offer, or to agree to accept from a person dealing with the Government, any reward, advantage or benefit, either directly or indirectly, through anyone else, for his or her own benefit without appropriate authorization. There are sanctions in place now to prevent, avert or penalize proven dishonourable conduct, criminal actions, waste, extravagance, discrimination or abuse of trust.

Standards of conduct have been in place since 1973 and many departments have their codes of discipline to deal with misconduct. There is, as you know, Mr. Speaker, a code of conduct and conflict of interest guidelines for public servants, much like those which apply to elected public office holders. Parliament has already seen fit to pass legislation in the context of the federal Public Service which is designed to prevent abuses and protect employees. The Public Service Staff Relations Act is a good example. It applies to about 200,000 public service employees.

That Act allows employees to grieve any perceived injustice or wrongdoing where there is no other recourse provided in law. In some cases, employees may bring their grievances before an independent third party, or even before the courts.

No amount of legislation will prevent some managers from doing what others may call or classify as "wrongdoing". The best that good internal management and legislation can offer is to present the mechanism and opportunity for fair and adequate recourse for the offended party, all the way to an independent third party, if need be. Existing legislation does that now. The Canadian Human Rights Act protects employees from discrimination. The Privacy Act provides a measure of protection as well.

Returning to the Public Service, the personal harassment policy adopted by Treasury Board for all Public Service employees, specifically forbids harassment for any reason whatsoever. It provides a simple and confidential mechanism which allows employees to bring their concerns to the attention of a neutral third party.

The Public Service Commission which is, of course, an independent agency of Parliament, has a staff of investigators who look into cases of impropriety brought to their attention. The Public Service Employment Act provides for a quasi-judicial tribunal known as an appeal board, which is empowered to make rulings on alleged irregularities in connection with the staffing process. The Public Service Commission also has certain powers under the Inquiries Act to investigate allegations of fraud.

Another independent agency of Parliament, the Office of the Auditor General of Canada, has a proven track record of uncovering examples of mismanagement or even fraud. Most departments, in addition, now have in place an effective internal audit mechanism which can advise senior management on these matters.

Any debate on the issue of mismanagement or abuse of power cannot overlook the power of the press in Canada or, indeed, of the power of the Public Service employee unions. Both of these bodies have demonstrated a continuing interest in keeping government employees and public sector organizations, inside the Public Service and beyond, on the straight and narrow, and they have done a very good job indeed.

I respect the Hon. Member's motives in introducing this motion. It is an important and difficult issue, worthy of debate and further discussion. I am a former public servant myself, indeed, I am the only public servant who was elected in the last election. When I joined the Public Service I took an oath of allegiance to Her Majesty, the Queen. I took an oath of secrecy as well. That always meant something to me as a public servant and I think it means a good deal to most public servants. An oath is something which is just that, something sacred and important to all good citizens.

It seems to me that this motion in its present form would undermine the basic obligation to the Crown which all public servants have and the obligation to an employer which any good and dutiful employee has to that employer. There may well be room, from my own point of view, for consideration of whistleblower legislation for a narrow area of public policy. I think particularly of serious environmental dangers or hazards to public health or safety. However, this motion, in my view, is too wide and simply too open to abuse.

[*Translation*]

The Acting Speaker (Mr. Paproski): The hour set aside for the consideration of Private Members' Business has now expired. Pursuant to Standing Order 42(1), the order is dropped from the Order Paper.

It being 5 p.m., this House stands adjourned until Monday next at 11 a.m., pursuant to Standing Order 3(1).

The House adjourned at 5 p.m..

HOUSE OF COMMONS

Monday, March 30, 1987

The House met at 11 a.m.

Prayers

ROUTINE PROCEEDINGS

[*Translation*]

PETITIONS

GOVERNMENT RESPONSE

Mr. Doug Lewis (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, pursuant to Standing Order 106(8), I have the honour to table, in both official languages, the Government's response to 92 petitions, numbered as follows: 332-1056 to 332-1093, inclusive, and 332-1131 to 332-1184, inclusive.

* * *

[*English*]

EDUCATION

NATIONAL FORUM ON POST-SECONDARY EDUCATION

Hon. David Crombie (Secretary of State of Canada): Mr. Speaker, I rise today to inform the House that the National Forum on Post-Secondary Education will be held in Saskatoon, Saskatchewan, from October 25 to October 28. The aim of the forum will be to explore the challenges and opportunities facing Canada's universities and colleges in preparation for the 1990s and the 21st century. Learning is a lifelong process and our institutions must become flexible enough to respond to the differing needs of the 45-year old executive, the 65-year old pensioner, and the 18-year old student fresh from high school. These are formidable challenges and demand the utmost from all involved in post-secondary education.

[*Translation*]

This Forum will not be a federal event, a provincial event, or even a federal-provincial event. It will be an historic occasion for discussion among informed and concerned Canadians. The role of the governments here is to facilitate such discussions and respond to the issues and concerns that are raised.

[*English*]

The planning of the forum will be in the hands of a national committee, a group of eminent and respected Canadians from across the country. I am pleased to announce today, together with the Chairman of the Council of Ministers of Education, the Hon. Anthony Brummet, the names of those who will be responsible for organizing the event.

Chairing the National Forum Committee will be Dr. Brian Segal, President of Ryerson Polytechnical Institute. He will be supported by two vice-chairpersons: Dr. Jean-Guy Paquet, Rector of Laval University; and Dr. Sylvia Fedoruk, Chancellor of the University of Saskatchewan. The remaining persons on the steering committee include: Jill Bodkin, Chairman, British Columbia Securities Commission; Adrienne Clarkson, President and Publisher of McClelland and Stewart Publishers; John Evans, Chairman and Chief Executive Officer of Allelix Incorporated; Paul Gallagher, President of Vancouver Community College; Claude Pichette, President, *Société d'entraide économique du Quebec*; the Hon. Robert L. Stanfield, Chairman, Institute for Research on Public Policy; Geneviève Tanguay, student at Laval University; Ronald Watts, Professor, Political Science, Queen's University; Noel Stoodley, the Canadian Labour Congress.

[*Translation*]

The complete list of members of the National Forum Committee, which we are releasing today, includes Canadians from all walks of life: students, teachers and administrators from the academic community, and representatives of business, labour, and other interested groups.

[*English*]

It may well be advisable that I read the list of those who are going to participate because it shows the breadth, depth, and importance of this National Forum. They include: Lise Bissonnette, journalist, Quebec City; Gina Blondin, school teacher and graduate student, University of British Columbia, from the Northwest Territories; Paul Davenport, Vice-Principal, Planning and Computer Services, McGill University; Ronald Duhamel, Professor of Educational Administration, University of Manitoba, Winnipeg; William Dunbar, Vice-President and General Manager, NorthwesTel; Gilbert Finn, Chairman of the Board and Chief Executive Officer, Assumption Mutual Life Insurance Company, Moncton; Graham Flack, student, Dalhousie University, Halifax; Paul Gallagher, President, Vancouver Community College; Thérèse Gouin-Décarie, Professor of Psychology, University of Montreal, Montreal; Ray Hainsworth, Comptroller, Ontario Workers' Occupational and Safety Health Centre; Paul Inchauspe, Director General,

CEGEP Ahuntsic; Linda Inkpen, member of the Board of Directors of the Cabot Institute in St. John's, Newfoundland; Anthony Johnstone, Executive Director, Nova Scotia Human Rights Commission; Gordin Kaplan, Professor of Biochemistry and Vice-President, Research, University of Alberta; Muriel Kovitz, Chancellor, University of Calgary; Ian MacDonald, Director of Extension and Summer School, University of Prince Edward Island, Charlottetown; Tony Macerollo, Chairman, Canadian Federation of Students, Ottawa; Andrew MacKay, Ombudsman, Province of Nova Scotia; Colin MacKay, former President, University of New Brunswick; John Panabaker, Chairman, Mutual Life of Canada, Waterloo; Charles Pascal, President, Sir Stanford Fleming Community College, Peterborough; Frank Smith, Co-ordinator, National Educational Association of Disabled Students, Ottawa; Ahab Spence, Teacher of Cree and Indian Studies, University of Regina; John Stoik, former Chief Executive Officer, Gulf Oil Canada, Saskatchewan; David Strangway, President, University of British Columbia, Vancouver; Edward K. Turner, Executive Director, Prairie Pools Inc., Saskatchewan Wheat Pool, Regina; Dorothy Wills, teacher, Vanier College; and Claudia Wright, Associate Professor of Political Science, University of Winnipeg.

• (1110)

I read the entire list because it is important that people understand the representativeness and excellence of the group which will carry on the National Forum.

Members of the House will recall that in the Speech from the Throne last October the Government reaffirmed its commitment to supporting, with the provinces, a system of post-secondary education based on excellence and equality of opportunity. At that time we proposed that a national forum on post-secondary education would be convened to provide the opportunity for a full discussion of the challenges and opportunities facing our colleges and universities as we approach the 21st century.

[*Translation*]

Following the speech from the Throne, I undertook extensive consultations. In particular, I met individually with most provincial Ministers responsible for post-secondary education and, on February 2, I met with the full Council of Ministers of Education.

[*English*]

Everywhere I went I discovered widespread support for the forum and I was particularly pleased that the Council of Ministers of Education agreed to co-sponsor the event. I have also received numerous letters of support for the forum and expressions of interest from individuals and groups right across the country. Everyone wants to avoid the forum being simply a replay of some of the sterile debates we have had in this country about the specifics of post-secondary education financing arrangements. The forum is a much-needed opportunity for dialogue and co-operation among all sectors of our society; government, business, scientists, educators and young people.

[*Translation*]

I see the forum also as an occasion for the federal Government to show leadership in the critical area of higher education and university research. I don't mean a leadership based on control and supervision—which inevitably leads to confrontation and discord—but one which was defined so well by the Honourable Claude Ryan in a 1984 conference on federal-provincial issues: "A leadership of inspiration, encouragement, and support."

[*English*]

The forum will enable us to look to the future with a broader vision, to examine the issues and opportunities facing our universities and colleges, and to help make us ready for the challenges of the next century.

To quote the Prime Minister (Mr. Mulroney) in a recent address to the University of Waterloo on the topic of research and development:

> The western world is moving toward knowledge-based economics, and Canada must move with it. We want to be known not only as a resource-rich nation, not only as a trading nation, but as a nation known for our brainpower, our ideas, and our intellectual and educational achievements. The issue is no less fundamental than how Canada will earn a living in the 1990s and beyond—

[*Translation*]

The forum will help all Canadians appreciate the challenges facing our post-secondary system in the years ahead. We now have the organizational framework for the forum in place.

[*English*]

I am confident that the co-operative approach we have established will produce a very successful event and contribute to making our post-secondary education system one of the best in the world.

Some Hon. Members: Hear, hear!

Hon. William Rompkey (Grand Falls—White Bay—Labrador): Mr. Speaker, I want to thank the Minister for sending me a copy of his statement in advance. Along with all Hon. Members and all Canadians, I am pleased that this forum is going ahead about a year after it was mentioned in the Throne Speech. I believe that the Minister has put together a blue-ribbon steering committee. There is some balance on that committee, certainly in the male-female ratio, but I would point out to him the absence on the steering committee of a member of the Canadian Federation of Students. The President is on the committee, but not on the steering committee. Students, whose fate is most involved and whose future is most at risk, should be on the steering committee itself rather than only on the committee. I make that suggestion to the Minister.

The Minister said in his statement that he wants a positive, wide-ranging and national dialogue rather than only a federal-provincial dialogue. I think that is important. He also said that he does not want a repeat of the sterile debate on financing.

However, that is surely fundamental to a healthy system of post-secondary education. Apropos of that, I want to draw to his attention an article from *The Sunday Express* from Newfoundland this weekend which draws attention very graphically to a real crisis in post-secondary education. The headline reads, "Memorial University in Crisis". The article reads:

> Mortar is oozing out from between the bricks on several buildings around campus. Buckets catch water dripping in an underground tunnel system that is not properly maintained. Department heads this year requested $4.2 million in funding for 125 teaching positions. Of the 125, zero was authorized.

I could go on. The President of the University did not want to go public but was forced to talk about a real crisis in post-secondary education with regard to the maintenance of buildings, the number of students, and the kind of support they are getting.

I would like to draw to the attention of the Minister two other events which show that this problem is not confined to Atlantic Canada. The University of Regina was told on the weekend that it was receiving a zero per cent increase in funding this year and that it has to retire its deficit of $6 million over the next four years. At Carleton University a referendum is taking place today on whether there should be a $15 increase in the annual student fees from now on to provide for the construction of buildings and repairs to the campus. Carleton University is not one of the poorest universities in a province which is not one of the poorest in the country.

I believe that these examples illustrate graphically that there is a serious crisis all across the country, not only in national policy but indeed in funding. We can construct a vehicle, but if we do not have gas in the tank of the vehicle it will not go anywhere. EPF and Canada student loans must be on the agenda for that forum.

It is important that we have this debate at the same time as the child care issue and proposals for it are coming forward. Women are the most disadvantaged in the country in terms of access to post-secondary education. We recognize that child care is important as well and we will have a debate on that issue. However, if women are really going to achieve equality it is important to have access to improved education. That is fundamental to the achievement of equality for women. That should be highlighted at this discussion in the forum on post-secondary education. Women must be involved and their particular case must be put forward.

I do not want to give the impression that I feel negatively in any way about this forum because I think it is a good initiative, one which we have called for for the past two years. However, I want to ask what the follow-up to this forum will be. That is very important. We can have a three-day forum of learned discussion as the beginning of a national debate on post-secondary education, but it is what happens the day after which is important. I hope the Minister can give a commitment that after that forum the Government will listen and seriously consider the recommendations of that forum and make a commitment to follow up. I would like to hear the Minister say he is hopeful about establishing an ongoing permanent national advisory council on post-secondary education.

• (1120)

A three-day forum will not be enough. Canadians must build on that three-day forum and indeed create a policy that is not federal or provincial, but a national policy on post-secondary education. Such a policy requires continuous administration.

I welcome the leadership the Minister is showing this morning and the fact that he has also brought the provinces into this initiative. Indeed, I believe some provinces, such as Quebec and Ontario, have shown leadership themselves. Ontario has shown leadership recently with its announcement of an increase in funding and its initiatives toward post-secondary education. The Minister will know that many other provinces still have much to do in order to have a total consensus about what must be done in post-secondary education in this country.

Therefore, while I welcome the announcement today, I want to repeat those three points. First, students must be involved at the top level in planning for this forum; second, the agenda must include the funding of post-secondary education in the future; and third, there must a commitment to follow up.

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, the university system is in crisis, just as science, research and technology has been in crisis for the last several years. The Government has done very little in either area.

When faced with the crisis of a deterioration in research, science and technology and innovation, the Government held a forum. The appropriate reaction was that at least it is doing something, however little. Now, we will have a forum on post-secondary education. Again, the appropriate response is that at least the Government is doing something.

When faced with concern about the post-secondary educational system and education in general in the United States, the President formed a commission and the Carnegie Foundation conducted an investigation which led to considerable reform and increased financing in many states in the U.S. But we will have a forum.

Many of the provinces have conducted Royal commissions on post-secondary education, all of which have identified a deterioration in the state of our universities in many provinces and stated that reform was necessary if the system was not to deteriorate to the point where it would serve no national or provincial purpose. But we will have a forum.

Leaders in industry, academia, and students all across this land have sounded the cry of alarm about the failure of governments, both provincial and federal, to recognize the importance of the university for our future economic development and opportunities for our youth. But the federal Government is going to have a forum.

Everyone who is interested in universities has condemned the federal Government for cutting back on the rate of increase in transfer payments for the funding of universities. They have indicated that there clearly is an urgent need for the federal and provincial Governments to get together and to establish their respective responsibilities toward post-secondary education. The need is clear, but the federal Government is going to have a forum.

Many of us have said that an advisory council on post-secondary education must be established. Indeed, such a council should engage in a long-term and continuing study of elementary and secondary education. It must study the needs of post-secondary education and elaborate on the kind of policy that the OECD indicates this country needs desperately. But the Government is going to have a forum and solve all of these problems in three days.

The Canadian Association of University Teachers, the Association of Universities and Colleges of Canada, and the Canadian Federation of Students and many of those who are interested in post-secondary education and research and science have had repeated forums. They may even welcome another forum as a result of their experience.

A few months ago there was a forum on science, research and technology that was held in Winnipeg. There were five recommendations as a result of that forum, but no action.

Some Hon. Members: Louder.

Mr. Rodriguez: You think it is funny over there.

Mr. McCurdy: One cannot speak loud enough to call attention to the utter failure of the Government to respond to the needs of youth and all those who ought to be served by post-secondary education in this country. I will congratulate the Government for holding a forum and at least doing one thing right. Indeed, it has invited representative groups of Canadians to participate in the forum and I give the Government credit for ensuring that there is some degree of representation of women, visible minorities, natives, youth and others.

While that is good, the need has been demonstrated so clearly that the Government should be able to see beyond another forum. Yet there will be another three days of talking about post-secondary education while we wait for the Minister of State for Youth (Mr. Charest) to produce his policy for youth. Part of that policy should include action on the restrictions to accessibility and opportunity in post-secondary institutions in this country. But we will have another forum.

I hope it is a good forum. I hope the Government will listen to what it has been told repeatedly, that it has responsibility for exercising leadership, for full participation in the funding of post-secondary education, and a responsibility to find a solution to the impasse between the federal and provincial levels so there will be a stable level of financing for post-secondary institutions. Perhaps it will realize that it is time to stop having forums and will direct its attention toward implementing a national advisory council on post-secondary education.

It is interesting to note that the Secretary of State (Mr. Crombie) mentioned the need for increased attention to research in universities and elsewhere. I hope the Government will stop closing laboratories, transferring scientists and playing games with the scientific community, that it will stop holding forums and make a determined effort to improve the situation in this country with respect to science, research and technology.

While we do not need any more forums, the Government may need them because it has failed to appreciate the dimensions of the problem or recognize the solutions to it.

* * *

CHILD CARE

PRESENTATION OF FINAL REPORT OF SPECIAL COMMITTEE

Mrs. Shirley Martin (Lincoln): Mr. Speaker, I have the honour to present the final report of the Special Committee on Child Care in both official languages.

It is with great pleasure that I table the report. It represents 15 months of exceptional effort by members of all Parties. It is a report which I believe reflects the views of most Canadian families. It is a report that challenges the Government and its provincial and territorial counterparts, that challenges the child care system, volunteer organizations and, most important, Canadian families. It is a report which offers no simple solutions. It recognizes that no one approach can effectively deal with the unique and diverse needs of Canadians. With this in mind, it is important that the recommendations put forward by this committee be examined as a complete package rather than isolated components.

• (1130)

This report opens many doors. It is now up to all of us to ensure that Canadian children receive the love, encouragement and quality care they so richly deserve.

I would also indicate that the committee, in accordance with Standing Order 99 (2) requests that the Government table a comprehensive report to its recommendations.

* * *

[*Translation*]

PETITIONS

OPPOSITION TO PROPOSED CHANGES TO PATENT ACT

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I have the privilege of presenting a petition on behalf of several constituents in my riding, regarding the fact that innovative

drug companies will be put in a monopoly position that will preclude competition from less expensive generic drugs, resulting in increased drug prices for the Canadian consumer and making it increasingly difficult for many people to purchase the drugs they need; that the proposed amendments to the Patent Act will have a direct impact on all Canadians who are not covered by public or private health insurance plans; that the Government's proposals will add to the already high cost of provincial health insurance plans; and that the proposed amendments to the Patent Act are one more example of concessions made by the Canadian Government to the United States in the context of free trade negotiations, to the detriment of the average consumer. Therefore, my constituents humbly pray that Parliament reject the proposed amendments that will otherwise increase the price of drugs for Canadians.

[*English*]

OPPOSITION TO PROPOSED CANADA POST CORPORATE PLAN

Mr. Derek Blackburn (Brant): Mr. Speaker, I, too, have the pleasure of introducing two petitions this morning, both of which have been certified by the Clerk of Petitions. The first petition is from residents of the Village of St. George, which is in my constituency. The operative clause is, wherefore the undersigned, your petitioners humbly pray and call upon Parliament to instruct the Government to make improved service the highest priority of Canada Post Corporation and to instruct the Government to abandon the policy of closing rural post offices and cancelling rural routes.

OPPOSITION TO PROPOSED CHANGES TO PATENT ACT

Mr. Derek Blackburn (Brant): Mr. Speaker, the second petition is also signed by a group of constituents from the St. George area in my constituency and has to do with the generic drug legislation. The operative clause is, wherefore the undersigned, your petitioners, humbly pray and call upon Parliament to reject these proposals which will increase prescription drug prices for Canadians.

CANADA-FRANCE AGREEMENT—FISHING

Hon. William Rompkey (Grand Falls—White Bay—Labrador): Mr. Speaker, I also have the honour to present a petition from several hundred people throughout the riding of Grand Falls—White Bay—Labrador. The petition calls upon the Government to right the wrong done to Newfoundland and Labrador by immediately cancelling the offer which was made to France with regard to the resolution of the fishing rights in the gulf and to immediately seek other means to resolve that dispute.

OPPOSITION TO PROPOSED CHANGES TO UNEMPLOYMENT INSURANCE BENEFITS

Hon. William Rompkey (Grand Falls—White Bay—Labrador): Mr. Speaker, I have the honour to present a petition from residents of Red Bay and Capstan Island in Labrador which calls upon Parliament to ensure that no changes are made to the unemployment insurance regulations or benefits concerning fishermen.

OPPOSITION TO PROPOSED CHANGES TO PATENT ACT

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, I have the honour to present several petitions signed by petitioners in my constituency who responded to a mail-back in my Householder, in regard to Bill C-22, the Government's proposal to amend the Patent Act and to restrict the ability of average Canadians to buy necessary prescription drugs. These petitioners call upon Parliament to reject these proposals which will increase prescription drug prices for Canadians.

I might say, for the benefit of the Hon. Member for Simcoe North (Mr. Lewis), assistant to the Government House Leader, that these petitions were submitted by myself for certification and are being presented by the same Member who presented them to the Clerk for certification.

SMOKING—HEALTH HAZARD

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, I have a petition which I have also had certified by the Clerk regarding Bill C-204, which seeks to protect the health of Canadians by restricting the promotion of tobacco and guaranteeing smoke-free air to Canadian workers and travellers. The petitioners call upon Parliament to enact the Non-smokers Health Act, Bill C-204.

OPPOSITION TO PROPOSED CHANGES TO PATENT ACT

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I have the honour to present two petitions dealing with the price of prescription drugs. The first petition is from residents of Halifax, St. Margarets Bay, Ketch Harbour, Bedford, Nova Scotia. The second petition is from residents of Winnipeg, mainly in my constituency. These petitions state that the federal Government's proposal to change the Patent Act relating to prescription drugs will increase drug prices for Canadian consumers and severely restrict the ability of average Canadians to buy necessary prescriptions and, therefore, the petitioners humbly pray and call upon Parliament to reject these proposals which will increase prescription drug prices for Canadians.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Doug Lewis (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 75, 76 and 77.

Teleglobe Canada

[*Text*]

EXPORT CONTROL LIST

Question No. 75—**Mr. Riis:**

For the period January 1, 1986 to January 1, 1987, did the government authorize permits for the export of any goods falling under section 7 of the Export Control List where the destination of the said goods was (*a*) Botswana (*b*) Zambia (*c*) Zimbabwe (*d*) Tanzania (*e*) Angola (*f*) People's Republic of China (*g*) South Korea (*h*) Taiwan (*i*) Sri Lanka (*j*) Afghanistan (*k*) Vietnam (*l*) Laos (*m*) People's Republic of Kampuchea (*n*) Cuba (*o*) Albania (*p*) El Salvador (*q*) Costa Rica (*r*) Panama and, if so, in each case, what was the total value of these export permits?

Right Hon. Joe Clark (Secretary of State for External Affairs): Permits for the export of goods falling under Section 7 of the Export Control List. For the Period January 1, 1986, to January 1, 1987.

	Country	Permits Issued	Total Value
(a)	Botswana	No	
(b)	Zambia	No	
(c)	Zimbabwe	Yes	$60
(d)	Tanzania	Yes	$47,457
(e)	Angola	No	
(f)	People's Republic of China (all of which, except $333,532 will return to Canada)	Yes	$3,183,607
(g)	South Korea	Yes	$16,149,333
(h)	Taiwan	No	
(i)	Sri Lanka	Yes	$272,780
(j)	Afghanistan	No	
(k)	Vietnam	No	
(l)	Laos	No	
(m)	People's Republic of Kampuchea	No	
(n)	Cuba	No	
(o)	Albania	No	
(p)	El Salvador	No	
(q)	Costa Rica	No	
(r)	Panama	No	

EXPORT OF GOODS TO CHILE

Question No. 76—**Mr. Riis:**

For the period January 1, 1986 to January 1, 1987, were export permits issued for goods destined for Chile and, if so, what was the value of the permits for category (*a*) 7000 (*b*) 7001 (*c*) 7002 (*d*) 7003 (*e*) 7004 (*f*) 7005 (*g*) 7006 (*h*) 7007 (*i*) 7008 (*j*) 7009 (*k*) 7010 (*l*) 7011 (*m*) 7012 (*n*) 7013 (*o*) 7014 (*p*) 7015 (*q*) 7016 (*r*) 7017 as contained in the Export Control List?

Right Hon. Joe Clark (Secretary of State for External Affairs): Yes, for the period January 1, 1986, to January 1, 1987, export permits were issued for articles of military electronics and lifesaving equipment which fall under the appropriate ECL item numbers. The total value of these authorized exports is $6,112,180, of which a certain percentage is for a temporary export for demonstration purposes.

Details of the specific equipment by ECL number is protected under Section 20,1 b, c, d of the Access to Information Act.

VISITS BY FOREIGN VESSELS TO GREAT LAKE PORTS

Question No. 77—**Mr. Heap:**

What visits by foreign naval vessels to Canadian Great Lakes ports are scheduled for the summer and fall of 1987 and, in each case (*a*) what is the name and country of the ship (*b*) what are the dates and ports of visit (*c*) what is the purpose of the visit (*d*) under what international agreement will the visit be permitted?

Right Hon. Joe Clark (Secretary of State for External Affairs): At present, no foreign naval vessels are scheduled to visit the Canadian Great Lakes ports during the summer or fall of 1987. Visits of ships on the Great Lakes are governed by existing international agreements including a 35 year old bilateral agreement affecting the Movement of Ships, Troops and Aircraft between Canada and the U.S.A. and a NATO standardization agreement that applies to all member countries.

[*Translation*]

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

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

Some Hon. Members: Agreed.

* * *

The Acting Speaker (Mr. Paproski): I wish to inform the House that because of the Ministerial statement, Government Orders will be extended twenty-four minutes beginning at one o'clock p.m.

GOVERNMENT ORDERS

[*English*]

TELEGLOBE CANADA REORGANIZATION AND DIVESTITURE ACT

MEASURE TO ENACT

Hon. Flora MacDonald (for the Minister of State (Privatization)) moved that Bill C-38, an Act respecting the reorganization and divestiture of Teleglobe Canada, be read the third time and passed.

Mr. George Baker (Gander—Twillingate): Mr. Speaker, I would just like to say a few words on this particular Bill at third reading. Perhaps the question should be asked at third reading why the Government of Canada is selling Teleglobe. Why did it decide to sell Teleglobe at this time? Why did it decide to sell Teleglobe, period? Was there any great reason for its sale? Was it a philosophical reason? Was it a financial reason? Was it that it was competing with private enterprise? As I understand it, the answer to those questions from members of the Government is yes.

• (1140)

We are dealing here with a company that actually makes money. It makes incredible profits. One would suspect that when a company makes money and is a monopoly, as has been pointed out by members of the Government, that one would use a bit of arithmetic to try to figure out what such a company is worth to the Canadian taxpayer. Would you, Mr. Speaker, sell for $400 million a company that makes $100 million a year and has a monopoly?

An Hon. Member: Why not?

Mr. Baker: An Hon. Member sitting on the government benches asks "Why not?" This is a member of the Progressive Conservative Party saying "Why not?" Why not sell a company that makes $100 million for $400 million? That seems to be the financial philosophy of this Government. In other words, for a short term gain before March 31 to deal with the deficit—not the national debt but the deficit—the Minister of Finance (Mr. Wilson) says: "Would it not be lovely to have another $500 million knocked off the deficit for the financial year before we reach March 31?" That is the financial philosophy of the Government of Canada today. It goes from March 31 to March 31 to March 31. There is always a scramble at the end trying to figure out how the deficit can be reduced by *x* number of dollars. Why? So that it can carry through with the philosophy it espoused during the election campaign.

Where has this philosophy gotten the Government of Canada? When one looks at the national debt of the country one discovers that in the short time that this Government has been in power the debt has climbed more than in any other time in our history. There is no other three-year period in our history in which we can find that the national debt rose at the rate which it has risen under the present Government. It is the highest rise in the national debt, the entire national debt of Canada, that we have ever seen. This includes the accumulated deficits of every Government since Confederation.

The Minister of Finance says that the national debt has risen by one-third since his Government took power. The accumulated deficit since Confederation has risen by 30 per cent since the Government came to power. Why is that? The Government's usual response is that it is because of the previous administration. That is the reason which is always given. The first year in which the Government was in office the deficit was about $37 billion or $38 billion. Members of the Government said that that was due to the previous administration. The next year came along and what was the deficit then? It was about $35 billion, give or take $3 billion or $4 billion. I am not sure of the exact figure. At any rate, members of the Government said it was due to the previous administration. They projected that the deficit would go below $30 billion in the next year. If we look at the publications of the Minister of Finance, including his budget projections and fiscal plans, we see that for two years in a row it was projected that the deficit would go down below $30 billion. What happened after that? In the next Budget the Government said it had missed the mark by $4 billion or $5 billion. Members of the Government said, "We are now projecting that it will go down to under $30 billion in the next year". However, next year will come along and they will say, "We were off $4 billion or $5 billion in our projections because of this, that or the other thing, but next year it will go down to less than $30 billion".

There has never been a time in Canadian financial history in which we have had such a disastrous record as far as the deficit is concerned. Yet the Government claims that it is selling Crown corporations because it wants to reduce the deficit and the national debt. Mr. Speaker, I am sure you can recall all the Bills that went through this Chamber in a hurry giving $1 billion here and $1 billion there. Do you remember, Mr. Speaker, when the Government gave $1 billion here and there to foreign banks? Do Hon. Members remember that? Do Hon. Members remember when the Government gave money to rich people, the millionaires, buddies of the Government and friends of cabinet Ministers? Do Hon. Members remember when the banks were bailed out? It did not make much difference at that time that $1 billion was being handed out here and there. Nor did it make much difference at certain other times when there was a real reason for granting such sums of money.

Why then does the Government of Canada come along all of a sudden and say, it is going to sell Teleglobe? I would say that 99 per cent of the people in Canada do not even know what Teleglobe is. Why should they? It is a Crown corporation that handles telecommunications. It does not actually charge for it, it just handles telecommunications, mostly across the Atlantic Ocean. This is a marvellous company which gave the Government of Canada $108.1 million last year and another $80 million this year. Of course, the Government of Canada is now saying that it is up for sale and, in fact, it will sell this company to another company called Memotec, which I believe is the name of the company. At any rate, the chairman of the board is a fellow by the name of Baker. The Government now wishes to sell the company for a song. It will make Memotec the prize of the stock market, just as Fishery Products International was made the prize of the stock market. The same is true with respect to other sales that the Minister responsible has carried out and is carrying out at the present time.

We can see on the face of it that it is difficult to try to figure out why the Government is selling Teleglobe. It is very difficult to figure it out. One could stretch it on this or that point, but one would come to the end and say, there is no reason whatsoever for the Government to sell Teleglobe. I am now searching for reasons for this sale. I am trying to say that the Government had some reason for selling this company. While doing some reading the other day I noticed that other countries have sold out companies comparable to Teleglobe. But that is no reason to do the same thing in Canada, if the company was making such a magnificent profit and was

carrying on in a good manner as a good Crown corporation, not just to its employees but to the Canadian public.

• (1150)

There was some discussion, Mr. Speaker, with respect to the rates that were being charged, but the Chairman of Teleglobe, before the standing committee, said that, as far as the rates were concerned, they had contemplated a decrease in any event. He also pointed out that, as far as the actual tariffs are concerned, that is a matter of bilateral negotiation.

What is the reason for selling Teleglobe? One can search but one cannot find a justifiable reason for selling this company. One can perhaps find the reason, Mr. Speaker, when one compares it to the sale by this Government of other Crown corporations. We look to another sale that this Minister made, that being the sale of Fishery Products International, a fish processing company on the East Coast. In fact, while this sale of Teleglobe is in progress, the sale of Fishery Products International is also in progress. The shares of FPI have just been offered on the market.

Mr. Blenkarn: We can walk and chew gum at the same time.

Mr. Baker: The Chairman of the Finance Committee is talking about walking and chewing gum. I do not know, Mr. Speaker, whether you understand what he means. I do not know. Usually when he talks one cannot understand what he is talking about. But "walking and chewing gum"! I suppose, Mr. Speaker, he is trying to say that both can be done at the same time. I suppose that that is what he is saying.

An Hon. Member: You've got it, George!

Mr. Rompkey: But mostly what he is talking about are bubbles; a bubble full of hot air.

Mr. Baker: Mostly what he is talking about is a bubble, yes.

An Hon. Member: Now, now, boys!

An Hon. Member: It is not even his line.

Mr. Baker: What is the reason for selling Fishery Products International at the same time as Teleglobe is being sold? I suppose one could say that there is a certain amount of justification on the economic side, the financial side, in selling Fishery Products International. FPI was established as a Crown corporation at a time when fish plants were closing—

Mr. Rompkey: By us.

Mr. Baker: The former Minister just said "by us"; and "by us", he means, of course, the Liberal Government of the day.

FPI was set up at a time when fish plants were closing all over eastern Canada, with hundreds and thousands of people being laid off. This was something that was being done by a very large private sector company at a time when fish prices had gone down. The whole of the fisheries industry at the time was in financial trouble. The Government of Canada created a Crown corporation, and it did so because that was the only way to go. Both the federal and provincial governments jointly took the decision to create a Crown corporation, and that is exactly what they did.

Fishery Products International was created to save jobs, to save the industry, and to maintain continuity insofar as the export of Canada's fisheries products was concerned. One does not want to see, in terms of international markets, a substantial drop in the export of any one commodity, as another country will then come along to fill that vacuum. Once the industry recovers and plants are reopened, it is difficult to regain lost markets. For that reason, it was important that the Government of Canada act very swiftly to maintain the supply of Canada's fisheries products into the international markets. Insofar as the nation's economy was concerned, and the economies of the affected provinces, not to mention the thousands of jobs affected by a substantial downturn in prices, there was good reason for the creation of FPI.

The world has now changed insofar as fisheries products are concerned. Current demand is high in all parts of the world. There are many fisheries products in the market-place—frozen fish products, fresh fish products, fish fillets, and so forth. In certain instances, fisheries products are almost refined products. With the supply remaining relatively the same, with the increased demand, we have had increased prices.

What we have seen, Mr. Speaker, in FPI, a Crown corporation that controlled 30 to 35 individual companies in eastern Canada, is a substantial increase in the bottom line. Substantial profits have been made. I believe last year the profit was something in the order of $24 million to $30 million. This represents quite a turn around insofar as the fisheries industry is concerned. FPI was a Crown corporation owned by the federal and provincial governments.

This Government then decided to get rid of that Crown corporation. Given that FPI no longer fulfilled a public purpose, one can understand the sale of FPI. There was a guarantee in the sale that the employees would be taken care of, that the employees would not lose their pension contributions, and that they would maintain their positions in the workforce. There was a also a condition of sale whereby if for any reason the new board of this now private sector corporation decided that any one of the individual operations was to be closed down or sold, the Government of Canada and the affected provincial Government would be notified and given the first option to purchase.

The FPI sales agreement was drawn and supervised by some very prominent Newfoundlanders, and we have in the telecommunications industry in this country today some very prominent Newfoundlanders. When those individuals drew up the sales agreement in respect of Fishery Products International they left no holes. No employee could turn around and accuse the Government of Canada of not taking care of jobs, of not ensuring that each community was protected. The Government of Canada ensured, through the sales agreement, that the new

board of directors, the new shareholders of that company, understood that they could not close any individual plant connected with that former Crown corporation without making a first offer to the Government.

Why is it, Mr. Speaker, that the Minister who handled the FPI sale so well now comes before the House with this measure? In the one case, the Minister came into the House and read out a glorious statement in respect of the sale of Fishery Products International. In the case of the sale of FPI, we had an agreement with all of the guarantees written in, an agreement with not even a shadow of a doubt that the employees would not be taken care of. In fact, we had the Government even instructing the new owners that they could not sell a portion of the business at any time without first giving the Government of Canada and the affected provincial Government the first option of purchase, and the same guarantee applied to plant closures.

Everybody appeared to be quite happy with that agreement. The Minister made the announcement, and the shares of FPI were listed for sale on the stock market, and were immediately bought up by investors.

• (1200)

The value of the shares was nine to one as far as the profits were concerned. The Government gave factory freezer trawlers to another profitable company called National Sea Products and gave them permission to operate it in eastern Canada, against the wishes of fishermen. As I say, the company was very profitable in the fish business.

The Minister made a statement in the House of Commons assuring the employees of their guaranteed benefits, saying that the new owners of the company would have to abide by the rules. After saying that they were not allowed to touch a piece of equipment in all the plants in eastern Canada, unless they notified the federal Government, what did the Minister do? The Minister of State for Privatization (Mrs. McDougall) will be sending out a letter today to all Teleglobe employees. Actually, the letter is dated March 27, 1987, but it will be going out today. It is a four-page letter. I do not want to get into its particulars, but it goes back to a problem which the Government brought on itself in the clause in the Bill dealing with employees and their pensions.

I would like to read into the record a letter from the Teleglobe Canada *Ad Hoc* Committee on Pensions. It is signed by Mr. Carlos Saldanha and Mr. E. A. Rutherford, Ted Rutherford, who are in charge of the committee. The letter was sent to the Minister of State for Privatization and Minister responsible for regulatory affairs. In part it reads:

> We, the Teleglobe Ad Hoc Pension Committee, understand that it is in the best interest of the parties concerned that Bill C-38 be passed and come into effect by March 31, 1987. We also wish to see this date achieved.

If that were not in the letter, I guarantee that the Bill would not be passed through the House before March 31. It would not be passed in the House unless the pension committee wished it to be passed.

I cannot see any other reason for passing the Bill other than standing up and protecting Teleglobe employees. They might change their minds if the Minister does not answer their letter properly. However, it goes on to say:

> However, some issues related to transferring values for past service, in our opinion, are still not resolved.

We are getting to the pension issue now. It continues:

> We expect that your Government will endeavour to sit down with representatives of this committee, as was previously promised by the Honourable Robert de Cotret, to reach an equitable solution in the process of developing a Reciprocal Transfer Agreement.

We all know what reciprocal transfer agreements are as far as pensions are concerned. Then it continues:

> A proper transfer agreement, when coupled with the future plan offered by Memotec,—

That is the name of the company which is buying Teleglobe for a song. It continues:

> —which we note was more generous than the norm your Government recommended, will maintain Teleglobe's pension plan features for existing employees as they were prior to privatization.

In other words, at the last minute, at the last hour, members of the *ad hoc* committee on pensions are saying to Members of the House of Commons, "Let us help the Government get the Bill through before March 31". However, they are also saying that they need a reciprocal transfer agreement on their pensions.

I looked at the letter from the Minister which will go out today to all Teleglobe employees. I looked for some substance in it. Before the day is out, perhaps the Minister will be able to explain to the House what the particular letter means. However, we know what the reciprocal transfer agreement is all about.

You and I, Mr. Speaker, know what happens when someone changes employment. For example, when workers are laid off from a Crown corporation, are given early retirement, or whatever the case may be, they always hope and pray for a reciprocal transfer agreement on their pensions. Why is that? It is because they are interested in adding the time they were employed somewhere else on to their new employment. When a lay-off or an early retirement takes place in a Crown corporation, the man who is affected always looks back at where he worked 10 years ago, 20 years ago, or 30 years ago. Perhaps he worked with the department of highways in a provincial Government or something like that. Then he wonders whether he can transfer his pension benefits from the provincial government department to the Crown corporation and add it all together. Perhaps he will wonder if the private company for which he might work will take his accumulated pension benefits from years of service into its pension scheme and honour them.

There are people in Canada today who make a living in Crown corporations examining whether it is to their benefit to have reciprocal transfer agreements or pension transfer agreements. I imagine that the office of Canadian National in Montreal would have people working on that continually.

It is interesting to note that a Government which wanted to get rid of Crown corporations and said that they were a menace to society would create a Crown corporation to save money, that is, Marine Atlantic. That Crown corporation has a pension transfer agreement with the Province of New Brunswick, the Province of Prince Edward Island, and the Province of Quebec. However, it does not have one with the Province of Nova Scotia or with the Province of Newfoundland. It is amazing that a Crown corporation would be laying off people or offering them early retirement at this time of the year and have no signed pension transfer agreement.

Employees of Teleglobe are interested in a reciprocal transfer agreement as it relates to their pension funds. The Government of Canada through the Treasury Board should have had this worked out some time ago. It should have made sure that this issue would not arise during the final moments of the sale of the Crown corporation, but it did not do so. The Government did not satisfy the employees of Teleglobe otherwise the employees would not have written such a letter dated March 27, 1987. Why is the Government of Canada selling Teleglobe today? Why did the Government sell another Crown corporation at the same time it created another one? I suggest it was to save money? The whole thing does not add up, Mr. Speaker.

• (1210)

In the letter being sent by the Minister of State for Privatization, certain blanket guarantees are supposed to be made to the employees of Teleglobe. I think what would be of benefit in the Chamber today is to have a statement directly from the Minister or the Parliamentary Secretary to the effect that they will comply with the wishes of the Teleglobe Canada *ad hoc* committee on pensions, that they will immediately sit down with them and immediately state publicly in the House of Commons before the Bill is passed today exactly what the Government of Canada has in mind for all the employees. It is a very confusing scenario. It is not clear at all what the Government of Canada has in mind.

This Crown corporation, as we know, has to do with telecommunications. It is the carrier of the telephone lines, the telegraph lines and the telex lines from Canada to other countries in the world. It is the sole carrier. It is the actual carrier of the message. It is a guaranteed monopoly for the next five years which is being put under a regulatory agency, I believe the CRTC. Under those circumstances, with the incredible investment made at the beginning in Teleglobe, with the incredible amounts of money used to build cables across the Atlantic and at the same time to have the satellite feed in case the cable breaks—if the cable breaks, then the satellite is there, and if something goes wrong with the satellite, the cable is there—for this company now to be getting into the business of new cables, into fibreoptics and everything else at a cost of probably hundreds of millions of dollars or even billions of dollars, $400 million or $500 million seems a very small price to pay to purchase such an operation.

One wonders about the philosophy of the actual sale of Teleglobe and the recommendations of the Government of Canada respecting Crown corporations. What about the Government being involved in businesses that perhaps should be in the realm of the private sector? Will the overriding philosophy of the Government of Canada be, let's get rid of everything that we believe the private sector can do? If the private sector cannot possibly fulfil a transportation function in Canada, then we will maintain our presence. Yet even in that area today we hear the Government of Canada saying to Crown corporations "Cut, cut, cut. Reduce, reduce, reduce." What was the message with Teleglobe? Efficiency exports came into the shops of Teleglobe and said, "Let's cut here, there and some place else". The same thing has happened to practically every other corporation in Canada today, especially in the telecommunications business. We have several Crown corporations in the telecommunications business.

Miss MacDonald: You know nothing about it.

Mr. Baker: The Minister of Communications (Miss MacDonald) should listen. She may learn something about telecommunications. The Government of Canada has Crown corporations that operate telephones like Bell Canada—

Miss MacDonald: Why do you think Bell Canada is a Crown corporation?

Mr. Baker: —like Maritime Tel and like B.C. Tel? The Minister of Communications does not understand what Teleglobe is. She does not know. We are into the area of telecommunications. She did not even know that the Government of Canada owned telephone companies.

Miss MacDonald: When did the Government of Canada take over Bell Telephone?

Mr. Baker: The Government of Canada actually through Crown corporations owns telephone companies, but does this mean now that the Government will sell its telephone companies?

Miss MacDonald: What telephone companies?

Mr. Baker: The Minister of Communications has asked what telephone companies.

Miss MacDonald: Right.

Mr. Hockin: Gather your thoughts together.

Mr. Baker: Let me educate the Minister of Communications for just a moment. CN Telecommunications recently applied to the CRTC and to the Government of Canada for rights to go into the business of long-distance operations against Bell. The reason it did that, and not very many Cabinet Ministers in this Government know why, is that CN operates telephone companies. My entire district is operated under CN telephones, and so are other areas of Canada. Granted they are northern areas. We each have our own little cubicle. Ours is

called TNT. The names change every now and then. It used to be called Canadian National, but that was not, I suppose, a very good word from which to develop a slogan so it was changed to Terra Nova Tel. You see TNT all over the place. Now the Minister of Communications is beginning to learn a few things.

Are we to take it from the sale of Teleglobe that the federal Government will say that all other Crown corporations dealing with the public, which could be owned by the private sector, should be gotten rid of, dissolved or sold? If you look at any of the northern telephone networks, if you look at telecommunications as a part of Canadian National up north, you will see that it has a fairly profitable operation in northern Canada. Last year Terra Nova Tel made about $4 million after all its capital expenditures were taken into account. One would have to say it is a profitable company but that does mean it is on the Government's list to be sold? Perhaps I should not have mentioned it because I do not think the Government knew that it owned telephone companies. Now that it knows, it might sell them and I do not want them sold.

• (1220)

It is unfortunate that we do not have more competition in the telecommunications field. It is unfortunate that a monopoly exists. That is perhaps the most unfortunate thing of all in the telecommunications field. The unions would not agree with me on that, but I will tell you who would agree with me. The woman whose telephone is removed because she could not pay for a long-distance call she did not make would agree with me. She has no choice but to pay, no choice whatsoever, because if she does not get her telephone from that company she does not get a telephone. It is a monopoly. In some constituency cases it is an absolutely disgusting monopoly. Certainly we would not recommend that the Government get rid of its telephone companies. Yet that is what the Government wants. We cannot figure out any other reason for putting this Bill through the House.

If you read the letter from the Minister of State for Privatization you will see there is no guarantee that a reciprocal transfer agreement will be arrived at with the Government. The Minister sent this letter to every single employee of Teleglobe. She says:

It is false and misleading to suggest that they are being deprived of benefits;

The Minister should stand in her place today and give her guarantee on the pension reciprocal agreement before we decide to filibuster the Bill. If that is done to the satisfaction of the employees, fine, we will let the Bill through. If it is not done, I am sure the Whip will agree with me that the Bill will not go through. The Minister of Finance will lose $500 million on his deficit reduction plan.

Mr. Gauthier: It is $600 million.

Mr. Baker: I am sorry, $600 million. I have been using the figure of $400 or $500 million. Anyway, the entire budget speech will have to be rewritten unless these employees are satisfied with the pension plan. You are an expert in parliamentary procedure, Mr. Speaker, and you know that one thing the Opposition can do is stop the passage of this Bill by March 31. It is a simple thing to do. Anyone in grade six or grade seven can read the rules and see how an opposition can prevent the passage of a Bill over a two-day period. The Whip has a whole list of things written on both sides of a sheet of paper, threats he will make unless the Government satisfies these employees.

Mr. Gauthier: Single spaced.

Mr. Baker: We have a letter from the *ad hoc* committee saying they want the Bill to go through if the guarantees are there. That is the final word to the Minister of Communications. She should intervene and contact the Minister of State for Privatization and say, let us get this thing straightened out. The Minister has been trying to develop this wonderful rapport with everyone in the communications media in Canada and around the world. Here is an opportunity for her to do just that.

We have made our position perfectly clear on this Bill and we await the Government's response. The Whip of the Official Opposition will have a few words to say in a few moments.

Mr. Ken James (Sarnia—Lambton): Mr. Speaker, I am pleased to take part in the third reading debate on Bill C-38. I will be speaking specifically to the Bill and the divestiture of Teleglobe rather than giving a long dissertation about everything under the sun in order to pass the time. We have just been given a little education on supply and demand economics and almost how fish patties are made. I was surprised to hear a whole speech built around why the employees do not want the Bill passed when the Hon. Member has a letter in his hands from the employees who appear to be pleading to have the Bill passed. I think they understand that they can best handle the negotiations for the proper transfer of pension benefits.

The sale of Teleglobe is an important initiative by this Government. The legislative and policy initiatives associated with it are designed to protect the interests of consumers and employees, and provide for regulation of the privatized company in order to ensure that Canada's international obligations continue to be met and provide Teleglobe with the opportunity to pursue a bright and exciting future.

I want to express my appreciation and that of the Minister to members of the committee for their conscientious review of the legislation. We also should say thank you to the witnesses for their valuable assistance in committee. Certainly I am delighted that a frank and full debate has taken place and that the many interested parties have had an opportunity for a balanced discussion, to the greatest extent possible.

Since the legislative review process began a few weeks ago certain amendments were made in the committee and I would like to briefly explain them for the benefit of Hon. Members. First, discussions with employee representatives led the

committee to conclude that an amendment to the Bill would add greater certainty to the pension alternatives available to those employees. Accordingly, an amendment was made to delete Clause 24(1)(b) in its entirety. Second, there was a series of minor technical changes made in committee to improve or clarify the language of the Bill. There was a minor change to Clause 4(3) to make the language consistent with similar clauses such as Clause 19. There were changes to the wording of Clause 5 but no change to the spirit of the provision. It was to improve or clarify the clause as it relates to the associate rules. There were a few phrases in Clause 5, Clause 13 and Clause 18 where the French and English versions differed as to meaning. Changes were made to rectify that situation. In order to facilitate the creation of a new corporate entity with the name Teleglobe Canada and avoid any possible confusion it was appropriate to change the name of the old company while its affairs were being wound up, and a new Clause 20 was added while Clause 21 was amended accordingly. This amendment also necessitated appropriate renumbering changes and the reference to clause numbers in Clause 34 as well as the addition of the new name in Schedule II.

• (1230)

I believe all Hon. Members would agree that the Government has been forthcoming in terms of the information it has made available in connection with this transaction. We provided extensive documentation and offered technical briefings to assist Hon. Members in their understanding of the sale of Teleglobe to Memotec. This is indeed a complicated transaction. By appreciating the many benefits of this privatization I am sure Hon. Members will understand the advantages to both consumers and Teleglobe employees and to the telecommunications industry itself. The timely passage of Bill C-38 is important.

Opportunities for growth and employment have been foremost in our objectives for this privatization. This Bill will sanction the alliance between Teleglobe and Memotec, thus creating a dynamic new force in the Canadian telecommunications industry. Teleglobe's proven technical expertise and industry experience will get renewed vigour from Memotec's entrepreneurial energy and marketing abilities. I will give you a few examples of the kinds of benefits that will be in store for Canada once this sale is completed.

While Teleglobe has profited under good management, it still had to perform under the operational restrictions of Crown ownership. Expansion was pre-empted because of impediments imposed on Teleglobe as a result of legislators and bureaucratic requirements. Consequently, Teleglobe was kept from exploring other avenues of growth despite its recognized industry expertise.

However, Memotec can give to Teleglobe what Crown ownership could not, the freedom to grow, expand and mature. Memotec understands the dynamics and the opportunities of the telecommunications market-place. It has proven itself as a force to contend with in the business world by its marketing, sales and distribution expertise. In addition to Teleglobe's client base, Memotec will add its own international market base and its own customer network which includes major corporations in banking, insurance, transportation, other governments and so on.

A new Teleglobe allied with Memotec can create and take advantage of opportunities presented by this added national and international market base. The word "synergy", which has been coined of late, describes this kind of alliance. In simple terms this means the creation of new products and services offered in expanded markets and generous new exports. Such dynamic growth potential will create more opportunities for Canadians in all parts of the country.

Private ownership under public regulation will continue to serve the public interest while providing further benefits to consumers. Effective January 1, 1988, there will be a rate reduction on overseas telephone calls of more than 13 per cent. In addition, telex rates will decrease by 10 per cent at the same time. Consumers will also benefit from special protection of their telecommunications services through CRTC regulation. This is a new safeguard which was not present under Crown ownership. Thus, lower rates will be charged for the same high standard of services to which all Canadians have become accustomed. Consumers will benefit over-all, either by taking advantage of savings or by using services more frequently or for a longer duration.

I am especially pleased with the care that was taken by the Government to ensure that employees' interests were safeguarded. It was clear in the Government's announcement of November 19 that employee concerns were a key factor in setting the terms and conditions under which Teleglobe would be sold. I and my colleagues in the Government were sensitive to employees from the very beginning of the privatization process of Teleglobe. The Minister personally met with employee representatives prior to the initiation of the final round of bidding. Meetings were held over the course of the last few months between officials and Teleglobe employee representatives where employee concerns, particularly related to the future pension arrangements, were given ample discussion. In recognition of these concerns, Memotec's generous employee package was a key factor in supporting the Government decision to select this firm as the preferred purchaser for Teleglobe.

I think all Members must agree that Teleglobe employees are being well taken care of. For example, Teleglobe employees will remain under federal labour jurisdiction and all existing collective agreements will remain in force. As compared to industry norm, Memotec has offered a generous pension proposal, a plan which will be equivalent to the federal public service pension plan for all existing employees of Teleglobe. Furthermore, I would like to point out that we took heed of employees' interest in purchasing shares of Teleglobe. This was proposed by representatives of employees crossing all union lines. They had a very special interest in purchasing, and

a purchase arrangement is therefore included in the agreement. Special provision has been made for an employee share ownership program which will offer 5 per cent of shares to employees at a discount of 10 per cent with interest-free loans available from the company.

In addition, Memotec has undertaken to make every effort to qualify employee share purchases under the Quebec stock savings plan and similar plans implemented by other provinces. Finally, in order to limit the disruption to employees and management, the legislation provides that Teleglobe's headquarters will remain in Montreal.

The discussion with regard to pensions centred on the transfer of past service. I asked a Treasury Board official what transfer of past service he would receive if he went to work at a university as compared to what employees would receive under this plan. This plan is substantially better than the benefits available to a federal employee who goes to work for one of our universities.

It seems that the question of whether the Government is receiving fair value for Teleglobe has finally been put to rest. At committee even the Hon. Member for Essex—Windsor (Mr. Langdon) recognized that a reasonably good price had been received for the company. However, for the record, I want to state that Memotec is paying the Government $488.3 million which is a premium of $110 million over the revised book value of $378 million. I believe this represents a very good return for the taxpayers' investment in Teleglobe. Added to that, of course, were profits of over $100 million plus another $18 million.

You can see, Mr. Speaker, that the sale of Teleglobe to Memotec is a good deal for all interested parties. An equal and fair balance has been struck for taxpayers, shareholders, customers and, very importantly, the employees. The result will be a more dynamic and exciting new Teleglobe with advantages for all Canadians and for the telecommunications industry.

The passing of Bill C-38 will make Teleglobe our eleventh privatization since the Government came into power. This is a forward-looking program based upon a vision the Government has developed to promote better management of public resources and to create new opportunities in industry. I have only to point out the success of de Havilland and Canadair. I noticed that the previous speaker never referred to the additional employees and the additional business which has been generated at de Havilland and the positive environment of Canadair. Our vision has created more flexibility, new challenges and greater incentives for these firms and their employees to pursue new opportunities for growth. In following this course we have prepared these companies for the future rather than anchoring them in the past.

• (1240)

The rapid pace of technological advances requires adaptation not only just to keep up with but to lead global competition in the provision of telecommunications services and equipment. A new Teleglobe bolstered by Memotec will result in industry dynamism which will serve the interests of all Canadians and ensure that Canada remains a world leader in telecommunications.

It is important that Members recognize the urgency and importance of this legislation. The employees have also brought it to our attention that they want this legislation passed. I thank the House for assisting the Government and suggesting that the Bill be passed with expediency.

Mr. Hovdebo: Mr. Speaker, are the employees of Teleglobe entirely satisfied with the pension arrangements that have been made?

Mr. James: Mr. Speaker, the Member for Gander—Twillingate (Mr. Baker) read a letter from the employees asking that the Bill be passed. The discussion in which employees wanted some input was the area of past services as it was transferred from the government plan to Memotec. Specifically, it concerned the actuarial assumptions that were used in comparison, for example, to the actuarial assumptions used in the Canadian Arsenals Disposal. That was the centre of the discussion. A number of different employees' groups made representations. Certainly, the request by the group that wanted the opportunity to purchase stock in a new company was fulfilled. They are happy with that aspect. The supervisors' group made representations and appear to want to handle the negotiations with their company. All the groups were concerned about this actuarial assumption. It appears to be negotiated between them and Memotec and I assume the negotiations will come to fruition.

Mr. Gauthier: Mr. Speaker, in my opinion the question of the transfer of the pension to Memotec is serious. I have the letter alluded to this morning by the Member for Gander—Twillingate (Mr. Baker). It is indeed true that the employees are satisfied with the Memotec offer and the arrangements for their pensions.

My question concerns something that has bothered many of us. The actuarial assumptions which were made in 1980 and used for transferring the pensions from Canadian Arsenals are not the same assumptions that are being used this time. The question is whether it is a 5 per cent rate and salary increase assumption, whether we are looking at a 3.5 per cent CPI, at a 6.5 per cent interest rate and so on. Actuaries have a very complicated formula, including mortality rates and other factors.

In the committee, the unions stated that there would be a shortfall of some $7 million to $8 million in the transfer of the funds to the new company.

Teleglobe Canada

In the letter to the Minister of State for Privatization (Mrs. McDougall) on March 27, which was signed by Carlos Saldanha and E.A. Rutherford, it is stated:

> —it is in the best interest of the parties concerned that Bill C-38 be passed and come into effect by March 31, 1987.

That is true. The reason is the Quebec stock option plan, and it will be more easily saleable if they can roll this new asset and equity of Teleglobe into the Memotec assets.

We are not trying to prevent the passage of the Bill, but trying to understand exactly how the Government came to the logic of using new actuarial assumptions. How can one who is uninitiated in the matter—I am no actuary—justifiably say that, until the date of agreement, which is the proclamation of this Bill, prior service under the Public Service Superannuation Act is fully covered? The Minister of State for Privatization states that in the letter she sent to all employees on March 27. She states on page 3:

> For those employees who choose to transfer their prior service credits to the Memotec "mirror" plan, the government will transfer the greater of twice the employee's contributions plus interest or the actuarial value of the accrued benefits computed on a going concern basis that recognizes future salaries and indexing and includes a provision for survivor benefits;

The next paragraph is key:

> This amount will be fully adequate to allow Memotec to pay all of the obligations for prior service benefits;

Will the Hon. Member, who just spoke on behalf of the Government, request that the President of the Treasury Board (Mr. de Cotret) come to the House to confirm that indeed he fully gives to the employees the guarantee that he will sit down with them and explain what he means by a guaranteed prior service fully covered pension plan? Then there will be no difficulty in letting the Bill go through today. Will the Member give an undertaking that he will call his Minister, as I tried this morning, to have him come to the House this afternoon and give us an undertaking that prior commitments will be kept and the plan will be fully funded on the basis of actuarial assumptions?

Mr. James: Mr. Speaker, there were many points in the Hon. Member's question, but I will attempt to answer him.

First, the Hon. Member alluded to the fact that there are a number of areas of input in developing an actuarial assumption. I, too, am not an actuary. Certainly, the Treasury Board must change and establish those assumptions from time to time, based upon all these inputs that are given, including interest rates and other factors.

• (1250)

I would not want to confuse anyone in that there are $7 million or $8 million involved. The Minister said it would be twice plus interest or actuarial assumption. Certainly, twice plus interest is much increased by the actuarial assumption. The example I referred to earlier was of the Treasury Board official who left the federal Government and went to work at a university. The best he would get would be twice plus interest. This transfer has a much greater transfer of past service than that through the actuarial assumptions. We must make sure we put these things in the right place.

I want to re-emphasize that what is important here is that employees are attempting to get everything they possibly can. They are receiving total protection under the Labour Code. They are able to buy stock and receive the equivalent to the PSA Superannuation Program. They are looking for something that is different than has been set up by the actuarial assumptions established by Treasury Board. It is not like it is our money. That money belongs to the fund of all the other employees working for the Federal Government. Do we keep doing this even though it is not a right and proper actuarial assumption based upon sound calculations? If it is given to those few employees, there is going to be less in the fund for others.

Mention has been made of the Minister coming and speaking to the situation, and I am sure we shall carry on with the debate.

The Acting Speaker (Mr. Paproski): Questions and comments are now terminated. Debate.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, what we have with the decision to sell Teleglobe, which has been a Crown corporation, publicly owned, since its inception, is another example of the belief of the Conservative Government that the private sector can operate much more efficiently than the public sector and that wherever possible Crown corporations should be sold and privatized. That really ignores a great part of the history of the development of this country.

At the federal, provincial and municipal level we have several thousands of Crown corporations in Canada. They have been a way in which governments—and let me make it clear, not just socialists governments, but Liberal, Conservative, Social Credit, P.Q., CCF, and N.D.P. Governments—have set up Crown corporations when they saw a need to serve the public and when it was obvious that the private sector was not interested because it could not see that it could make a profit. After all, that is the reason private companies are established. I do not question that reason.

Therefore, what we have are Crown corporations which operate electric-power systems in our provinces. In the Province of Ontario, Ontario Hydro was set up, not be some radical socialist government but by the Conservative Government of the day. The three prairie provinces, Manitoba, Saskatchewan and Alberta, have publicly-owned Telephone Systems. In my Province of Manitoba, the Manitoba telephone system was set as a publicly-owned utility by a Conservative Government in the year 1908. That was a government headed by Sir Roblin, the grandfather of Senator Roblin.

The Canadian National, a publicly-owned railway, was set up when a number of privately-owned and operated railway companies found they could not make a profit and were going bankrupt. The government of the day brought those companies

together and established the Canadian National as a publicly-owned system.

The Canadian Wheat Board was an agency set up by the Conservative Government headed by the Prime Minister at the time, the Right Hon. R. B. Mr. Bennett, to handle the sale of grain.

This was done because governments of the day, regardless of their political persuasion, realized there was a need because the private sector would not enter the field. These Crown corporations have provided a needed service and have helped develop this country in a way which would not have been possible had we depended entirely on the private sector.

I am sure there is no one in this House and no one in any political Party who has not realized that for the foreseeable future, for as many years as we can see in advance, we are going to operate in this country, as is the case in most countries, with a mixed economy in which there will be public ownership at the federal, provincial and municipal level—co-operative ownership—and in the main, privately-owned companies operating in most facets of Canadian life. We accept that. We do not say that because a certain Crown corporation was established recently or years ago for a very good reason it must always continue as a Crown corporation. We must ask ourselves if the Crown corporation provides a useful service and if it is operating efficiently.

We have to ask ourselves if the Government made its decision to sell Teleglobe after examining, as it should have done, what it was doing and whether it was operating efficiently? I do not think so. It seems to me that the Government was more concerned with achieving a quick sale of this Crown corporation, and others, than in linking any sale of Crown corporations to a well-thought out industrial policy, or after considering what the effect of the sale of Teleglobe would have on competition in the area of telecommunications.

Let us look at the record of the Government. It sold Canadair and de Havilland, companies in which governments, because they believed—and there was not much opposition to that belief—that in a modern industrialized country like Canada we must have an aerospace industry. When these two companies, which were earlier privately owned, decided that they could not make a profit and, therefore, they wanted to close down, the government of the day was, I think, almost unanimous in support of taking over these companies. Hundreds of millions of dollars were invested in research to make these companies efficient, in order for them to produce products which were state-of-the-art and could compete in the world market.

Fishery Products International was a publicly-owned corporation established because the private sector fishery companies were going bankrupt. Having bought these companies, and after the people of Canada paid hundreds of millions of dollars to keep these companies going, they were sold at a fraction of their cost.

• (1300)

The Government is now talking about privatizing the CNR and Air Canada. The objective when these two companies were taken over as publicly owned corporations was that they provide service to the people of Canada. That will go by the boards because as private companies they will be required to make a profit. One cannot object to this since shareholders of companies are entitled to gain a profit from their investment. However, service to the slow growth, have-not areas of the country will be drastically cut back. We have already seen that with regard to both the railways and the airline.

Let us take a look at the situation with regard to Teleglobe. Teleglobe is a Crown corporation responsible for all overseas telecommunications entering and leaving Canada. These include telephone, telegraph, cable and telex communications. Teleglobe is a joint owner of submarine ocean cables and telecommunications satellite systems. It has an effective monopoly in Canada on all overseas telecommunications. Overseas telephone calls account for 85 per cent of its revenues.

Was Teleglobe operated efficiently? Was it a money-loser or was it a money-maker? Teleglobe has always been a consistent money-maker. It has been known as the jewel of Crown corporations. In 1985 it recorded profits of over $53 million. Its profit picture for the last 10 years has been excellent. In 1985 Teleglobe's revenues totalled $678 million.

The Conservative Government has sold Teleglobe to Memotec Data, a small Montreal-based data processing and data communications company. The Government claims to have sold Teleglobe for $608 million. However, if we analyse the sale more carefully we will find that at most Memotec is paying $488 million for the company. Indeed, since Memotec as part of the purchase price has said it will assume Teleglobe's liabilities, which amount to $143 million, we must then estimate that the Government will only receive $345 million for Teleglobe. No actual funds will be paid for the debt.

We believe this is a low purchase price. The company's book value is reported to be anywhere between $300 million and $400 million. Furthermore, its sale value is much higher, as it has had, as I have indicated, an extremely profitable picture. We have been told that some time ago British Telecom made a bid of $750 million for the company.

Government and analysts thought that Teleglobe would bring in at least $600 million, and expected that it would receive that price. Unfortunately, the Government has let the company go for just one-half of that. The $600 million mark also explains why the Government has tried in its press coverage to create the impression that the company is being sold for more than $600 million.

We are completely opposed to the sale of Teleglobe because the company has been a consistent money-maker, because it is a monopoly and because it occupies the field of communications in which there is a legitimate public policy interest to be

protected. It adds insult to injury to receive only a paltry $350 million for such a lucrative company so valuable to the people of Canada.

There was a great deal of surprise about the sale of this company to Memotec. Memotec is just a minnow in the sea when compared with Teleglobe. In 1985 Memotec reported revenues of just $17 million. We must compare this figure to the $678 million in revenues reported by Teleglobe for the same year. We have to wonder how Memotec will manage this acquisition of Teleglobe. In Canada and in the United States we have seen companies which have gone in for these acquisitions and have done so by borrowing huge amounts of the money required from banks and other companies, and have then had tremendous difficulties in meeting the interest costs and showing a profit.

We have another problem with this sale. Teleglobe was the company which dealt with the international telecommunications business as a result of agreements made and treaties signed with other countries. With the exception of Japan and the United States, in countries which include Australia, New Zealand, France, West Germany, Italy, Norway and Sweden, there are government-controlled overseas telecommunications systems. In Great Britain the British Government has completed a major privatization of British Telecom through a share offering. However, the British Government retained just slightly more than 50 per cent ownership in the company. Thus it has a controlling interest.

Canada is a party to a treaty called the INTELSAT Treaty. INTELSAT is the international body which was set up in 1964 to govern all international overseas telecommunications satellite traffic. A key objective of INTELSAT is to provide even the most remote areas of the world with access to the global communications system. Therefore, services are to be provided at the same cost in high density traffic regions, for example industrialized countries, as in lower traffic regions. Essentially, the INTELSAT Treaty provides for a cross-subsidy system by which the richer countries subsidize the poorer ones.

With a U.S. satellite set up a privatized Teleglobe, which has as its goal the bottom line and profits for its shareholders, could well be in a conflict of interest situation. On the one hand it is supposed to represent Canada internationally on INTELSAT and carry out Canadian policy. On the other hand, it could be tempted to send at least some of its calls overseas via the cheaper U.S. systems. Its obligations to its shareholders would almost demand this, we believe, if going through the U.S. would be more lucrative. While Teleglobe could always endeavour to remove itself from INTELSAT, how would Canada then fulfil its international obligations? That question has not been dealt with.

I now wish to deal with the position of the employees. Memotec has agreed to provide current Teleglobe employees with a pension plan which is the equivalent to that which they currently have under the Public Service Superannuation Act, which is a good pension plan. Unfortunately, despite comments made by the previous speaker, an Hon. Member from the Conservative Party, future employees of the company will not be eligible for this equivalent pension plan. For new employees there is to be a pension plan equivalent to the norm "in the telecommunications industry" in Canada. In other words, what we will see created after this deal is completed is two classes of employees, one with a respectable pension plan and the other with a less generous one. There are no job guarantees past the five-year period provided for in the Bill.

The employees are not very happy with the arrangements made with regard to their pensions. They point out that the arrangements made here are not the same as those made in other cases where the Government has divested itself of Crown corporations. Let me point out some examples.

• (1310)

In the case of Veterans Hospital, which was turned over to municipal operations, the employees were allowed to retain their Public Service pensions; in the sale of Canadian Arsenals, the purchaser and the union were able to negotiate a pension plan which allowed for the same kinds of benefits as a public service pension.

It should be recognized that most people had no concern about the growth or success of the purchasing company after privatization. With the Teleglobe sale, the Government is saying, as it did in the case of the sale of Canadian Arsenals, that they are protecting the employees. It is being said that they are offering the employees of Teleglobe everything offered to the employees of Canadian Arsenals, other than that in respect of the level of future additions.

The employees at Teleglobe have not negotiated with Memotec Data Incorporated, and they are feeling very insecure. There is no guarantee that Teleglobe will have the monopoly protection that the Government has suggested. Already Bell Canada and some provincial telephone companies are talking about bypassing Teleglobe; in other words, going through the United States.

So, there is no guarantee of success, and the employees feel that they are leaving a secure and growing pension plan for something smaller and less secure. Even if they could be guaranteed the protection which was theirs under the Pension Benefits Standards Act, they might accept.

The employees of Teleglobe have made their position clear: they are unhappy. They are unhappy about the lack of job security. There is no guarantee that Memotec will be able to grow and, even if it gets more business, that it will protect the job security of the present employees.

For all of these reasons, Mr. Speaker, it is our intention to oppose this Bill.

In closing, Mr. Speaker, let me say that we believe that Teleglobe has proven itself an effective money-maker, and as such we do not know why it should be sold. The long range outlook is that the company will stay a monopoly beyond the five year guarantee. There simply is not the demand in Canada

to have another overseas telecommunications service. Teleglobe is, effectively, a utility company, and therefore should remain in public hands, as do some of the telephone companies—

The Acting Speaker (Mr. Paproski): I regret to say that the Hon. Member's time has expired. Questions or comments?

The Hon. Member for Sarnia—Lambton (Mr. James), on a question or comment.

Mr. James: Thank you, Mr. Speaker. I should like to address some comments on the remarks made by my friend from Winnipeg North. It may be that there will be a question come out of all of this.

I am a little concerned about the paper that he read from when he talked about the sale price being $350 million. It was $488 million, plus $100 million in returned profit, plus $18 million. Those are very right and proper figures. We have to be careful about the figures that some researcher gave to him. I am wondering whether his researcher read the proceedings of the legislative committee on this Bill. Certainly, the sale price was not an issue of any consequence during committee consideration of the Bill. There may have been one question on it. Certainly there was no lengthy discussion or questioning on the sale price itself. In fact, a Member of his own Party made the statement in committee that it was a very reasonable price.

Also, there was no argument mounted against the selling of Teleglobe by the employee group. Certainly, they had some thoughts and questions, but not about the sale itself.

It has been stated by the Minister, and it was stated in testimony by the President of Memotec, that there would be an equivalent pension plan put in place. The fact of there being an equivalent pension plan was not in issue. What was in issue was the actuarial assumption used in respect of past service. Certainly, it has been stated that there will be an equivalent pension plan for the employees. The only issue is whether the actuarial assumptions would result in sufficient moneys being transferred into the pension plan to handle all of the eventualities that actuaries attempt to calculate in setting up a pension plan.

Given that there was no argument mounted during committee consideration of this Bill in respect of the intelligence of selling Teleglobe Canada, given that the employees did not come before the committee to mount an argument against selling Teleglobe Canada, and given our experience with de Havilland and Fishery Products International, where privatization has resulted in added employment, why does the Party of which my friend from Winnipeg North is a member continue to talk against privatization?

Mr. Orlikow: Let me try to deal with both points raised. With regard to the pension plan, let me put on the record a few paragraphs from the brief presented to the legislative committee which dealt with this Bill by the Communications and Electrical Workers of Canada, on March 10, 1987. Under the section headed "Vested Rights and Collective Agreements", the brief reads:

> —we were told that the purchaser had made a commitment to provide a pension plan identical to the Public Service Superannuation Plan—and the Supplementary Retirement Benefits Plan—for all current employees of Teleglobe Canada.
>
> Our position is that all measures taken to make this affirmation a concrete reality should be defined and tabled to the unions representing those employees before the Bill is passed, in order to avoid any ambiguity.

I do not think that that was done. They go on to say:

> We think plans identical to the PSSA and the SRBA should be offered to future employees as well (as current ones), to avoid treating them in a discriminatory manner.

That is exactly what I said in my remarks. The brief continues:

> So far we have yet to see concrete written proposals from Memotec or the government with respect to the pension plan that will be introduced; that is why we think all such questions ought to be settled before the final passage of Bill C-38.
>
> The CEWC considers that all rights and privileges currently enjoyed by Teleglobe's employees, and more especially those in Local 1653, must continue to apply, and that the government should make every effort required to ensure complete openness about this aspect of the matter.

Insofar as the point made about the price paid, let me read to the House the position which our researcher has given to us. It is as follows:

> Memotec is to pay $488.3 million to the Government for the Teleglobe, and then the Government is to get $102 million in accumulated cash out of the company, plus an $18 million dividend, for a total of $608.3 million. But, these latter payments cannot be considered part of the purchase price, because they represent funds already in Government hands held by the crown corporation.
>
> However, it is also understood that Memotec, as part of the $488.3 million purchase price, has said that it is assuming Teleglobe's debt liabilities, which amount to $143 million. If this is the case, then the government will only really be receiving $345 million for Teleglobe, as no actual funds will be paid for the debt. Memotec has said that it plans to raise the $345 million by a loan of $225 (million) from the National Bank, and an issue of $125 (million) in debentures to institutional investors.

That, Mr. Speaker, is precisely the point I made in saying that we can have real doubts as to whether Memotec can make this financial arrangement work.

The Acting Speaker (Mr. Paproski): The Hon. Member for Gander—Twillingate (Mr. Baker), on a question or comment.

Mr. Baker: A short question, Mr. Speaker.

The Hon. Member for Winnipeg North (Mr. Orlikow) has said that the sale of Teleglobe Canada makes no sense economically.

Given that Teleglobe Canada is guaranteed a monopoly for five years, the purpose of the sale cannot be to increase competition. Given those facts, why does he think the Government of Canada is privatizing Teleglobe Canada?

The Hon. Member for Winnipeg North has told us that there is no logical reason for the sale of Teleglobe Canada. Given that that is his view, can he tell us why he feels the Government is privatizing Teleglobe Canada?

• (1320)

Mr. Orlikow: Mr. Speaker, I will be happy to try to answer that question. I thought I explained my understanding at the beginning of my comments.

We have a Government which ignores the entire history of the development of Canada and really believes that the private sector can do things better than the public sector.

Mr. James: Hear, hear!

Mr. Orlikow: I hear the Hon. Member. He ignores the success of all hydro companies in the provinces and the success of publicly owned telephone companies.

Government Members really believe that the private sector can do things better than publicly owned corporations. In believing that, they ignore the entire history of Canada. We have seen again and again that publicly owned corporations in many areas do a job efficiently and provide a service at a price which the private sector cannot meet. The Government ignores that because it is ideologically locked into the concept that somehow the private sector can do things efficiently and that all government operations are somehow incompetently run.

Mr. Gauthier: Mr. Speaker, I just heard conflicting comments in the House and I want to rectify the record, if possible.

I heard a government representative state that the unions were in favour of privatizing Teleglobe. However, if we look at page 3 of the union brief put to the committee in February, 1987, we see the following:

> The Government's preoccupation with the privatization of Teleglobe seems to arise from their fixation with the national deficit. They intend to use the profits from the sale to reduce this deficit. The short-term gain they will realize from this transaction pales in comparison to the amount that the dividends from Teleglobe would have poured into the national treasury in future years.

It goes on to indicate categorically—and perhaps I will read it this afternoon—that the union opposed the sale of Teleglobe.

Mr. James: Mr. Speaker, I rise on a point of order. I said that there was no mounted argument about selling Teleglobe in the legislative committee. That is what I said. I did not say that there was no argument. Maybe the Hon. Member did not hear me. Perhaps he was behind the curtain.

The Acting Speaker (Mr. Paproski): The Hon. Member for Winnipeg North (Mr. Orlikow) has about 30 seconds in which to reply.

The period for questions and comments is now terminated. On debate the Hon. Member for Ottawa—Vanier (Mr. Gauthier).

It being 1.24 p.m., I do now leave the chair until 2 p.m. this day.

At 1.24 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S. O. 21

[*English*]

ABORIGINAL RIGHTS

FAILURE TO ENSHRINE IN CONSTITUTION

Mr. Keith Penner (Cochrane—Superior): Mr. Speaker, last week Canada's First Ministers missed their opportunity for greatness. With few exceptions, insufficient political will and vision among our government leaders prevented the breakthrough which would have recognized in our Constitution the aboriginal right to self-government. The federal Government's mind-set was predicated on failure. Preparations for the conference were inadequate and the federal strategy became one of damage control.

The aboriginal peoples of Canada lost nothing at the conference. They emerged strong and united with all their rights intact. The Canadian Confederation lost, and our international reputation in the field of human rights has suffered.

We must try again, but this time with strong federal leadership and advocacy. The first step must be an agreement between the federal Government and aboriginal leaders. Once that is done, work can begin on a program of persuasion so that when another conference is called there will be unanimity that constitutional recognition of aboriginal self-government in this country is long overdue.

* * *

GENOCIDE

LESSON OF ARMENIAN HOLOCAUST

Mr. Alan Redway (York East): Mr. Speaker, last night 1,200 people jammed the Concert Hall of the Royal York Hotel in Toronto to watch two films dedicated to the 1.5 million Armenians killed at the hands of the Ottoman Empire in the first genocide of the 20th century.

The 60,000 Canadians of Armenian origin ask us to recognize and acknowledge their tragedy, not just for the sake of Armenians but for the sake of all mankind. There is a lesson here of what can happen when Governments and people are indifferent to the plight of religious and ethnic minorities.

In 1939, on the eve of his invasion of Poland, Adolf Hitler told his generals to show no mercy "because who, after all, speaks today of the annihilation of the Armenians?" The Armenians perished during World War I, the Jews during World War II.

Canada has recently spoken out eloquently about the Jewish Holocaust. Isn't it time for us to speak out just as eloquently about the Armenian Holocaust?

* * *

THE ARTS

HAIDA ARTIST'S REFUSAL TO PROCEED WITH NEW WASHINGTON EMBASSY COMMISSION

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, Bill Reid, a world-renowned Haida artist, has reminded us that art is not simply a commodity which can be bought and sold or produced on demand. Art springs out of the life of an individual or of a people. As an artist, Bill Reid believes that when Canada refuses to recognize the legitimate rights of the Haida people, Canada has no right to display Haida art in its embassies around the world. Because the First Ministers' Conference on Aboriginal Rights has failed, Mr. Reid has said that he will not proceed with a commission for a sculpture using Haida motifs and symbols which was to have been placed in the new Canadian embassy in Washington.

Mr. Reid has made this decision at great personal cost, both in terms of money and also in terms of international recognition of his work. But Bill Reid keeps two things more important than either money or fame. These are his integrity as an artist, and a living relationship with his people.

When will the Government of Canada come to terms with aboriginal nations so that the work of artists like Bill Reid can be shown in Canadian embassies and be seen as a symbol, not of colonial usurpation but of a living partnership among peoples?

* * *

ABORTION

VIOLENCE AGAINST THE UNBORN—FILM PRESENTATION

Mr. John Oostrom (Willowdale): Mr. Speaker, life is priceless. Since 1975, according to Statistics Canada, there have been an average of 60,000 abortions a year. It is crystal clear that abortion is the number one killer in Canada. The film, *Eclipse of Reason*, focuses on second-trimester abortion. I should point out that over 6,000 unborn Canadian children are aborted in the second or third trimester of pregnancy. This film shows quite graphically the manner in which they are killed.

• (1405)

Dr. Nathanson has stated, "Abortion, all abortion, is violence, and violence is impermissible in a world of reason. Late abortion, the systematic and deliberate destruction of a viable foetus, is especially odious". I agree with his statement and applaud his efforts to show all of us the hard, cold truth about the procedure known as therapeutic abortion.

I urge all Members of the House to attend the film presentation today and see for themselves that abortion violently destroys a living human being. I am pleased to note that Dr. Nathanson is with us in the Gallery today.

* * *

ABORIGINAL RIGHTS

THE CONSTITUTION—RESULT OF FIRST MINISTERS' CONFERENCE

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Mr. Speaker, aboriginal nations left last week's First Ministers' Conference disappointed and frustrated. All aboriginal organizations, Indian, Inuit, Métis, and non-status, could not accept the final amendment proposal which was in part a complete contradiction of their long-standing position that they have an inherent right to self-government. They exercised this right prior to the arrival of the Europeans, never gave it up, and it was never extinguished.

The Prime Minister (Mr. Mulroney) should have spent more time seeking a consensus acceptable to the aboriginal nations rather than one acceptable to opposing provinces. As a result he failed on both counts. Although this conference is over, Members of Parliament should continue to work with aboriginal groups in their pursuit of justice and fair play.

* * *

CHILD CARE

PARLIAMENTARY COMMITTEE'S REPORT—CRITICISM OF NEW DEMOCRATIC PARTY'S RECOMMENDATIONS

Mr. Ross Belsher (Fraser Valley East): Mr. Speaker, today the Special Committee on Child Care tabled its report along with its recommendations on government involvement in assisting Canadian families in the care of their children. Throughout our hearings Canadians told us they did not want the Government making decisions on how they would bring up their children, but they asked for assistance when it was needed.

No one attempted to advise us on how to differentiate between needs and wants, although in reviewing parts of the NDP wish list it would appear they are dealing with wants and not needs. Their definition of affordable is, "Cost should not be a barrier to access. Parental fees should diminish over a period of time until they are ultimately phased out." That means complete government involvement.

Neither do they subscribe to the fact that parents may be the best decision-makers concerning their own children. In fact in January they called for the resignation of the Minister of

National Health and Welfare (Mr. Epp) because he dared to make that suggestion. What hypocrisy! Canadians do not subscribe to that kind of thinking. Today's report goes some way toward addressing people's needs and is conscious of the Confederation of which we are so proud.

* * *

CHILDREN

PLIGHT OF HOMELESS CHILDREN

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, over the weekend many of us heard the program on CBC which gave a description of the situation of homeless children. The example used was that of Winnipeg but the problem is not restricted to Winnipeg. It is a national problem. These kids are on the street. They prostitute themselves for meals and shelter. They use chemicals to escape harsh reality.

There is no reason why a country like this cannot take care of all its children. Canadians are relatively comfortable. The report was extremely disturbing and should prod us into action. We must have specific policies in order to make service available to these children while they are on the streets. We also must have policies designed to attack poverty so that children will have decent homes in which to live. I call upon the Government to take leadership in this area so that we have no more homeless children in our country.

* * *

[*Translation*]

NATIVE PEOPLES

FIRST MINISTERS' CONFERENCE

Mrs. Lise Bourgault (Argenteuil—Papineau): Mr. Speaker, contrary to lead articles, and unlike Members of the Opposition and certain people who attended the recent Prime Ministers' Conference on native peoples, I for one consider that it proved to be a worthwhile and profitable exercise in several respects. First, it enabled the native groups themselves to take counsel together, for they must strengthen the ties that bind them so as to form a common front in the quest for the settlement of their claims. Then it made it possible for the provincial premiers to weigh their different views on the question of self-government of the first nations and set up a real mechanism to resume negotiations in the coming year. It also made it easier for Canadians to become better acquainted with the whole matter of native peoples' right to self-determination and understand that the Canadian conference cannot operate without Quebec.

Finally, Mr. Speaker, it made it possible for all Canadians to appreciate the leadership of our Prime Minister (Mr. Mulroney) who advocated a logical formula from which all Parties can draw inspiration if they really want to find a solution to this basic question of the right of the first nations to self-determination.

* * *

• (1410)

[*English*]

ENVIRONMENTAL AFFAIRS

ACID RAIN—PRIME MINISTER'S SCHEDULED MEETING WITH UNITED STATES PRESIDENT

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, in looking at the world of acid rain it is interesting to note that it took the United States a short time to negotiate a treaty to control acid rain which crosses its border from Mexico. This means that when the shoe is on the other foot the United States knows how to get fast action on acid rain.

This is an important fact to keep in mind on the eve of the third Summit. The Prime Minister (Mr. Mulroney) should, in his discussions with President Reagan, ask some pointed questions about the U.S.-Mexico deal to regain the ground he lost when he went out of his way two weeks ago in praising President Reagan for now keeping a promise made a year ago to spend money next year on research and demonstration.

By not restraining himself the Prime Minister gave away his negotiating position at the Summit. It is now time to regain the lost ground and openly and frankly demand acid rain cuts which will be meaningful to Canada.

* * *

SPORTS

CANADIAN TEAM WINS WORLD WOMEN'S CURLING CHAMPIONSHIP

Mr. Patrick Crofton (Esquimalt—Saanich): Mr. Speaker, Canadians enjoy, support, and indeed participate in the full range of local and international athletic competitions. Athletics make a substantial contribution to personal good health, to building the fabric of our country, and to presenting a favourable image of Canada abroad.

Such a happy event occurred this past Saturday which merits the applause of all Canadians. A team of young women representing the Racquet Club of Victoria, the Province of British Columbia and, most important, Canada, won the World Women's Curling Championship held in Chicago. The Pat Sanders rink of Victoria, which includes as a key member the niece of a distinguished Member of this House, overcame with courage, perseverance, and great skill all the challenges before it. Members of this House, indeed all Canadians, salute them.

Some Hon. Members: Hear, hear!

* * *

MULTICULTURALISM

CRITICISM OF GOVERNMENT POLICY

Mr. Ernie Epp (Thunder Bay—Nipigon): Mr. Speaker, action against racism in our country is an urgent necessity. The multiculturalism sector sponsored a conference last July to consider strategy in race relations. Participants at the Winnipeg gathering urged strong action by the federal Government. There was debate between those who think that the primary challenge is to sensitize Canadians to these issues and those who believe minorities need to be empowered to grapple with systemic discrimination.

The Minister responsible for Multiculturalism (Mr. Crombie) has failed to resolve this debate. He has not yet stated what his race relations strategy is. Members of Canada's ethnocultural communities have been largely disappointed in the multicultural policies of the Government. Members of the visible minority communities have even less reason to be pleased. They have heard a lot of talk but have seen very little action.

I call on the Minister responsible for Multiculturalism to develop a strategy for overcoming racism in this country and to tell us what it is. The social situation becomes more urgent with every passing day.

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ENVIRONMENTAL AFFAIRS

WILDLIFE—EFFECT OF ACID RAIN

Mr. Stan Darling (Parry Sound—Muskoka): Mr. Speaker, last week two very important environmental conferences were held in Quebec City. I refer to the National Wildlife Federation and the fifty-second North American Wildlife and Natural Resources conferences. Both organizations have their head offices in Washington, D.C.

Over 1,000 delegates were present and most were American. They heard the Prime Minister (Mr. Mulroney) and our Minister of the Environment (Mr. McMillan) speak forcefully on acid rain saying that the United States must do more to reduce its emissions, specifically that action should be taken by the White House and the U.S. Congress to enact legislation which will reduce U.S. emissions falling in Canada by 50 per cent by 1994. Estimates of these emissions are about 4 million tonnes annually.

Canada and four provinces, P.E.I., Newfoundland, Ontario, and Quebec, have already signed agreements to this effect to reduce their SO_2s by 1994. Manitoba is expected to sign very shortly. New Brunswick and Nova Scotia have not signed as yet. However, our Minister of the Environment recently met with Premier Buchanan of Nova Scotia to discuss this. The Special Committee on Acid Rain has invited Premier Richard Hatfield of New Brunswick to appear before it on Thursday, April 2. This is another example of great progress being made on the serious problem of acid rain reduction.

* * *

• (1415)

APARTHEID

SOUTH AFRICA—ADVERTISEMENT PUBLISHED BY *THE GLOBE AND MAIL*

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, this morning, in a full-page ad in *The Globe and Mail*, the representative of the Government of South Africa said goodbye. He urged Canadians to go to South Africa to see that virtual nirvana will be found there for black people.

The Globe and Mail printed this ad at a cost to the South African Government of $29,000. Of course its defence will be freedom of the press, but I ask *The Globe and Mail* to seek fairness as well and accord gratis to the other voices from South Africa equal space to tell the truth.

* * *

TRADE

CANADA-UNITED STATES NEGOTIATIONS—USEFULNESS OF DEBATE

Mr. William C. Winegard (Guelph): Mr. Speaker, since the debate in the House on new trade arrangements a couple of weeks ago, I have sensed in my riding of Guelph and elsewhere in Canada a growing awareness of the importance of the Government's trade initiatives, both with the United States and the multilateral discussions under GATT.

The debate clarified many points. We learned that our agricultural marketing systems were not on the table. We learned once again that our social programs were not in jeopardy. We learned that protectionism in the United States was strong and growing stronger. We put to rest the Liberal and NDP concerns about the Auto Pact.

The debate strengthened the Government's resolve to protect Canadian sovereignty while promoting Canadian jobs. We learned that the NDP is afraid of American competition. We tried to learn where the Liberals stood. Following the debate, Canadians from all walks of life have come forward to say: "We can compete. Let us get on with it".

Oral Questions

CULTURAL AFFAIRS

DONATIONS TO MUSEUMS AND ART GALLERIES—POSSIBLE EFFECT OF TAX CHANGES

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, the provisions of the Income Tax Act and the Cultural Property Export and Import Act encourage, through tax incentives, Canadians to donate works of art or other cultural property to public institutions in this country.

The fair market value as determined by the Cultural Property Export Review Board for the last year amounted to some $17.5 million in respect of some 430 donations.

It will be interesting to find out whether changes rescinding the exemption from capital gains tax on certified cultural property for taxpayers who are required to use the minimum tax calculation will adversely affect the generosity of Canadian donors.

In the meantime, let us thank those people who have done so much to enhance the stock of cultural property held by Canadian museums and art galleries.

ORAL QUESTION PERIOD

[*Translation*]

CHILD CARE

CONSTRUCTION OF DAY CARE CENTRES ACROSS CANADA—GOVERNMENT POSITION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, the official document released by the Prime Minister during the last election campaign contained a promise—the words are those we read in the document—to find a speedy, realistic and effective solution to the pressing problem of child care.

This morning, almost three years later, the Conservative Members of this committee produced a report that fails to fulfil the promise made by the Prime Minister and fails to meet the pressing need for a national day care system.

Will the Prime Minister commit himself now, this afternoon, to building day care centres across Canada, because otherwise a national day care system is doomed to failure?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, is the Leader of the Opposition serious about asking me to start building day care centres across Canada, when I received the report of a special committee of the House on child care, published under the title: "Sharing the responsibility", only a few minutes ago? Is he serious about having no hesitation about approving anything that can get the slightest bit of support for his party? Would he not prefer to take a more reasonable and sensible position? He could say, for instance, that now a report by a parliamentary committee has been submitted, we will take a quick look to see if the basic criteria at the national level are met, and if that is the case, we will make some progress. If not, we will table a proposal in the House to give Canada a day care system that will help those who need it, first of all, and include conditions for providing for the necessary funding.

Interestingly . . . I would like to hear what the Leader of the Opposition has to say about the taxes involved and the people who will have to pay for this extraordinary suggestion . . . Now he is being coached by the Hon. Member for Laval-des-Rapides. He certainly needs coaching because suggestions like that tend to raise expectations.

• (1420)

[*English*]

Mr. Turner (Vancouver Quadra): I can say to the Prime Minister that I am deadly serious because the recommendation of his members this morning did not respond in any way to the promises the Prime Minister made on behalf of his Party during the election campaign. Three years ago the Prime Minister's Government already had a report by Katie Cooke available and it has taken another three years to study the question once again.

SITUATION OF MODERATE-INCOME FAMILIES

Right Hon. John N. Turner (Leader of the Opposition): Since Conservative Members this morning proposed virtually nothing to help moderate-income parents in their struggle to afford quality child care, will the Prime Minister question his members as to why in their report they gave no hope to the children of moderate-income families for quality day care services?

Some Hon. Members: Hear, hear!

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I hear the "Hear, hears" from the other side. Reference was made to the Cooke Report. My understanding is that the implementation of that report would cost $11 billion a year.

Some Hon. Members: That is right.

Mr. Mulroney: That is $11 billion a year, the equivalent of the total cost of the old age pensions. Is my right hon. friend saying he wants the Cooke report implemented today because he just referred to it so favourably? If he is, let him then stand up for the first time with some degree of responsibility and indicate to the Canadian people how he is going to pay for it.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): What we have here is a bit of bravado to disguise the fact that the Conservative members of that committee have broken another promise of the Prime Minister. That is what we have. The Conservative members of the committee have ignored the need for national standards and a national plan for child care.

REQUEST FOR FEDERAL-PROVINCIAL MEETING ON NATIONAL STANDARDS

Right Hon. John N. Turner (Leader of the Opposition): Will the Prime Minister meet urgently to obtain a federal-provincial consensus on national standards so that we can have a plan which responds on a national basis? Forget the bravado, forget the rhetoric, for once give us some action and response on one of the promises made by the Government.

Right Hon. Brian Mulroney (Prime Minister): The Right Hon. Leader says to forget the bravado, but he is also implying forget the facts, forget the costs. We are saying, no, you cannot have it both ways. You either have to be fiscally responsible and have low interest rates and growth or you are going to have the bankruptcy inflicted on the country by the Liberals in the past. You can't have it both ways.

You cannot have the hypocrisy of the Liberals on fundamental issues like this because some people, including the media, are going to begin asking you where you really stand. Do you want $11 billion a year expenditure here? If so, where are you going to get the money, because it will have to come from Canadians. It is time you started to tell them that.

Mr. Turner (Vancouver Quadra): You made the promise.

Mr. Mulroney: On March 2, I said on behalf of the Government:

> We know that a comprehensive child care system will require significant resources, and we are going to have to find them. For I want to state clearly that our commitment to a child care program is real and that Canada shall have an effective national child care system.

Mr. Turner (Vancouver Quadra): When?

Mr. Mulroney: That is the commitment of this Government and it shall be consistent with the commitment to fiscal integrity which was abandoned by the previous Government and which cost Canadian families so dearly.

[*Translation*]

COMMERCIAL DAY CARE CENTRES—PUBLIC FUNDS—GOVERNMENT POSITION

Mrs. Lucie Pépin (Outremont): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. According to the Cooke report and the "Conservative" report submitted this morning, today Canada has only 10 per cent of the day care facilities it needs to acommodate 1.9 million children. Is the Government prepared to table proposals that are more generous than those in the "Conservative" report tabled in the House this morning?

• (1425)

[*English*]

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, first it would be appropriate to thank the chairperson of the Special Committee on Child Care who chaired long meetings which produced the report, the Hon. Member for Lincoln—

Some Hon. Members: Hear, hear!

Mr. Epp (Provencher): —as well as all members of the committee, including the Hon. Member who just asked the question.

I intend to study the report in detail, as many of us will. I think all of us recognize that when we are dealing with child care there has to be a mix of programs and choices into which parents can opt. That is the basis of the report, and I have only read parts of it. I have not studied it completely, but that is the way the report reads.

Having said that, it is important to take a look at those recommendations. I wish to say to the Right Hon. Leader of the Opposition that we have already met with the provinces on various configurations, some of which are similar to those in the report and others which are not. As the Prime Minister has said, there will be a national plan.

One thing I want to disabuse members of the Opposition of very quickly and clearly is that there is only one method about which there is a consensus among Canadian parents as to how child care should be funded. The report very clearly indicates that there has to be more than one method. On that point, I think we should all agree today.

[*Translation*]

REQUEST FOR CONSIDERATION OF LIBERAL MINORITY REPORT

Mrs. Lucie Pépin (Outremont): Mr. Speaker, we know that a number of recommendations made by the Special Committee reflect a fragmented and weak approach to the crucial problem of children and day care.

Could the Minister inform the House whether he would consider both the Liberal Party's minority report and the Conservative report, in order to create a satisfactory, equitable and high quality system across Canada?

[*English*]

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, in partisan politics there is always the temptation to give a quick response. As people have only had the report for a few hours I hope that they will study it in detail. By the same token I say to the Hon. Member, and, again, I do not know the entire proposal put forward by the Hon. Member and her Leader, if we are to trigger it only through the Canada Assistance Plan, even with the recommendations they make, then the problem becomes the following. Where is the turning point? We have discussed that here before as well. Do we make the turning point approximately $23,000 or $24,000, as it is currently under CAP? What happens to families with gross incomes above that which have a number of children and in which both parents are working? Before people go shooting all over the place like rockets that find themselves with nowhere to go, I am simply saying that they had better be

careful that they analyse these matters carefully. Once that is done, the Government will come forward with a report.

REQUEST FOR UNIVERSALLY ACCESSIBLE SYSTEM

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is for the Prime Minister. More than 20 years ago we launched a universal medicare system in Canada which is the envy of most of the world. Today we should be doing precisely the same thing, based on the same principles, for child care. In the past we knew that we could not have medicare based on a system of tax breaks. My question to the Prime Minister is this. Since the Conservative majority on the committee which has just brought in its report advocates most of the government spending on child care come from a tax break system, will the Prime Minister now make it clear that he is committed to a universal, publicly effective system of child care, categorically reject this majority recommendation and say that the Government will put up money directly to provide the services our children need?

Some Hon. Members: Hear, hear!

• (1430)

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, child care is a very significant and worthy national objective. We have discussed it. I have indicated that my Government is committed to it.

This report by parliamentarians came in only a few hours ago. In the tradition of parliamentary respect, we will want to read it and analyse it very carefully before responding.

As I have indicated in other circumstances—and I am delighted to do so again today—a child care program, which is something that cannot be instituted overnight, obviously, will require significant new resources. Notwithstanding that money has been rare in terms of its availability for new programs, we shall find, during the first mandate of this Government, the significant new resources necessary to ensure that, along with the provinces, we are on track in the development of a national child care program.

Some Hon. Members: Hear, hear!

Mr. Broadbent: Mr. Speaker, the Prime Minister knows that a fundamental question of principle is involved here.

REQUEST FOR GOVERNMENT FUNDING

Hon. Edward Broadbent (Oshawa): Considering that 77 per cent of those who addressed the committee on the issue of funding opposed using the tax system to launch an important needed service such as child care, will the Prime Minister at least deal with that principle and say that we will do with child care what we have done with education in this country, what we have done with medicare in this country that is, not make it dependent on a specially calculated tax cut system but make it dependent upon direct government commitment?

Will the Government make that commitment now?

An Hon. Member: Read the report!

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, the Leader of the New Democratic Party dismisses the tax credit system, as he did in his question. I think it is important that it is understood by those following this debate that what he is saying is that he does not want a certain amount of the money that is to be put into child care to go directly to the parents, who will then decide, in their circumstances, what is best for their children.

It is easy to make those kinds of statements, but one has to analyse the effect. The first point that has to be made is that parents want to have some of those choices.

As the Prime Minister has said, it is obvious that we need more day care facilities; but I cannot accept the kind of response that the Leader of the NDP gives, with a cavalier rejection of the one side of the equation, that of parental choice. Those living in rural areas often have greater access to the extended family, and using the extended family for child care is a system that has worked well for them. Let us not deprecate that. Let's look at how we can extend that throughout our modern society, in giving to parents the choices that they need.

Mr. Broadbent: Since the Minister has chosen to answer, I can tell him that the arguments he has just given were arguments given by his Party against medicare when it was introduced more than 20 years ago. The same arguments were given in the 19th century against the introduction of a public system of education.

An Hon. Member: State ownership of children.

Mr. Broadbent: If the Minister reads our report, he will see that all kinds of options are given to parents. We want parental input into the decision on child care.

Some Hon. Members: Hear, hear!

MINISTER'S POSITION

Hon. Edward Broadbent (Oshawa): Since the Minister has chosen to answer, let me ask him if he will admit that 70 per cent of those who gave advice to the committee on this issue were turned down by the Progressive Conservative majority on the committee? And will he admit that 78 per cent of those appearing before the committee recommended against public funds going to profit-making day care centres and that that, too, was turned down by the committee?

Will he admit that he is not bringing in a universal system of child care but is, rather, going back to quaint old reactionary 19th century ideas, ideas almost innate to his Party.

An Hon. Member: State ownership of children.

Mr. Broadbent: I am prepared to have a battle on this one.

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, the Leader of the NDP can have his own views,

but he at least should have his history correct. If he goes back to the issue of hospitalization—

Mr. Broadbent: I said "medicare". Listen.

Mr. Epp (Provencher): I am listening. If he goes back to the issue of hospitalization, if he goes back to Tommy Douglas, Emmett Hall, and the Right Hon. John Diefenbaker, because there was the five-province rule, it could not be triggered in—

An Hon. Member: Diefenbaker was opposed to the Canada Pension Plan.

Mr. Epp (Provencher): Because of the five-province rule, Mr. Diefenbaker couldn't trigger it in. The last province staying out was Ontario, and Mr. Diefenbaker said: " Look, we will remove that condition, and any province that wants to come in can do so. We will have a national plan."

With all respect, your history is wrong.

Some Hon. Members: Hear, hear!

An Hon. Member: You guys are rewriting it. What about the CPP?

Mr. Epp (Provencher): The second point I would make is in relation to the 77 per cent figure. If he has read the report, he will find who comprised the 77 per cent. Yes, they were people from the CLC primarily, from each location, as can be seen from the report and the break-out of the witnesses.

If one looks at page 342 of the Cooke report, it will be seen that the NDP propose to finance the $11 billion expenditure by, first of all, removing all dividends on any earnings of interest—and, by the way, the first $1,000 interest exemption is claimed by seniors; secondly, Mr. Speaker, they would propose that there be removed from RRSPs all tax benefits. For all Canadians RRSPs would be gone—

Some Hon. Members: No, no.

Some Hon. Members: Order.

Mr. Epp (Provencher): And number three, they are going to wipe out the Department of National Defence.

GOVERNMENT RESPONSE TO COMMITTEE REPORT

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, my question is directed to the Prime Minister.

The Prime Minister has said on at least three if not four occasions that "we shall have an effective child care system"; and he has also indicated—and I was very glad to hear this—that he will commit substantial resources to this end. He has said repeatedly: "an effective national child care system."

The major tax recommendations of this special committee do not reflect this promise of the Prime Minister's, nor do they reflect the views of most of the witnesses who appeared.

I would like to ask the Prime Minister whether he will personally take the time to review these submissions; and further, will he ensure that the Government's response calls for federal funding for non-profit accessible quality child care as a top priority, rather than giving money away in tax breaks?

Some Hon. Members: Hear, hear!

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, indeed I will take the time to review this important report carefully, and I would hope that my hon. friend will do the same thing.

Ms. Mitchell: I already have. I wrote it.

Mr. Mulroney: The member opposite says that she wrote the report.

Mr. Broadbent: Not that one.

Mr. Mulroney: Well, maybe I will have to stand up and congratulate her, because she is breaking away from the NDP position of trying to nationalize our children. I can tell you, that we will not have. I want to congratulate the member for her enlightened position.

Mr. Broadbent: I cannot believe this! This is incredible.

Ms. Mitchell: I heard the Leader of the Liberal Party this morning talking about kidnapping children, and this is going one step further.

Mr. Turner (Vancouver Quadra): You didn't hear clearly.

NON-PROFIT SYSTEM QUERY

Ms. Margaret Mitchell (Vancouver East): The Prime Minister is aware of the various studies that have been done on day care, and many are repeated in the report he has in front of him. These studies show that non-profit child care is qualitatively better than "for profit" child care. Studies right across the country have shown this.

An. Hon. Member: Right on!

Ms. Mitchell: My question for the Prime Minister is: will he be sure, when developing this national child care program that he talks about, to ensure that this principle is embodied in the Government's national child care program?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I indicated to my hon. friend, who has had a great interest in this subject over many years, the extent of the Government's commitment. For example, at the First Ministers' Conference held in Vancouver last year, I, on behalf of the Government, as I did on prior occasions, committed the Government of Canada to searching for ways, with the provinces, whereby, together, we could bring about a genuine and effective national child care system.

• (1440)

I think all of the provinces, be they of NDP, Liberal, or Conservative background, acknowledged that the complexity and the financial burden implied in such a program were such that it could not be done overnight, but they viewed the approach of the federal Government or the commitment of the federal Government as one of very considerable importance, because it marked the beginning of that kind of program which would benefit Canadian families and Canadian parents so greatly. I tell my hon. friend that we will examine very carefully, not only this report, but the minority report submitted by my hon. friend, against the backdrop of the following commitment—that our commitment to a child care program is real and that Canada will find the resources to have an effective national child care program.

* * *

ABORIGINAL RIGHTS

REQUEST FOR REOPENING OF DISCUSSIONS WITH ABORIGINAL LEADERS

Mr. Keith Penner (Cochrane—Superior): Mr. Speaker, my question is for the Right Hon. Prime Minister. As the Prime Minister knows, last week's constitutional conference on aboriginal rights was doomed to failure almost from the outset. The key factor in that failure was his Government's unwillingness to accept the fact that aboriginal self-determination is an inherent and inalienable right. That is a vital and first step. There had to be at least a united front between the federal Government and the aboriginal leaders. Is the Prime Minister prepared to say today to the House and to the country that he will reopen discussions and negotiations with the aboriginal leaders without delay, so that a suitable and appropriate self-government amendment could be found? Would he try, please, to get it right this time?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, we put forward the proposal on behalf of the Government of Canada that the constitutional amendment should reflect the existence of an explicit right. This position was endorsed by Governments of Liberal, NDP, and Conservative persuasion. It was viewed by the provincial Governments to which I just referred as the appropriate way to go. If my hon. friend is saying that I, as Prime Minister of Canada, should have accepted a constitutional amendment that provided for an undefined and immediately enforceable right to self-government giving rise to nation to nation sovereignty in Canada, that is an entirely different proposal. If he is putting forward that proposal, may I ask him if this is the position of the Liberal Party of Canada, the Official Opposition?

LIBERAL PARTY POSITION

Mr. Keith Penner (Cochrane—Superior): Mr. Speaker, the Right Hon. Prime Minister knows the position of the Liberal Party of Canada. It is in the motion—

Mr. de Cotret: Nobody else does.

Mr. Penner: The position of the Liberal Party of Canada and its Leader is clearly stated in the motion proposed by the Leader of the Opposition in the House just over a week ago; that is the position. Will the Right Hon. Prime Minister study that motion and will he accept it as being the route to follow, and engage in a program of persuasion to convince the Premiers of the country and the public that this is the kind of self-government amendment we want and need in order to complete this Confederation of ours?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I am interested by the suggestion of my hon. friend. While I was not in the House at the time, I read *Hansard*. I think there was a question from the Minister of Justice addressed to the Right Hon. Leader of the Opposition asking him if the position he had adopted meant that he espoused a position consistent with that put out by the AFN which has implications of sovereignty, nation to nation sovereignty. The Leader of the Opposition, as I understand it, rejected that proposal and rejected that position.

What we have put forward, endorsed by the Government of Ontario, by Premier Peterson, by his very distinguished Attorney General, by Premier Ghiz, and by the Leader of the Government in Yukon, the NDP, was a commitment which was far in advance of anything put forward before on behalf of the federal Government. If we compare it with the position in 1983 and 1984, we see a tremendous step forward on behalf of native rights coming from the Government of Canada.

I think that I share the view of Ontario Attorney General Ian Scott who said that history will show that Canada missed an excellent opportunity to entrench self-government, because the proposal we put forward, while not perfect, on behalf of the people of Canada and the Government of Canada, strongly endorsed by Ontario, Prince Edward Island, and others, would have marked in its acceptance a great stride forward toward equality and fairness for the native peoples of Canada. I deeply regret that we did not succeed, but I give my hon. friend the assurance that we shall try again to make sure that justice comes about for the native peoples of Canada.

* * *

ENVIRONMENTAL AFFAIRS

CALGARY—TOXIC GAS CLOUD

Mr. Alex Kindy (Calgary East): Mr. Speaker, my question is directed to the Minister of the Environment. As the Minister is aware, yesterday, shortly after midnight, a mysterious cloud

of toxic gas arrived in the southeast area of Calgary causing concern and illness to many of my constituents. Will the Minister give the House an update on the progress being made in identifying the cause of this toxic cloud over Calgary? Can he assure the House that he will offer technical assistance to the provincial Ministry of the Environment?

Hon. Tom McMillan (Minister of the Environment): Yes, Mr. Speaker, I can give the Hon. Member the assurance he seeks. The primary responsibility rests with the provincial Department of the Environment, but the Government of Canada, through the Atmospheric Environment Service of my Department, is backing that jurisdiction to the hilt through every possible technical and scientific avenue. We have not, frankly, been able to determine the exact nature of the toxic cloud. We have, however, eliminated certain possibilities, for example, sulphur dioxide, hydrogen sulphide, and carbon monoxide. The investigation is continuing, again with the full backing of the Government of Canada. We share the Hon. Member's deep concern and are following the issue with a great sense of urgency.

* * *

NATIONAL SECURITY

CANADIAN SECURITY ESTABLISHMENT—INVOLVEMENT WITH MIST GROUP OF COMPANIES

Mr. John Nunziata (York South—Weston): Mr. Speaker, my question concerns the surreptitious organization known as the Canadian Security Establishment and its involvement with the Mist group of companies. Press reports today raise some very disturbing questions regarding this secretive organization. Who are they? What do they do? To whom are they accountable? Are they acting within the law, and exactly what role did they play with the Mist group of companies? Will the Government refer this whole issue to the Standing Committee on Justice and Solicitor General to investigate all the disturbing questions that are raised regarding the Canadian Security Establishment?

Hon. Paul Dick (Associate Minister of National Defence): Mr. Speaker, I can indicate to the Hon. Member that the CSE is a division of the Department of National Defence, reports through the Minister of National Defence, and it is a matter which can be brought up in the National Defence Committee at any time.

Mr. Nunziata: The Minister is mistaken. The Canadian Security Establishment is not accountable to any one Minister and in fact is not accountable to Parliament.

REQUEST THAT REVIEW COMMITTEE BE ESTABLISHED

Mr. John Nunziata (York South—Weston): Mr. Speaker, I would like to put a supplementary question to the Minister. Will the Government bring in legislation immediately to establish a review committee to monitor the workings of the Canadian Security Establishment, to ensure that the privacy of innocent Canadians is maintained, to ensure that the organization is accountable to Parliament, but, more important, to ensure that the organization operates within the law?

Hon. Paul Dick (Associate Minister of National Defence): Mr. Speaker, I can assure him that the organization operates within the laws of Canada and that it does report to Parliament through the Minister of National Defence.

* * *

[*Translation*]

NATIVE PEOPLES

ENTRENCHMENT IN CONSTITUTION OF RIGHT TO SELF-GOVERNMENT—GOVERNMENT POSITION

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, my question is directed to the Right Hon. Prime Minister. Considering the strong disappointment expressed by the chiefs of the aboriginal peoples following the failure of the First Ministers' Conference, and considering that the Prime Minister himself rejected Mr. Pawley's suggestion to simply adjourn the conference until a later date, what is he prepared to do specifically, as of today, to work towards entrenchment in the Canadian Constitution of the right to self-government?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I missed the very end of the question. If you would have the kindness to repeat it?

Mr. Parry: Of course, but not as a supplementary.

Considering the strong disappointment expressed by the aboriginal chiefs following the failure of the First Ministers' Conference and considering that the Prime Minister himself rejected Mr. Pawley's decision to adjourn the Conference to a later date, what is the Prime Minister prepared to do specifically, starting today, to work towards enshrinement in the Constitution of the right to self-government?

Mr. Mulroney: Mr. Speaker, we are still looking for a formula that will make it possible to enshrine the rights of aboriginal peoples in the Constitution of Canada. We worked non-stop on a formula that would receive the approval of seven provinces with 50 per cent of the population. We did not succeed last week, but the federal Government's obligation is clear. I think the responsibility is equally shared by the provinces, and we intend to examine with them and the leaders of the various aboriginal groups the various alternatives available, in order to try and develop another formula that would meet with the requisite consent of the various groups so that this right can finally be enshrined in the Canadian Constitution.

• (1450)

[*English*]

POSITION OF NATIVE PEOPLE

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, by way of a supplementary question, the Prime Minister stated at the conference that the people who would bear the heaviest price for that failure were the native people of Canada. I would like to hear, and I am sure so would all Canadians, what the federal Government will do to ease that burden of failure that has been laid upon the native people of this country.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I indicated that I thought the native peoples would bear the heaviest price, not because of their responsibility but because of our collective failure to achieve an agreement that would relieve them of that burden. I said with the greatest sadness that this was a moral obligation that has been unfulfilled by Canada, by the federal Government, by the provinces and so on.

I point out to my hon. friend that when the amending formula was devised, it was devised, of course, with the concept of 10 provinces involved. I want to tell my hon. friend how difficult it is when a province, which reduces the number to nine, with about 30 per cent of the population, is not part of the amending formula, of the process, and how few doors on which a Prime Minister can knock on behalf of the aboriginal peoples in trying to build that consensus which is necessary.

It may be that if we get the leadership and generosity from other provinces that we will be able, for example, to find a formula which will allow Quebec to become part of the constitutional process. In which case it is my judgment that that would greatly facilitate an equal degree of justice so long overdue to the native peoples, because the Government of Quebec is quite favourably disposed to many of the things that we have been trying to do over the last number of years.

Some Hon. Members: Order.

Mr. Mulroney: I am sorry to have taken a little time, Mr. Speaker, but I know the sincerity of my hon. friend in this matter. I want to assure him of our fullest co-operation in bringing justice to the native peoples of Canada.

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FISHERIES

MARINE ECOLOGY LABORATORY IN DARTMOUTH, N.S.

Mr. George Henderson (Egmont): Mr. Speaker, my question is for the Minister of Fisheries and Oceans. The Minister knows that as of tomorrow the Marine Ecology Lab in Dartmouth, Nova Scotia, will be disbanded based on a decision that he made some time ago. In light of the fact that this move has been condemned by scientists around the world and by the fishing industry in Atlantic Canada, will the Minister stand in his place today and admit that his original decision was wrong? Will he defer the closing until a proper study of our fisheries research programs is undertaken by the industry and the Government?

Hon. Thomas Siddon (Minister of Fisheries and Oceans): Mr. Speaker, first I should point out to the Hon. Member that the work of the marine ecology laboratory at the Bedford Institute is not being disbanded. I should indicate that the commitment of this Government is to strengthen and enhance the effectiveness of our scientific research across the board and, in this case, in support of the needs of our fisheries and our ocean industries. For that reason, out of the some 60 scientists at the marine ecology laboratory, no more than six will have their office location changed or their presence in that laboratory altered. Those six will be moved to St. John's, Newfoundland, where they will assist us to do a better job of supporting the important fisheries management and science in that northern region which was vastly understaffed in previous years.

CANADA-FRANCE BOUNDARY DISPUTE—IMPORTANCE OF SCIENTIFIC DATA

Mr. George Henderson (Egmont): Mr. Speaker, I have a supplementary question for the same Minister. I realize that some of those scientists will be shifted to Newfoundland. But I want to get something across to the Minister today. He knows full well that the favourable decision we got over the United States in the Georges Bank dispute was mainly because of good scientific evidence and data supplied by the Marine Ecology Lab in Dartmouth. That is one of the reasons why we do not want to see that unit broken up.

In light of the fact that we have a real boundary dispute between Canada and France and we need good scientific evidence and data to support our claim in those negotiations, does the Minister not agree that it is more imperative than ever to have this kind of scientific evidence and data to support our case with France?

Hon. Thomas Siddon (Minister of Fisheries and Oceans): Mr. Speaker, the process in which we are engaged is one of integrating and consolidating our scientific resources to bring together more effectively oceanographers with fisheries biologists and hydrographers in certain centres of disciplinary expertise, of which two new ones will be created at the Bedford Institute. The marine ecology laboratory was only a sub-branch within the Bedford Institute. It is being enhanced and improved by the creation of a new centre on plankton ecology; another new centre on contaminants and toxicology, as well another strengthening of this centre in marine biology. We are, in fact, improving our ability to serve the industry in the way in which the Hon. Member seeks.

ENVIRONMENTAL AFFAIRS

ACID RAIN—PRIME MINISTER'S FORTHCOMING MEETING WITH UNITED STATES PRESIDENT

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, my question is for the Right Hon. Prime Minister. It has to do with the upcoming meetings between the Prime Minister and President Reagan. Will the Prime Minister assure the House that when he meets with President Reagan, pursuant to an anxiety that was placed before the Special Committee on Acid Rain last week by a distinguished American expert on acid rain, Mr. Paul Hansen, of the Isaac Walton League, he will seek assurances from President Reagan that if there comes to be a congressional consensus and congressional action on acid rain legislation, the President will not veto such legislation?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, we have been urging the Congress to get its act together for a long time. For example, some of these Congressmen who take the liberty of coming up here—God bless them all—to give us some lectures, I have been saying to them: "Why don't you stay at home and persuade the leadership of your own Parties—not the guy across the aisle, persuade your own leaders—to adopt a position in favour of a control bill on acid rain?" Once it gets through the House and the Senate, I think it will be widely acclaimed in the United States and would be ratified by the administration. We very strongly agree with anybody who shares that view. We have been putting it out for some years.

Mr. Speaker: The Hon. Member for Winnipeg—Birds Hill on a short supplementary, please.

POSSIBLE PRESIDENTIAL VETO

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, I am asking the Prime Minister if he would seek assurances from President Reagan that when that day comes—when Congress is able to do what the Prime Minister says he wants Congress to do and what we all want Congress to do—that the President will not veto any such congressional action, because there is a legitimate worry among the acid rain constituency in the United States that the President might actually contemplate such an action. Would the Prime Minister seek an assurance from the President that he will not do that? That is what we are asking the Prime Minister to do.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I suppose it would depend on what kind of a Bill came out, if any—my friend is shaking his head—in much the same way as New Democrats would not accept, until they saw it on their legislative desks, a government proposal. The Hon. Member would not want someone else in another jurisdiction to give a blind cheque in advance until such time as the legislation is there. All I am saying is that I hope my hon. friend uses his very considerable influence with some American legislators and urges them to take the time and the energy to stay at home prevailing upon members of their own Parties to bring forward a Bill. The member should not worry. If that Bill passes the House and the Senate, it will pass through the United States.

* * *

IMMIGRATION

REPORTED SALE OF CANADIAN VISAS IN LEBANON

Mr. Sergio Marchi (York West): Mr. Speaker, my question is for the Minister of Immigration. We now learn that shady travel agents and consultants in Lebanon are involved in peddling Canadian visas for up to $6,500. This comes on the heels of similar activities and practices in Portugal.

Given that the Government ignored repeated requests last year on trying to come to grips with this problem and that it is not an isolated, insignificant matter, will the Minister investigate the latest scam in Lebanon as part of a comprehensive inquiry covering all our immigration posts abroad so that, together and collectively, we can stamp out this growing industry of fraud and manipulation?

[*Translation*]

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, last week I pointed out to the Hon. Member that, particularly in the case of charges made concerning Toronto passport trafficking with respect to Portuguese, we had asked the Royal Canadian Mounted Police to investigate. The same procedure is followed in any alleged criminal activity concerning the Department of Immigration, that is again we did ask the RCMP to check into and investigate the case raised by my colleague. I should think that the RCMP will pass on to us any information likely to warrant further inquiries.

• (1500)

[*English*]

REQUEST FOR APPOINTMENT OF ROYAL COMMISSION

Mr. Sergio Marchi (York West): Mr. Speaker, my supplementary is directed to the Right Hon. Prime Minister. The confusion paralysing his Government's immigration policy is seriously eroding the confidence of Canadians, including his own back-benchers who have requested his intervention to ensure an overhaul of the entire policy. Will the Prime Minister order a full review, indeed a royal commission on immigration, so that we can collectively clean up the mess and articulate a clear, sound vision of immigration policy? If not, how will he, not the Minister, respond to the request by his own back-benchers, let alone other Canadians?

Mr. Shields: He is trying to clean up your mess.

[*Translation*]

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, I wish my colleague would have

had such clear policies when his Party was in office, because on several occasions he blamed me for being too clear in the policies we have implemented over the past two years, everything is clear and definite... We tell him that the RCMP must do their job and he responds with a confusing question.

Mr. Speaker, some people have specific roles to play in this country: we have ours in immigration, the RCMP have theirs and we are not going to ask them not to do their job simply because everything is confused in the Hon. Member's mind. The events will unfold as they should because that is the way it works in a country and a government where things are done in an orderly manner.

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CHILD CARE

COMMERCIAL DAY CARE CENTRES—PUBLIC FUNDING—GOVERNMENT POSITION

Mr. Robert Toupin (Terrebonne): Mr. Speaker, my question is for the Prime Minister. Tradition in this country is such that health care and education are too important to be considered as profitable sectors. The committee reports indicate that the Government should use public funds to finance commercial day care centres, yet most witnesses who appeared before the committee were against that policy. Would the Prime Minister assure us that his Government is against this commercial approach?

[*English*]

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I will reply to the member in the same way I did to others, namely, that the Government has received the report, will study it, and then come forward with recommendations not only to government Members but also to the provinces. As the Hon. Member should know, this is a shared responsibility. As of today the report has exactly that status and that is the way we will proceed.

[*Translation*]

ESTABLISHMENT OF UNIVERSAL DAY CARE SYSTEM—DIRECT GRANTS—GOVERNMENT POSITION

Mr. Robert Toupin (Terrebonne): Mr. Speaker, my question is directed to the Prime Minister. I should think that time has come for the Prime Minister to live up to his promise to establish a universal day care system. Can the Prime Minister commit himself to making the direct grants required for that purpose before the end of June this year?

[*English*]

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, that is not what the Prime Minister said. The new member of the NDP does not seem to be any clearer on the issues than his Leader.

Some Hon. Members: Oh, oh!

Mr. Broadbent: Keep on talking, Jake.

Mr. Epp (Provencher): The Prime Minister's position is quite clear and we will not—

Mr. Speaker: Order, please. Hon. Members will have noted that this Question Period has been marked with long questions and long responses and is nearly at the end. The Hon. Member for Renfrew—Nipissing—Pembroke.

* * *

SCIENCE AND TECHNOLOGY

ALGONQUIN RADIO OBSERVATORY

Mr. Len Hopkins (Renfrew—Nipissing—Pembroke): Mr. Speaker, thank you for the new challenge.

In a letter to me the Minister of Science and Technology said it would cost $12 million to upgrade the Algonquin Observatory. The National Research Council Vice-President for Science said it would cost $15 million to $20 million. The Minister's own Parliamentary Secretary used yet another set of figures in this House. Why does the Minister disagree with the NRC and his own Parliamentary Secretary? Why is there this big ploy to create the worst possible scenario for the Algonquin Observatory in order to try to justify the Government's colonial decision to remove this science and technology from Canadian soil?

Hon. Frank Oberle (Minister of State for Science and Technology): Mr. Speaker, as I told the Hon. Member on several occasions last week, it was not a government decision not to refurbish the Algonquin Observatory but instead to co-operate in an international effort to establish the world's finest observatory on the best possible site. That decision the scientists made for us on behalf of the NRC and it just happens to be the best option available to us.

NATIONAL RESEARCH COUNCIL'S POSITION

Mr. Len Hopkins (Renfrew—Nipissing—Pembroke): Mr. Speaker, it is not difficult to read the Hon. Minister because my next question is: why is he blaming the NRC for closing the Algonquin Observatory at a time when the officials at the NRC are clearly saying that if the Government had not cut the NRC budget so drastically, $20.5 million, upgrading of the ARO would have gone ahead and Canada would have its own world-class millimetre telescope located on Canadian soil. Now, answer that!

Some Hon. Members: Oh, oh!

Mr. Mulroney: Answer that!

Hon. Frank Oberle (Minister of State for Science and Technology): Mr. Speaker, like every other Member of the

House, you will recall that several months ago I was being criticized for something I was not doing, that is, directing the NRC on how to spend the money Parliament allocates to it. Now the Hon. Member asks why I did not interfere with the decision. He cannot have it both ways. The decision happens to be the best decision—

Mr. Speaker: Order, please. This will be the last question.

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ADMINISTRATION OF JUSTICE

PUBLIC FAITH AND CONFIDENCE—REQUEST FOR CHANGES TO PAROLE SYSTEM

Mr. Alan Redway (York East): Mr. Speaker, my question is directed to the Solicitor General. Does he agree with the Minister of Justice and the Attorney-General of Ontario, both of whom say Canadians have lost confidence and faith in our criminal justice system? Will he take immediate steps to change our parole system, bearing in mind that the Chairman of the National Parole Board said recently there are no clear-cut criteria at present for the granting of parole?

Hon. James Kelleher (Solicitor General of Canada): Mr. Speaker, I thank the Hon. Member for his question and I welcome the opportunity to clarify the statements of the Chairman of the NPB. I am happy to advise the Hon. Member that, yes, indeed, we do have criteria. The study presently under way is to try to implement a more even method of establishing these criteria across the country.

As far as the criminal justice system and the method of sentencing are concerned, as you know the commission has just reported after a two and a half year study. I welcome the report and I and my colleague, the Minister of Justice, are studying it and will report in due course.

GOVERNMENT ORDERS

[*Translation*]

TELEGLOBE CANADA REORGANIZATION AND DIVESTITURE ACT

MEASURE TO ENACT

The House resumed consideration of the motion of Mrs. McDougall (St. Paul's) that Bill C-38, an Act respecting the reorganization and divestiture of Teleglobe Canada, be read the third time and do pass.

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I will give my colleagues a choice: they can either listen to me or leave, but I hope at least 20 members will stay in the House!

Teleglobe Canada

[*English*]

We are dealing today with Bill C-38 which will give legislative authority for the sale of Teleglobe Canada to Memotec. This is a $600 million transaction. My preoccupation with this sale has mostly been with the question of pensions and the right of employees of the new company to a mirror plan pension equivalent to what they had when they were covered under the Public Service Superannuation Act.

• (1510)

The Bill is fundamentally flawed because it does not ensure in law that the employee compensation package will be fair, equitable and respectful with regard to the acquired pension benefits. The Government is attempting to rush Bill C-38 through the House and committee arguing that tomorrow, March 31, is a deadline for the deal, although the Bill has a June, 1987, date for finalization. The reasons are basically financial with regard to the Quebec stock option plan and the new rules which will apply on April 1 for those who invest in plans approved by the province. By blending the equity of Teleglobe, Memotec would change category and there may be some people who would have less interest in buying this stock under the Quebec stock option plan.

Nevertheless, the employee organizations to which I had the pleasure of speaking this morning have assured me that they have received a better deal from Memotec than they were originally offered by the Government. Although the Hon. Member for Sarnia—Lambton (Mr. James) said that they had not mounted a sustained attack on the Bill, their interest is to protect acquired rights in regard to pension and to protect their plan from being eroded by a pick and choose option of the Government with regard to actuarial assumptions and, more specifically, the interest rate and mortality rates.

This is a rather complex issue and for the average Canadian who has not been briefed it could be somewhat difficult to understand. I will try—

[*Translation*]

in French we say "vulgariser", and in English I would say

[*English*]

—make it as simple as possible. I will use the KISS principle, "Keep It Simple, Stupid". The idea starts with actuarial assumptions.

[*Translation*]

And what are those actuarial assumptions? In the case of Memotec, we are talking about $100 million, a fairly substantial amount, that would be set aside for employees.

The Government, however, has decided against transferring the entire amount to the new company which would otherwise have had a fully funded plan. The Government is proposing to transfer only 90 per cent, on the basis of actuarial tables produced by the Chief Actuary of Canada in 1971. The Government has considered factors which we find hard to

reconcile with what we know today about the latest assessments made by Canadian actuaries of the Canadian Institute of Actuaries.

Regarding the first item, interest, the Government maintains that the interest rate proposed by the actuaries is too high and therefore wants to bring the rate down. Furthermore, the Government again, while recognizing that the GAM, which is a GAM 83, the—

[*English*]

—the Group Annuity Mortality.

[*Translation*]

So, what the Government did was to use GAM 71 instead of the far more recent GAM 83. The difference between GAM 71 and GAM 83 is that the latter study recognizes that the life expectancy of workers is far greater than it was in 1971. People are living longer and so will be entitled to pension payments for a longer period of time, and we must therefore provide for additional funding.

The latest GAM was a study prepared by the Canadian Institute of Actuaries in 1983, which recognizes, as I said before, that life expectancy has improved and people are living longer. The Government did not consider GAM 83 but GAM 71 because it was more convenient. According to GAM 71, people were dying at an earlier age which meant that the Government's outlay for pensions was not as high.

Mr. Speaker, perhaps I should explain that these actuarial assumptions are based on the following components. One component refers to interest, set at 6.5 per cent over the long term. Another component refers to long-term inflation of 5.5 per cent, and there is also a component that refers to wage and merit increases, in other words, advancement during a person's career, which is set at 1.5 per cent. Usually, inflation and wage and merit increases are about 5 per cent. This is important. It is this 5 per cent margin that is most often used by actuaries.

As I was saying earlier—and I am getting back to my point on interest rates—the Government feels that interest rates are too high and that nothing justifies investing as much as $100 million at current rates, which as we know are about 8 or 8.5 per cent, to produce that much money. Expecting the fund to yield more, the Government holds back the money, the Government helps itself and says: We will put back only 90 per cent because we believe that 6.5 per cent over a long term would be enough to meet pension commitments.

Well, Mr. Speaker, the union, the employees and management maintain that there is something wrong, something unfair in this Government approach. And this was, if you will, the basic argument of the union and the employers during the committee proceedings. They quite rightly maintained that indeed the employees had every reason to be concerned because, on one hand the company was committed to continue and maintain a plan identical to the one the employees had with Teleglobe, and on the other the company promised to maintain and give the same sound bases, the same financing and the same benefits the employees had been enjoying all along.

What worries the unions and Memotec management is that if the $100 million actuarial fund were paid to the company there would probably be enough money to keep the fund on a sound actuarial basis. But if the amount paid is reduced to 90 per cent, $90 million instead of $100 million, the employee is quite justified to ask the following question: Will my savings, my money, my contributions be sufficient to guarantee the pension benefits I am entitled to in future years?

• (1520)

And this is an honest question, it is even very serious because ever since the committee sat we had to put up many arguments to convince the Government to listen. Mr. Speaker, in a 1986 telex to Teleglobe Canada employees concerning privatization, the President of the Treasury Board (Mr. de Cotret) had this to say: "Regarding your March 21, 1986 telegram, I assure you that I will be available to meet with you and answer the question on pensions before an announcement is made. As soon as my agenda is definite I will see to it that my office get in touch with you to set the time and place of the meeting." It is signed Robert de Cotret, President of the Treasury Board.

Mr. Speaker, the President of the Treasury Board had promised he would meet with the employees to re-assure them and explain the Government position concerning this transfer of pension funds, but he did not keep his word, he did not take this opportunity he had to give the employees more explanations. He sent his officials to do that, Mr. Speaker, and God knows the employees did their best, but these officials did not have authority to change anything and, since their hands were tied, they had to admit that only the Minister could solve the problem, that is come up with the $10-odd million to put the fund on a sound actuarial basis and do justice to Teleglobe-Memotec employees.

Mr. Speaker, not only the employees said that, so did management people, senior officials who belonged to the *ad hoc* committee. Here is a quotation from page 243 of the March 11, 1987 legislative committee proceedings on Bill C-38:

[*English*]

> I am a manager at Teleglobe. I am a member of the *Ad Hoc* Committee on Pension Matters. It was put together after 90 per cent of Teleglobe employees expressed their concerns about the way pension matters were evolving. The committee was formed to protect the pension benefits which had accrued and would continue to accrue.
>
> The committee is representative of all employees, unionized and non-unionized, and those almost between two chairs. Possibly it is going to become a technical personnel association in the future.

It goes on in the next paragraph:

> Why are employees concerned? I think we should talk about a few terms: pensions and acquired pension benefits.

Later in the same hearing on March 11, 1987, Mr. Rutherford said:

> One more point. We also have been informed by government personnel that the actuarial methods used will be different from those used for Canadian Arsenals and that the results obtained by Teleglobe employees will certainly not be as favourable. They have tried to assure us that it will be close, but whether it will be close or not we have another actuary who says that maybe it will not be. We do not really know and understand why we would not get the same sort of treatment as Canadian Arsenals. It is discriminatory.

Indeed, it is discriminatory that the Government would have *deux poids, deux mesures*, or two weights, two measures. One set of assumptions was used for Canadian Arsenals and there was a good and fair settlement. A different set of figures was used for Teleglobe, another company being privatized by the Government. No wonder employees, managers and non-unionized people would join together to say that it is discriminatory. There must be one standard that will apply to all, otherwise it opens discussions and the possibility of this kind of discrimination.

After the committee stage, the Bill returned to the House at report stage where we moved an amendment that was defeated by the Government.

Today we began third reading. The Member for Sarnia—Lambton (Mr. James) said that in his opinion the unions had not mounted an attack against the privatization of Teleglobe. I think that statement will not bear scrutiny when one reads the reports of the various intervenors in the debate.

The Government has made a decision on privatization. It decided to sell Teleglobe and make $600 million to reduce the deficit. One of the union representatives stated in committee that this was like selling the furniture to pay the rent. Nevertheless, apart from the privatization debate, which I will not enter because my time is limited, I suggest it would have been a good occasion for the Government to show some sensitivity by meeting with the union representatives and others to better explain the transaction as it relates to their pension acquired rights.

Today we saw a letter from the Minister of State for Privatization, who is also Minister responsible for regulatory affairs, which was addressed to all employees of Teleglobe. We also saw the answer from Mr. Carlos Saldanha and Mr. Rutherford, whom I quoted before, on behalf of the Teleglobe Canada *AD HOC* Committee on Pensions.

I want to quote from those documents in order to clarify the situation. The Minister's letter to the employees, attempts to make the case that all employees will be protected fully by this transaction in regard to the continuity of their pension benefits. The Minister states in her letter:

> Teleglobe employees will have the equivalent of a PSSA pension plan and more.
>
> The Conditions of Sale required prospective purchasers to put in place a pension plan that was at least as good as the telecommunications industry norm;
>
> Memotec is replacing the PSSA with a plan that mirrors these benefits for all existing employees;

I accept that. The employees and some of us in the House are concerned that if less money than required is transferred to Memotec, perhaps some of the hard-earned savings will not be there in five years when the monopoly in telecommunications will more or less have run out for that company. Our difference of opinion lies in the fact that the Government, in using the actuarial assumptions it has, literally reduces the actuarial transfers that will be given to the new company by some $10 million. That worries the employees today because it is possible the company could face some difficulties and fall short of the expectations that the Minister seems to imply. She goes on to say in her letter:

> This means there will be no change to the current level of pension benefits enjoyed by Teleglobe employees. It is false and misleading to suggest that they are being deprived of benefits;

No one ever said that. We are saying that there is a shortfall and a use of figures which I do not believe is easily explainable in regard to the actuarial assumptions that have been changed, and with regard to the interest rate and the actuarial mortality rates. We know that Canadians are living longer. We must not try to make people believe that despite the fact that the actuarial studies show an increase in life expectancy, we will use some 1971 study to justify the transfer of funds. That is a measure of some concern.

• (1530)

I would like to make with a few closing remarks. I said that this Bill is discriminatory. I think the employees feel that in this transaction the effects of the actuarial assumptions will have a difficult and possibly damaging effect on their pension benefits. The President of the Treasury Board (Mr. de Cotret) could have solved that if he had kept his word and met with the employees and explained what he intends to do. That complaint not only comes from the unions, it comes from non-union individuals and management. They all feel very nervous and concerned about this plan and would like the Minister to sit down with them—that is all they are asking—and explain and then come to an agreement and, if need be, have a third-party arbitrator to do that for the sake of protecting the integrity of the employees and their savings and pension benefits.

Mr. James: First, I would like to reread the letter in its entirety. The letter was written to the Minister of State for Privatization Mrs. McDougall and is dated March 27:

> Dear Madam Minister:
>
> We, the Teleglobe *AD HOC* Pension Committee—

This is the committee which was concerned about past service actuarial assumptions, and so on.

> —understand that it is in the best interest of the parties concerned that Bill C-38 be passed and come into effect by March 31, 1987. We also wished to see this date achieved.
>
> However, some issues related to transferring values for past service, in our opinion, are still not resolved. We expect that your Government will endeavour to sit down with representatives of this committee, as was previously promised by the Hon. Robert de Cotret, to reach an equitable solution in the process of developing a Reciprocal Transfer Agreement. A proper transfer agreement, when coupled with the future plan offered by Memotec, which we note was more than generous than the norm your Government recommended, will maintain Teleglobe's pension plan features for existing employees as they were prior to privatization.

The letter was signed by Carlos Saldanha who appeared a number of times before our committee. I think that certainly tells it all. Certainly their committee is satisfied with the way in which things are progressing.

In the same vein, I would like to ask the Hon. Member for Ottawa-Vanier (Mr. Gauthier) about the actuarial difference between the CAL proposal or the CAL privatization, and the Teleglobe privatization. Would the Hon. Member also have some ideas as to the differences on the plus side of the benefits and so on of the agreement on Teleglobe versus the one on CAL?

Mr. Gauthier: Mr. Speaker, I am not, as I said, a specialist in actuarial things. I am concerned with the pension side of it. The request I was making and the plea I was putting forth can be explained by the second paragraph in the letter quoted by the Hon. Member, which reads:

> However, some issues related to transferring values for past service, in our opinion, are still not resolved.

That is what I was addressing. It continues:

> We expect that your Government will endeavour to sit down with representatives of this committee, as was previously promised by the Hon. Robert de Cotret, to reach an equitable solution in the process of developing a Reciprocal Transfer Agreement.

My argument with the Government is that it did that with the SNC and Canadian Arsenals. The Government did sit down and come to an agreement. It did meet half way, or I might possibly say in a full way, in trying to come to terms with the actuarial evaluations which were being made.

I am here voicing what I think is a general opinion of the employees and non-union individuals and management. Even though the employees admit that the decision to privatize was taken, it was not their decision. They have told the Government since 1978 or 1979: "Do not privatize. There are dangers here. But if you do, we would like to make sure that what you do is done properly".

There are documents I could read if time would permit which would support the view that the unions consistently have said to Governments since the Liberal Government of 1980-1984, and particularly to this Government, "Do not privatize". But this Government decided to privatize. I am not discussing the privatization process in itself. I am talking about the employee pension plans and the employees' rights and concerns and their repeated requests. The letter of March 27 states:

> However, some issues related to transferring values for past service, in our opinion, are still not resolved.

What I am doing is asking the Government to try honestly to resolve this issue of using actuarial assumptions which possibly are questionable and using the GAM83 instead of the GAM71 which are the actuarial mortality rates it is using now and which, I think, a debatable question and could possibly be resolved by mutual agreement.

Clause 35, of Bill C-38 refers clearly under "Coming into Force", to sections 20, 21 and 25. Section 25 is the section dealing with the pensions entitled "Transitional and Consequential Pension Rights". Clause 35 reads:

> Subsection 4(4) and sections 20, *21*, *25*, *30* and *32* to *34* shall come into force on a day or days to be fixed by proclamation.

But what the people are saying is, "You want the Bill, you have the majority, and you are going to privatize it anyway, but now let us have some concern for the people involved. Before you can proclaim this Bill, would you please meet with us and explain what you are trying to do with actuarial assumptions, how you are going to guarantee and maintain the purchasing power of our savings and come to grips with that issue, either on a one-to-one basis with the unions or have a third party arbitrate and decide by a third-party arbitration process, as we do with many other things, who has the better deal and who can come forth with reasonable, assured pension right benefits, guaranteed and solidly in favour of the employees".

Mr. James: Mr. Speaker, I know the Hon. Member for Ottawa-Vanier is very concerned about the employees, and on his part he is very ethical and right. I think, though, we have to take all things into consideration. He said he did not know about the other aspects of the agreement under CAL. I think we have to take all things into consideration. Of course, the employees want a different actuarial assumption and want it enhanced. Let us take into consideration a comparison between CAL and the Teleglobe plan. The Teleglobe plan has a defined benefit. The CAL plan has no pre-determined level of benefits. Whatever the money is in the plan is what can be bought upon retirement. That is a very significant difference. I think the Hon. Member would want to know that when he considers how the employees are being treated.

Additionally, the Teleglobe plan has full indexing for past and future service. The CAL plan does not. I think the Hon. Member would want to know that when he looks at the total package. Employers' implicit contribution to the Teleglobe plan is 10.6 per cent or more. Employers' contribution to the CAL plan is 6.5 per cent or less. There is a very significant difference between the two. I know my colleague who is interested in this matter will want to know that.

● (1540)

The CAL employees bear all the risks. The Teleglobe employees bear no risks. The risks, if any, in the plan will be borne by the Memotec-Teleglobe Company. These are significant differences, and I know that the Hon. Member would want to take all aspects of all plans for employees into consideration, notwithstanding the fact that the employees have said that they have confidence in the Government and Memotec. They seem to be saying: "Pass the Bill. Let's not muck around with this. We have been consulted all along". We will continue to consult in terms of a final understanding as far as past service is concerned.

Mr. Gauthier: Mr. Speaker, I have just a short reply. I am glad that the Hon. Member gave us the figures which he did.

We did not have those figures this morning. I wish that we had had them because I would have liked to check them. In debate it is always useful to have that type of information.

If the Memotec plan was so good, why is it that the Government is using different assumptions? That is the only question I am putting. As far as the Canadian Arsenals plan is concerned, at the time everyone seemed to be satisfied with the deal made. Why was that not used as the standard? Those are the questions I would ask the Hon. Member. I accept some of the figures, and I will check them out.

The Acting Speaker (Mr. Paproski): The time allotted for questions and comments has now terminated.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Paproski): It is my duty, pursuant to Standing Order 66, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for York East (Mr. Redway)—Environmental Affairs—Possible use of low-sulphur western coal by Ontario Hydro; the Hon. Member for Don Valley East (Mr. Attewell)—Penitentiaries—Illiteracy among inmates; and the Hon. Member for Yorkton—Melville (Mr. Nystrom)—The Economy—Western economic development. (b) Mandate of alleged office.

GOVERNMENT ORDERS

[*English*]

TELEGLOBE CANADA REORGANIZATION AND DIVESTITURE ACT

MEASURE TO ENACT

The House resumed consideration of the motion of Mrs. McDougall that Bill C-38, an Act respecting the reorganization and divestiture of Teleglobe Canada, be read the third time and passed.

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, I am pleased to have an opportunity to participate in the debate today on third reading of Bill C-38, an Act to authorize the sale of Teleglobe. I am pleased to have an opportunity to say a word about privatization, about the Government's privatization program in general and, more specifically, about the privatization of Teleglobe. I regret that the Minister of State for Privatization (Mrs. McDougall) did not take the opportunity, which was hers at third reading, to speak to the House, giving us the benefit of her reflections on this process and on the proposal by the Government. In abdicating her responsibility to do so she gave the Hon. Member for Gander—Twillingate (Mr. Baker) the opportunity for unlimited time in which to make his remarks. Knowing the oratorical talent of the Hon. Member, I am surprised that that time did indeed come to an end and that he is not still speaking. One thing I would have liked to have heard from the Minister, if she had deigned to enter the Chamber and share her thoughts with ordinary Members of Parliament, would have been the Government's philosophy and over-all strategy with respect to the money that the Government will receive as a result of privatization sales.

In the fall of 1985 I had the opportunity to go with a parliamentary study group to Great Britain. I was there with the former Member for St. John's East, His Excellency the Lieutenant Governor of Newfoundland, and several others. I suppose I can refer to the former Hon. Member by name now since he is no longer a sitting member. Mr. McGrath was chairman of the delegation. We spent some time in London meeting with officials and politicians from both sides of the House to discuss the politics and the mechanics of privatization. We all know that the British Government committed itself to a privatization program which, in large measure, it has completed. A great many British Crown corporations have been privatized to one degree or another. I would note, however, that even the British Government and Mrs. Thatcher, whom we in my Party regard as being ideologically extreme with respect to economic matters, retained a 51 per cent controlling interest in British Telecom when they privatized it. Even Mrs. Thatcher was wise enough and pragmatic enough, one might say, to realize that when it comes to something such as communications, and in particular international telecommunications, the public interest must come before any particular ideological consideration or any particular opportunity for increasing the profit that might come to the Government through privatization. Thus the British Government retained a 51 per cent ownership in British Telecom. If I remember correctly, it privatized the other 49 per cent in the market-place through the offering of shares for sale.

When I was in Britain at that time there was a debate going on within the Conservative Party with respect to what should be done with the moneys received from privatization. It was a very interesting debate. One of the things I have found odd about the politics of privatization in Canada is that there has been no debate in Canada similar to that which went on in Britain. The privatization debate here in Canada seems to be somewhat of a sideline. It is something that is going on while other more important things are going on.

I find this regrettable for two reasons. The first is, of course, that I am opposed to the Government's privatization program. Quite frankly, I think it is getting away with murder. I think it is getting away with having all these privatizations, not having all that much attention paid to the process either by the media or by Parliament for that matter. I think these Bills have made their way through the parliamentary process with much less

hassle than the Government deserves on its measures to privatize Crown corporations.

Having said that, what I found most interesting about the debate going on in Britain was the debate going on within the Conservative Party itself about where the money from privatization should go. As I understand the position of the Conservative Party of Canada—and if I misunderstand the position I hope government Members will correct me—it is that this money will simply go into operating revenues, into current accounts. This money will not be set aside for any specific purpose that might either now or later be determined by the Government to be a worthy object of such funds. Within the Conservative Party in Britain there was a debate about whether the money from privatization—and we are talking about considerable sums of money— should go simply into offsetting the deficit or whether it should go into a special fund created by these numerous privatizations. On the part of those Conservatives who were in favour of the special fund option, if I may put it that way, their thought was that they might be better able to persuade the public of the value of privatization if they could point to specific things that they were going to do with the money received from such sales.

• (1550)

The criticism of simply taking any money made from privatization and applying it to the deficit was best put by the late Lord Stockton, or Harold Macmillan, a former Prime Minister of Great Britain. During debate in the House of Lords, Lord Stockton compared the policy of the Conservative Government of Mrs. Thatcher to selling off the family silver in order to pay the electricity bill.

Yet, Mr. Speaker, this is exactly the kind of policy that we see coming from the Progressive Conservative Government here in Canada, the difference being that at least—and this is no ringing defence of the Conservative Party of Great Britain—at least within that Conservative Party, they were intellectually alive enough, or at least the 92 year olds were, to ask whether it was a viable strategy to take this money that was being made from the sale of important institutions and using it in this non-specific, non-goal oriented way of applying it against the current deficit. There was a great debate, and I was impressed with the way a 92-year old parliamentarian delivered a criticism of his own Government. I am probably not being faithful to the exact words, but certainly the analogy of selling off the family silver in order to pay the electricity bill was used.

An Hon. Member: We could sell a few Tories.

Mr. Blaikie: And here, Mr. Speaker, we have a good example of how the Canadian Government is leaving itself open to this particular kind of criticism, leaving aside the more fundamental criticism of the Government's privatization program in the first place, a program with which we, as New Democrats, disagree. We disagree with it both in principle and in practice: in principle because we do not think that a comprehensive privatization program is what is going to bring about the rebirth and necessary restructuring and revitalization of the Canadian economy; and opposition in practice because thus far none of the privatization that this Government has embarked upon has met what we would consider to be the condition under which isolated privatization might be to the benefit of Canada.

I say that, Mr. Speaker, because I want you and other Members to know—and I have said so in the House before—that we are not opposed, on principle, to each and every privatization that each and every Government might consider in each and every moment of Canadian history.

The Manitoba Government, for instance, only recently decided to privatize the Flyer Bus Company. It was felt that that was the only reasonable course of action left to the Government in the circumstances of that case.

It would be a mistake to imagine that this Government's privatization program is simply a matter of pragmatic judgment being made on a case-by-case basis, and what we do disagree with in principle is that privatization should be one of the main elements, or indeed an element, of the Government's over-all approach. We do have a fundamental difference with the Government in that respect.

The privatization of Teleglobe has proceeded without the kind of attention that a major privatization such as this should have received. Teleglobe is a Crown corporation which has been a consistent money-maker. Its sale raises the question of how Crown corporations cannot win when it comes to the Progressive Conservative logic in respect of Crown corporations. According to that logic, if a Crown corporation is losing money, it should be privatized, because obviously the Government cannot do a good job; and if a Crown corporation is making money, then it, too, is to be sold.

The only Crown corporations that fit into this strange Conservative cosmology when it comes to Crown corporations are those which exist in the twilight zone between profitability and bankruptcy.

An Hon. Member: What about de Havilland?

Mr. Blaikie: Mr. Speaker, I would ask anyone who is prepared to get up once I have finished to give to me the definition of a Crown corporation that ought to be kept, given that both being profitable and/or incurring losses are grounds for privatization.

I mentioned earlier, Mr. Speaker, the matter of this being an example, to use Lord Stockton's words, of selling off the family silver. Teleglobe has been regarded by many as the jewel of the Crown corporations. In 1985, it recorded profits of $53.2 million. Its profit picture over the last 10 years is a good one. In 1985, its revenues totalled $678 million.

One of the aspects that has not been considered often enough with respect to the sale of Teleglobe to Memotec, Mr. Speaker, is the international dimension of the services for

which Memotec will be responsible as a result of its ownership of Teleglobe.

I ask you, Mr. Speaker, to consider that Canada is a party to the INTELSAT Treaty. INTELSAT is the international body set up in 1964 to govern all international telecommunications satellite traffic. The key objective of INTELSAT is to provide even the most remote areas of the world with access to the global communications system. Its services are to be provided at the same cost in high density traffic regions as in lower density traffic regions. Essentially, the INTELSAT Treaty provides for a cross-subsidy system, with the richer countries subsidizing the poorer ones.

Another central purpose of the INTELSAT Treaty is to ensure that all member countries will direct their satellite traffic exclusively through INTELSAT.

Teleglobe has always been Canada's designated signatory to the INTELSAT operating agreement, and represents Canada on the INTELSAT Board of Governors. A privatized Teleglobe is to continue this role.

Recent developments in the United States, springing from the introduction of so-called competition in telecommunications in the U.S., have led to the U.S. deciding to renege on its commitment to INTELSAT. It will be putting up competing satellite systems, and these competing systems will not have cross subsidies in their rate structures.

With U.S. satellites set up, a privatized Teleglobe which has as its goal the bottom line profit for its shareholders could well be in a conflict of interest situation. On the one hand, it is to represent Canada internationally on INTELSAT, and carry out Canadian policy; on the other hand, it could be tempted to send at least some of its calls overseas via the cheaper U.S. system.

Its obligations to its shareholders would almost demand this, if going through the U.S. would be more lucrative. While Teleglobe could always endeavour to remove itself from INTELSAT, how would Canada then fulfil its international obligations?

Teleglobe has proved itself to be an effective money-maker. Why should we sell off the family silver for a very, very short-term consideration on the part of this Government, for obviously purely ideological reasons, so ideological that they look extreme even in comparison to what has been done in Great Britain?

• (1600)

The privatization program of the Government should receive more attention than it has been receiving. I hope, this afternoon and in subsequent debate, that Canadians will awaken to the fact that what is happening under the Government is a basic restructuring of the economy. I do not think that this is always apparent.

Before my time is up, let me say that the days of the Conservative Government are numbered. But even if the Tories are defeated at the next election, and if they are able to proceed with the economic agenda which they have before them now, through privatization, deregulation, and free trade, it worries me that they will have fundamentally reoriented Canadian economic thinking and restructured the Canadian economy.

Some Hon. Members: It is about time.

Mr. Blaikie: I know that this is their goal, and they are being honest about it right now. However, I am worried that all the dirty work will have been done for the right wing of the Liberal Party. The Conservatives will have been in power for a few short years. They will have done the dirty ideological work for the Liberal Party, if indeed the Liberal Party forms the Government after the next election. It may well be the New Democratic Party. In any event, the fact remains that the Conservative Government is getting away with these things, particularly in respect of deregulation and privatization. These things are happening now. They are not free trade; sometime in the future. They are at third reading, second reading, and in committee. It is high time that people realized what is going on and paid more attention, as we are trying to do this afternoon, to what the Conservatives are doing to our country.

Mr. Blenkarn: Mr. Speaker, New Democratic Party members seem to be speaking vigorously on the Bill. I was wondering whether my hon. friend could tell me why they are objecting to the Bill when the employees want it, when it has been before the public in one form or another since the incorporation and the arrangement for sale of the company by CDIC, when we have had public hearings on the Bill, when not one editorial board of any major newspaper across the country has objected to it, and when there is no public effort to try to hold it up? Why are NDP Members trying to impose their unacceptable business, governmental and social philosophy on the House by delaying the passage of a piece of legislation which has overwhelming public approval?

Mr. Blaikie: Mr. Speaker, I hardly think that we could be accused of delaying the Bill. The Bill was debated very briefly before it went to committee. I believe it went through committee in something like a day or two. We have gone through report stage already, and here we are at third reading. I do not know by what standards the Hon. Member for Mississauga South (Mr. Blenkarn) gets up and accuses the Opposition of delay. If this is delay, they should have more of it. It is hardly a case of where the opposition has made life terribly difficult for the Government.

The Hon. Member for Mississauga South has a brief memory. I remember when he was in Opposition. The amount of time we have taken on this privatization would not have been regarded as significant at all by the Hon. Member.

Regarding his comment about why we are against it, it was nice to have a Progressive Conservative Member of Parliament quoting editorial boards. It is very interesting. I always thought the Hon. Member had a more independent sense of

judgment than that. It was interesting to hear that coming from him.

He also mentioned that the unions involved with this privatization are happy with it. We have not been getting the message that they are completely satisfied. It may be that they have not opposed the sale. Quite frankly—

Mr. Gauthier: They have.

Mr. Blaikie: Whether they have or have not is immaterial to me. I happen to be against the Government's program in this respect. If there are unions in favour of the Government's privatization program, then they are unions with which I have a fundamental disagreement. It is as simple as that.

The Hon. Member will not succeed in intimidating me by telling me that unions are in favour of it, that the Chamber of Commerce is in favour of it, or that editorial boards are in favour of it. One of the reasons he is able to rise and say that there is no public outcry is that there has not been the kind of attention paid to it which I think ought to have been paid to it. Part of the problem, apart from the people working in a plant which may be privatized, is that there is no identifiable constituency. It concerns the over-all macro-economic debate, and it is very difficult for a lot of people to get involved. I admit that that is one of the problems. However, he should not mistake silence from the general public on the issue as approval.

Mr. Gauthier: Mr. Speaker, I have a comment on the latest intervention. *Maclean's* magazine contained an interesting article entitled "Memotec's Tangled Roots". As a matter of interest I should like to read an extract from that article to the House. It says:

> —a very senior official in the communications department says that—his department's advice was overshadowed by the government's political objectives. He said that such a critical telecommunications vehicle as Teleglobe should not have been sold to a small firm like Memotec.
>
> Memotec, he said, is simply too small and is saddled with debt that may jeopardize Teleglobe's operation. Said the official: "On straight dollars, Memotec made the best offer. But the government did not make the best deal for Teleglobe, and that is dangerous for such a strategic industry".

It goes on to explain that the Government is indeed selling the furniture to pay the rent.

I have a question for the Hon. Member for Winnipeg—Birds Hill (Mr. Blaikie). Since 1978-79 the unions have consistently opposed the privatization of Teleglobe.

As a matter of fact, in the transcript of the committee meeting of Wednesday, March 11, 1987, we find the comments of Mr. Carlos Saldanha, President of the Canadian Overseas Telecommunications Union. He stated categorically that the unions were against the privatization of Teleglobe.

Perhaps I misunderstood the Hon. Member. I thought he said that he did not care whether the unions were for or against it, that he thought the principle of privatization was wrong. If I did not understand him properly, it is up to him to correct me. However, I would like to quote the transcript where Mr. Saldanha said:

> There is another reason that the government says we should privatize Teleglobe. Probably other priorities have to be addressed. I appreciate the concern of the government toward the Canadian deficit, being a concerned Canadian. But even there, I still do not see how the government is selling the furniture to pay the rent.
>
> Reports on Teleglobe Canada have shown that the government could easily decrease the deficit by applying some sort of recapitalization of Teleglobe Canada. As an example, Teleglobe could utilize certain debt-to-equity ratios, borrow in the market, give the money to the government, utilize the present assets as collateral, and still be a profitable organization giving the government the dividends as a consequence of these profits.

Does the Hon. Member not agree—and I guess he agrees with me—that Teleglobe was a paying proposition and a good proposition? Does he not agree that it should be maintained, if possible, in the public domain?

The concern I want to address is that of the employees' pension plan. Has the Hon. Member thought about the position of the NDP with regard to the pension plan? I know it has had a long history with these problems. Does he not agree with me that until the pension issue is resolved, we in the House should not vote for such a measure which gives Teleglobe employees a bad deal in respect of pensions?

Mr. Blaikie: Mr. Speaker, I did not think I had to get up to tell the Hon. Member for Ottawa—Vanier (Mr. Gauthier) that we have those concerns about the pension plan. We voted with his Party on the amendment at report stage, proposed by the Hon. Member for Humber—Port au Port—St. Barbe (Mr. Tobin). When other members of my caucus speak this afternoon, I fully expect that they will be addressing those issues. There is no point of contention there between the Hon. Member and me.

• (1610)

With respect to the other point which the Hon. Member raised about what I had to say concerning the unions, I was simply making the point that we arrive at our judgments about the merits of privatization either through a general approach or by a specific proposal as a result of judgments we make ourselves. We do not take marching orders from the unions, or from anyone else for that matter.

The Acting Speaker (Mr. Paproski): Questions and comments are now terminated. The Hon. Member for Cowichan—Malahat—The Islands (Mr. Manly).

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, I have a few comments to make on Bill C-38 dealing with the privatization of Teleglobe. This is important to me. In my constituency we have the earth satellite station at Lake Cowichan. A number of employees are very concerned about their future and the future of the company as it is being taken over by Memotec.

We have questions about the whole process of privatization. In the last few months there has been a great deal of emphasis in the media on the scandals that have racked the Government,

and perhaps on that basis there has not been the kind of critical attention there should have been to the failure of the Government to have a coherent economic policy. At the same time, there has not been the kind of emphasis in the media that there should be that the Government is proceeding with its own very right-wing agenda of deregulating and privatization. The privatization of Teleglobe is a prime example. This Bill is a very clear example of privatization for no other reason than ideology. Teleglobe, as everyone in this House knows, has been a consistent money-maker. In 1985 it had earnings of $53.2 million. Teleglobe has been bringing money into the federal Treasury at a time when we are all concerned about the deficit. The company is a money-maker, and yet the Government is getting rid of it. It is killing the goose that laid the golden egg because the Government wants, I guess, to have a few quick dollars that will look good in reducing the deficit. In addition, Teleglobe performs a vital function in Canada's whole communications industry. Teleglobe is a vital link in international communications.

There are some very serious questions as to whether or not it is in the interests of the Canadian public that a vital link should go into private hands. The Government says it will regulate the company. On the one hand, the Government says we should be getting out of the whole area of deregulation and that we should be deregulating. On the other hand, it says it will privatize Teleglobe but will regulate it. There is a certain inconsistency here. I believe it would be much better if Teleglobe remained a Crown corporation earning money for Canadians, serving the general public interest in the whole field of telecommunications.

I do not wish to speak at any great length this afternoon, but I do want to emphasize the whole question of pensions. When I spoke at second reading on February 16, 1987, I noted the importance of the pension issue because I spoke to the employees of the earth satellite station in my constituency a year and a half ago. It was their primary concern.

Teleglobe is being sold to Memotec. As our critic, the Hon. Member for Vancouver—Kingsway (Mr. Waddell), pointed out, it is like a minnow swallowing a whale. Memotec is not a large corporation. It does not have a distinguished track record. There is a lot of concern about the future of Teleglobe in new hands. Does Memotec have enough clout to be able to maintain the monopoly position that Teleglobe has had? There are no guarantees in the Bill that that will happen. Naturally, employees are very worried about their protected pension plan now being transferred to Memotec, even though some of the provisions are good. People are wondering whether the pension plan will grow or whether there will be problems detrimentally affecting the pension plan.

Concern has been raised that there has been a smaller transfer of funds to the new pension plan than there should be, thus creating a shortfall.

I want to register my concern that the Government is proceeding with an ideological program for privatization when there are no rational reasons for the privatization of Teleglobe. The Government is selling Teleglobe, this very important link in our communications industry, at a time when we see that it has made money for Canadians. We have to ask why. We do not see the reason. There is only one reason I can think of. If there is one thing the Tories like less than a Crown corporation that loses money, it is a Crown corporation that makes money. We are very concerned about the lack of adequate protection for the pensions of the employees of Teleglobe. On that basis, we will have to oppose the Bill at third reading.

Mr. James: Mr. Speaker, I want to speak to the point about there not being adequate protection for the employees. I know the Hon. Member is interested and has concern for the employees. Teleglobe employees will have a PSSA equivalent plan with some added features. I know the member did not have the opportunity to be present at the legislative committee and hear all this and perhaps he has not had a chance to read the minutes. But the pension plan is better and more generous than that provided to other telecommunication industry employees, other private sector employees—with the possible exception of General Motors employees—and other public sector employees in Canada. Why, Mr. Speaker? There is a 2 per cent accrual rate per year, versus 1.5 per cent for Bell Canada employees. There is a maximum pension of 70 per cent of the average best six years of salary. There is full indexation, versus a 2 per cent to 3 per cent contractual indexation or *ad hoc* indexation for telecommunication employees. There is early retirement at age 55 and 30 years of service. There is an unreduced pension at age 60 with five years of service for the people who move over. There is generous pre and post-retirement survivor benefits, 50 per cent for a spouse and 10 per cent per dependant, up to a maximum of 40 per cent. There is full recognition of all prior PSSA service by Memotec, versus recognition of service after January 1, 1987, in most private sector plans. There is an employer contribution of 10.6 per cent of payroll or more for Teleglobe, versus 5 per cent to 8 per cent on average for the telecommunication industry.

I think the Member would want to know those things when taking into consideration his concern for employees and how they are being treated.

• (1620)

Mr. Manly: Mr. Speaker, I cannot dispute what the Hon. Member said concerning some important features of the pension plan. I simply know that there are several unresolved issues concerning the pension plan which the employees of Teleglobe are very concerned about. Both they and I would have liked to have had those issues resolved before this deal goes through. If the Government wanted to deal in an open and above-board manner with those employees, it should have been prepared to wait a while and make sure those issues were resolved before it attempted to push this deal through. If the agreement is as good as my hon. friend says it is, why do the unions continue to insist there are several unresolved issues?

Why is the Government not prepared to resolve those issues before it pushes the Bill through?

The Acting Speaker (Mr. Paproski): Questions and comments are now terminated.

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, I have a few words I would like to say on this legislation. Because of the Government's majority there is no doubt this Bill will go through. However, the Government has not done what any good employer would do to make sure its employees are well treated. It is allowing this sale to take place in such a way that it will be branded as a Government that allowed employees of 25 or 35 years to be sold off with the company and without the same kind of pension plan they had before.

I have heard the protestations of government Members, but we are still faced with the fact that there are employees of Teleglobe who are not satisfied that they have been treated properly. They have put more into the pension plan than they are going to be able to take out. Those employees will receive $7 million less than they would have received had the Government made the same arrangement in this sale as it did in the sale of Canadian Arsenals.

Teleglobe was established in 1949. Since that time, with the infusion of public funds, it has grown. Yet with this legislation we are going to allow a private corporation to reap the benefit of that infusion of public money. That is quite unacceptable to most people. The taxpayer has the right to expect to get most of that money back. That has not been allowed to happen in this particular case, and a very profitable company will be sold to another operation which has very little experience in operating this type of company.

There is something else of concern to us. Here we have a monopoly operation and I am a little surprised that the free enterprise philosophy of the Government did not hold in this case. Ordinarily, if that philosophy did hold, the Government would have sold the company to Memotec and left it to the rough and tumble competition of the communications market-place. Instead, this company will remain under the control of the CRTC, but with only a partial guarantee of a monopoly. That bothers the employees of Teleglobe as well. There will be quite an opportunity for other companies to bypass Teleglobe when it becomes a private organization.

The Government suggests that it will guarantee a monopoly to Teleglobe for at least five years. Even were that to hold true, and there is nothing in this Bill that says it will, what will happen after the five years? There are employees of this company who have given 15 and 20 years of their life who, five years from now, will be working for a company that does not have that protection and that may not have the expertise or power to survive in a free market-place.

There is also the matter of security. As my colleague from Winnipeg—Birds Hill said, every country in the world depends on a secure communications system in that they own and operate to a certain extent their communications with other countries of the world. When Britain sold its overseas telecommunication operations it retained 51 per cent and control remains under British direction. Almost every country in the world is in a similar situation with the exception of the U.S. However, the U.S. has a parallel system operated by the military which is as effective or maybe even more effective than the private system on which it only partially depends.

We are not only giving away a corporation which could do quite a bit to reduce the deficit over the next few years, but we are putting ourselves in the position where we will be dependent upon a corporation which may or may not make a profit. In the end it may have to divest itself of some of its less profitable operations.

There are a number of issues in this sale which the Government has not dealt with in the legislation. It has not taken care to make sure that the employees are satisfied with the new organization, not only for today but into the future. The Government has not made sure that the corporation will continue to be successful. The Government has not even ensured that it will be able to operate profitably beyond the first five years.

• (1630)

The Government has decided that privatization under any circumstances is a good thing. It came to office almost three years ago with the conviction that the privatization of Crown corporations was good for Government and the country. From the day it came into power it began to do something about that conviction. The experience of privatization has not proven that that conviction was worth while following. The Government is now privatizing with no consideration for public interest or public policy but rather on an ideological conviction which it does not even bother to defend.

Canadians must be very concerned about the idea that the Government should not be involved in any enterprise that can be operated by the private sector. There are many areas of service in the country which it makes a lot of sense for the Government to operate. Admittedly, there are many operations in which it does not make sense for the Government to be involved, but there is an area in between, and in that area each divestiture should be examined closely. The divestiture of Teleglobe is one which should have been examined carefully. Through this transaction we are putting into the hands of a private corporation part of an industry which is important, not only to us in Canada but in our relationships with other countries.

If the Government continues its commitment to privatization, we will eventually put at risk the basic structure of Canada. In the West, for instance, we have private telephone companies in almost every province and private hydro companies in every province. All those companies operate well. Those kinds of services as well as international telecommunication services should be carried out by the public sector. Consequently, we in this Party will not be able to support this Bill when it finally comes to a vote.

Mr. Blaikie: Mr. Speaker, would the Member for Prince Albert (Mr. Hovdebo) give us the benefit of his reflections on the difference between the sale of Canadian Arsenals Limited, with which I know the Hon. Member was very familiar as a result of having looked after that issue for the NDP caucus and having sat on the committee? Could he point out some of the significant differences between the way in which that privatization was handled by the Government and the way in which this one has been handled, particularly with respect to employee pensions and the rights of employees in the privatization deal?

Mr. Hovdebo: Mr. Speaker, I was even more concerned about the reason for the sale of Canadian Arsenals Limited than I am about Teleglobe. Canadian Arsenals made armaments for the Department of National Defence of Canada only. With regard to the specific question, the Government was no more prepared in that divestiture to deal with the union than it is in this one. The difference is that this time the Government was willing to sit down with the union and the purchasing company and come to an agreement before the Bill returned to the House. Before the committee stage was concluded, the Government accepted a solution to the pension problem and the union was able to say that it was satisfied with the solution which had been reached, would accept the sale, and believed it had protection for the future.

Mr. McCurdy: Mr. Speaker, I have a question for my colleague from Prince Albert. Elephants have an awful fear of mice, but I do not think that an elephant has ever been afraid that a mouse would swallow it. The Member for Mississauga South (Mr. Blenkarn) said that there was no objection or protest with regard to this sale. However, *Maclean's* magazine has noted that a communications expert questioned seriously, as have others in the business community, the capacity of Memotec to handle this acquisition. The member also indicated that there was no significant antagonistic editorial comment. Yet I see an article in *Maclean's* magazine entitled: "Memotec's Tangled Roots". Perhaps the Member has forgotten the headline in *The Financial Post* which reads: "The Memotec-Teleglobe Buy Raises Serious Questions".

One of the more significant questions is why in God's name the Government is doing this. I was impressed by references to the fact that the Government is willing to unload the family jewels, the epitome of the family jewels being Teleglobe. There must be some reason for this. I am sure it is not just stupid, empty-headed ideology. It may be that there will be jobs created. Is there anything inherent in this arrangement which is certain to lead to the creation of new jobs? Has he heard or been privy to information from the Government that more jobs will be produced and will demonstrate that this sale is consistent with the Prime Minister's (Mr. Mulroney) promise of jobs, jobs, jobs?

• (1640)

Mr. Hovdebo: First, Mr. Speaker, we must remember that a telecommunication policy was not in place during the first attempts to sell Teleglobe. When a buyer was finally found, it was protected by being given a monopoly. This means that it would be under the jurisdiction of the CRTC.

No one can be sure what will ultimately happen to Teleglobe when it is in the market. It may or may not develop into a strong company, but it must operate under the jurisdiction of the CRTC for at least five years.

Mr. Keeper: Mr. Speaker, does the Hon. Member believe that this particular privatization is not in the public interest? Does he have an explanation as to why the Government is pursuing this policy?

Mr. Hovdebo: Mr. Speaker, I cannot read the Government's mind, but I do not believe the sale is in the public interest because telecommunication should be controlled and operated by the Government, particularly in relation to other countries. I have no reason to believe that the Government's motive is anything but blind ideology.

Mr. McCurdy: Mr. Speaker, will the Hon. Member explain, in view of the difference in size between the two companies, why the Government is selling Teleglobe to a company that had a total worth in 1985 that was virtually the same as the profits of Teleglobe in that year?

Mr. Hovdebo: Mr. Speaker, there were five bids before the Government decided on Memotec. Obviously, the companies that were larger and more capable of controlling Teleglobe would not bid for it once they knew the basic guidelines. I presume the Government decided on the company that would follow the rules that were laid down and still make a bid.

The Acting Speaker (Mr. Paproski): Is the House ready for the question?

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, I must say that I am a bit disappointed that none of my colleagues from across the way rose to the occasion to speak in the debate. One must ask why government Members have chosen to sit silent rather than respond to the questions that we on this side of the House have put to them. Members of our Party have been questioning the privatization of Teleglobe all day. We have been raising valid questions about the sale of the company, yet members opposite have failed to state clearly why the Government is turning this company over to the private sector in its pursuit of its privatization policy.

Mr. Turner (Ottawa—Carleton): Because it works.

Mr. Keeper: They heckle from their desks rather than stand up to tell us why they are dragging Canadians with them down the road to privatization. While it is entertaining to hear my colleagues throwing those pointed barbs in my direction, one wonders why they do not stand up to tell us why they are pursuing this policy of privatization.

I wish we had more time for debate today so there would be an opportunity for a government Member to explain the

Government's policy and why they support it rather than belie my assertion that they are supporting this policy in silence.

This debate characterizes the Government's economic policy. It leads one to wonder whether the Government is pursuing this economic policy on fiscal or ideological grounds. One must wonder whether it was wearing ideological blinders when it devised this policy of privatization because Teleglobe is a profitable company that contributes money to the public Treasury and reduces the burden on the Canadian taxpayer.

Why does the Government want to give away the goose that lays the golden egg and deprive Canadians of a money-making machine?

When the Conservatives were in opposition, a role in which they have much experience and to which we believe they will soon return, they believed that Crown corporations were a waste of public money and a drain on the public Treasury. Now that they are the Government, they have taken action under the flag of privatization in order to save public money. However, is Teleglobe an example of such a Crown corporation? When we examine the facts we see that this jewel of a Crown corporation makes money.

While the Conservatives were in opposition they said that Crown corporations were money losers and a drain on the public purse. Yet the Conservative Government is selling those Crown corporations that are making money and easing the burden on Canadian taxpayers. That is a strange about face and reveals quite a difference between the rhetoric when in opposition and the reality of their policies when in government.

The Government has not yet succeeded in privatizing Teleglobe although it is trying very hard to do so. We can see that it is very anxious to privatize this company. Every time a speech concludes in this House, these Hon. Members are waiting to see if there is going to be further debate and then sit silently in their seats. They do not rise to the occasion and enter into public debate. The Government is trying to privatize this company and we, on this side of the House, are not going to make it easy for the Government to do so. We are not going to roll out the red carpet for the Government to privatize this Crown corporation.

• (1650)

Why has the Government picked on Teleglobe Canada? The Minister of State for Privatization (Mrs. McDougall), when commenting about privatization, said that if there is a public policy reason why a corporation should remain in the public sector, it will remain there, but if the public policy reason for a Crown corporation to exist has long passed, then the Government should privatize. The Government can then sell that corporation to the private sector. That is a policy question beyond the question of whether the company can make money or whether it can help out the public Treasury and the average taxpayers. It is a public policy question. Is there a reason that Teleglobe Canada should be in public hands rather than private hands? One of the reasons that strikes me is that all other western industrialized countries have their major telecommunications instrument in public hands. Why do we want to stick out like a sore thumb among western industrialized countries? It seems we have found a secret formula and we are going to go in a totally different direction down a strange road, down which no other western industrial country has gone.

This is beyond toleration. I do not want to make a display, but my colleague has just handed me a cartoon which I would say seeks to demean the New Democratic Party. I would like to tell you about the cartoon, Mr. Speaker, just so you will know why I smiled when I saw it.

The Acting Speaker (Mr. Paproski): If the Hon. Member would send it up to me, I would like to have a look at it, please, and we will carry on with debate.

Mr. Gauthier: Table it.

The Acting Speaker (Mr. Paproski): The Hon. Member is not tabling it. He is just sending it to me.

Mr. Keeper: I appreciate the fact that you took the cartoon off my hands, Mr. Speaker, because the cartoon was not really relevant other than that it took a poke at the New Democratic Party. It took a poke at our high standing in the polls. I think that might have something to do with what we say in this House. Our position on this piece of legislation might also have something to do with our standing in the polls, and perhaps the position of the Government on this piece of legislation with which we are dealing today may have something to do with its lack of standing in the polls.

Dealing directly with the whole question of Teleglobe Canada, I asked if there is a good public policy reason why Teleglobe should be in public hands rather than in private hands. I cited the fact that other western industrialized countries have their telecommunications instrument in public hands rather than in the private sector. I think that should alert us to examine the whole question. The function of Teleglobe Canada is to keep us in touch with the globe, to keep us in communication with our whole planet. The "tele" part of Teleglobe has to do with communications. The "globe" part has to do with the fact that Teleglobe touches the whole planet. If we turn Teleglobe over to the private sector, and allow the lines of communication we have with the globe determined by where a private company can make a profit, obviously there will be vast parts of the globe which will be non-favourable. We will be limiting our own communications with the planet on the basis of where it is favourable to make a profit. If this corporation remains in public hands, it can help us keep in touch with the whole globe. Our planet is shrinking in size and it is becoming more and more important that we be able to communicate globally. It is vital that we have an instrument which allows us to communicate with everyone around the world on the basis of our communications needs rather than on whether or not a profit can be made in carrying on those communications at any one particular time.

The other interesting part of this whole public policy question is the fact that we in Canada have used Teleglobe Canada to represent us on an international basis in countries which concern themselves with telecommunications, for example, INTELSAT. Do we want to use a private profit-making corporation as the instrument to represent the interests of the nation of Canada, rather than having a genuine representative of the public interest, a public body which can provide that kind of representation? I think that would suggest a kind of image of Canada as a large private profit-making corporation. It is like the old saying: "What is good for General Motors is good for the United States. What is good for Eatons is good for Canada".

Canada is more than a profit-making company. We have other reasons to exist. We are a nation and we have national interests. We want those national interests to be objectively represented rather than have them represented by someone whose simple and legitimate purpose is to make a profit and to see its stockholders get the largest possible return.

I have a few more points to make. I would not wish to mislead my colleagues into thinking that I have made all the points I want to make, although I know they may want to get into the debate between now and 5 o'clock, and I welcome their doing so. However, I think it is crucial that I make a few more points. I would like to examine a little more closely the price that is being paid by Memotec for Teleglobe Canada. Memotec is the minnow of the telecommunications industry. It has found the whale. With the assistance of the Prime Minister (Mr. Mulroney) and his colleagues, this little minnow is seeking to swallow that whale. It has been known that whales have swallowed small fish—

The Acting Speaker (Mr. Paproski): Order, please. When this Bill is called again tomorrow, or whenever, the Hon. Member will have five more minutes to speak in debate, plus 10 minutes for questions and comments.

It being 5 p.m., the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

• (1700)

PRIVATE MEMBERS' BUSINESS--MOTIONS

[*English*]

THE SENATE

SUGGESTED EQUAL PROVINCIAL AND TERRITORIAL ELECTED REPRESENTATION

The House resumed from Friday, February 6, consideration of the motion of Mr. Taylor:

That, in the opinion of this House, the Government should consider the advisability of introducing the appropriate measures to abolish the Senate and create a new Senate composed of Senators elected by the people of Canada on the basis of equal representation for each province and territory, and to initiate discussions to that end with provincial and territorial Governments at the earliest opportunity.

Mr. Blaine A. Thacker (Lethbridge—Foothills): Mr. Speaker, it is indeed an honour to speak to the motion of my colleague, the Hon. Member for Bow River (Mr. Taylor), with respect to abolishing the Senate and creating a new Senate. I believe this is a motion that is worthy of passage by this Parliament. I feel the best contribution I can make to the debate and, in particular, to Members who were elected in the election of 1984, is to reiterate the conclusions of the Special Joint Committee on Senate Reform on which I had the privilege to serve.

The special committee was composed of some eight Senators and ten Members of Parliament. We held hearings in Ottawa and in each provincial capital. We received and reviewed carefully some 280 briefs. We heard from 119 witnesses and some 30 organizations. We spent hundreds of hours reflecting on the issue. I now wish to read into the record part of the committee's conclusions. They are as follows:

We have concluded that the Canadian Senate should be elected directly by the people of Canada.

An appointed Senate no longer meets the needs of the Canadian federation. An elected Senate is the only kind of Senate that can adequately fill what we think should be its principal role—the role of regional representation. We propose a Senate different in composition and function from the House of Commons and from the present Senate. The second chamber we recommend is designed specifically—by its distribution of seats, by the way it is elected, and by the powers it exercises—to represent the sometimes diverse interests of the people of Canada's provinces and territories in federal legislation and federal policies.

In fulfilling that role, an elected Senate would strengthen the authority of Parliament to speak and act on behalf of Canadians in all parts of the country.

We reached this conclusion after reviewing the work of previous inquiries into the question of Senate reform and after hearing the testimony of witnesses in all provincial and territorial capitals . . . We were told frequently that, after so many abortive attempts at Senate reform, the time has come for vigorous action—for fundamental change in the Senate—and that it would be a mistake to adopt inconsequential reforms.

Our conclusion was not reached lightly or easily. Although a substantial part of the testimony we heard favoured direct election, a roughly equal part opposed it, mainly on the grounds that a parliament with two elected houses cannot be reconciled comfortably with the principle of responsible government as it has operated in the British and Canadian traditions. Some highly respected people in public life and in the academic community prefer a reformed system of appointment to election. Among this group is one member of our Committee.

Although a reformed appointed Senate could bring about some needed improvements, we are persuaded that it would lack the political mandate to fill what we believe is the Senate's primary role. Only a politically strong second chamber can dispute, when necessary, the decisions taken by a government that is supported by the House of Commons.

Therefore only an elected Senate can satisfy the original intent of the Fathers of Confederation: the provision of a chamber that would balance judiciously the power of the Commons (which is based on representation by population) by safeguarding the legitimate interests of the people of the less populous provinces—

We believe that Canada should establish an elected Senate designed in such a way that it would not be vying continually for supremacy with the House of Commons: it should have significant powers, but it should not be able to undermine Canada's well-tried system of responsible government. We therefore propose that the new Senate be given only a suspensive veto, which would allow time for national debate and reflection, but which the Commons

could, after a suitable lapse of time, override by re-passing the legislation in question.

We also propose that every effort be made to ensure that Senators have a significant degree of independence of party. Only then will they be able to speak in favour of local and regional interests without having to be concerned primarily, as Members of Parliament must be, with adhering to party policy. A healthy measure of independence is therefore essential if the Senate is to fill its role of regional representation. This does not mean that Senators would lose sight of the needs of the country as a whole.

It is for this reason, and also to distinguish Senators from members of the House of Commons, we propose that Senators be elected for a single but comparatively long term—nine years—with one-third of the Senators being elected every three years.

To lessen party influence in the choice of Senators, all but one of us prefer 'first-past-the-post' elections in single-member constituencies to proportional representation in multi-member constituencies. Each province would be divided into as many constituencies as it had Senators.

We recognize that, in the absence of proportional representation for an elected Senate, the political parties will have to work hard to achieve balanced representation from across the country in the Commons and the Senate. This is as it should be. In striving to do this, they will have to adopt their policies accordingly, and this can only benefit national politics.

On the question of the distribution of seats, the Committee was advised by nearly all witnesses across Canada that the division should be made not on the basis of the present four Senate regions but by allocating seats to each province and territory. We accept that this kind of allocation reflects more closely the diverse nature of Canada.

As to how many seats should be allocated to each province or territory, we recognize that there is no perfect solution. We believe that giving an equal number of seats to each province would not be appropriate, having regard to Canada's historical development and the configuration of its population. If each province had the same number of seats, five provinces with as little as 13.4 per cent of Canada's population would have a majority of seats if they had the support of the territories.

While the less populous provinces merit a stronger voice in Parliament, equal representation in the Senate would tilt the balance too far and would be unacceptable to the vast majority of Canadians, not only to those living in the two largest provinces. We therefore propose a compromise whereby most provinces would have an equal number of seats, but Ontario and Quebec would have more and Prince Edward Island and the territories would have fewer. Our proposal would, for example, give the four western provinces together as many seats as Ontario and Quebec jointly. We believe that most Canadians would agree that our proposed distribution, or something close to it, represents a fair solution.

That quotation gives the heart and core of the summary of a thoughtful committee composed of some eight Senators and some 10 Members of Parliament which studied 280 briefs and held hearings in every province of Canada. I personally believe that a combination of this report, together with the report of the Alberta Legislature done by the committee chaired by Dennis Anderson, who is now the Minister of Culture for the Province of Alberta, would give a solid basis for reform of the Senate, something which I think we all agree is very much needed. However, I think western Canadians in particular have to consider carefully the question of "equal per province" since I am not sure that in a resource-based economy it would be wise in the long term for us to transfer to five provinces with only 13.4 per cent of the population a majority of Senate seats. That constitutes a very serious question that I have with respect to the Triple E proposal. It is something that I would join with in a flash if it could satisfactorily answer the question of the transfer of power to one region.

• (1710)

The federal report proposed that there be 96 Senators representing the regions, with 48 seats for the two populous provinces: Ontario would keep 24, Quebec would keep 24. The four western provinces would have 48 seats, thereby neutralizing the two central provinces; and the Atlantic region and the Territories would have 48 seats.

That would amount to a massive transfer of power to the regions, at the Senate level. I believe that is a proper transfer of power, and it is one that Ontario and Quebec could live with as compared to the current Triple E proposal, which calls for an equal number of Senate seats for the provinces.

As Members consider this question, I hope that they will take these views into consideration.

[*Translation*]

Mrs. Lise Bourgault (Argenteuil—Papineau): Mr. Speaker, the motion before the House today, presented by the Hon. Member for Bow River (Mr. Taylor), urges the Government to consider introducing the appropriate measures to create an elected Senate where provinces and territories will enjoy equal representation.

An elected Senate and equal representation for the provinces reflect the proposals submitted and supported by various groups and individuals, including the Premier of the province represented by the mover of this motion. I would like to point out, however, that most proponents of an elected Senate have a third requirement in addition to the two "e's" of "elected" and "equality". They would like to see effectiveness in the Upper House, Mr. Speaker.

I think it would be useful to take a few moments to consider how effective a reformed Senate could be. When we make any changes in the powers of the Senate, such changes also affect the powers of the House of Commons and its ability to defend the interests of the people. Among the proposals for Senate reform, made in the last decade, four major reform proposals recommended having an elected Senate. These proposals were submitted by the Canada West Foundation in 1981, by the Government of Prince Edward Island in 1983, by a Special Joint Committee of Parliament in 1984, which was referred to by the previous Speaker, and last but not least, a plan was proposed by a committee of the Alberta Legislature in March 1985 and renewed since by the Premier of that province.

Of these four plans, only one did not propose electing the same number of senators from each province. The Special Joint Committee of the House of Commons and the Senate was more in favour of a weighting system that would encourage over-representation of the smaller provinces while nevertheless respecting substantial differences in population. According to the report, this formula would prevent five provinces with only 13.4 per cent of the population from controlling the Senate or one inhabitant of Prince Edward Island from being the equivalent of 70 Ontarians or 50 Quebecers for the purposes of representation in the Upper House.

Committee members recommended that the Provinces of Ontario and Quebec should be represented by 24 senators each, Prince Edward Island by six and the other provinces by 12 each.

To respect the statutory equality of each component of the Canadian federation and ensure that national policy takes into consideration the interests of outlying regions, proposals by the Canada West Foundation and the Governments of Prince Edward Island and Alberta, as well as the motion by the Hon. Member for Bow River, all fall back on the formula applied in the United States, in Switzerland and Australia, with the request that the provinces be represented in the Senate on an equal basis.

However, where the motion by the Hon. Member for Bow River is silent on the question of the powers of a reformed Senate, the three proposals I mentioned earlier do focus on this question.

In a study made in 1983, the Government of Prince Edward Island suggested that a Senate elected on the basis of provincial equality should retain the full legislative powers possessed by the Senate as we know it today. Although it would not, and it does not today, have the power to initiate supply Bills, the Senate would retain its absolute veto over all measures adopted by the House of Commons and would, generally speaking, exercise the same powers as the House of Commons.

According to the document submitted by Prince Edward Island, Senate reform would not be justified if that body were to be deprived of the necessary powers to defend the interests of those it is supposed to represent.

In 1981, the Canada West Foundation also proposed that on the basis of its increased legitimacy, an elected Senate should be able to maintain its right to vote on Bills initiated by the House of Commons and to exercise substantial powers.

According to this project the basis of representation—the population for the Commons and the province for the Senate—did not justify one House being directly subordinated to the other. The consensus was that allowing the Senate to have its say about ordinary legislation would guarantee that regional views would be taken under consideration in drafting national policies. However the Canada West Foundation did not go as far as giving the Senate a veto over ordinary legislation. Deadlocks would be impossible since a legislative measure rejected by the Senate would come into force after re-endorsement by a significant Commons majority. Without actually specifying the terms, the proposition made it clear that in most cases a significant majority would imply that the Government in office would seek the support of some of the Opposition Members to reverse a Senate vote.

But the Senate would have an absolute veto in cases of constitutional amendments to ratify certain appointments and to authorize the Government of Canada to exercise such extraordinary powers as war measures, disallowance and declaratory powers.

In short, the Canada West Foundation position in 1981 was that the Senate would be effective in the sense that the Upper House would be able to examine and amend all Bills, exercise a power of suspensive veto over most pieces of legislation, and of absolute veto over extraordinary Government measures.

In 1985, the Special Committee of the Alberta Legislature also looked at the question of the Senate's effectiveness. It recommended that the Senate retain the power it now has to discuss and recommend amendments to all the Bills coming from the House of Commons. The Senate would still have the right to oppose legislation, but the House would have various ways of getting around that opposition.

On constitutional matters, the Senate's veto would only be suspensive for a period of 180 days, as the 1982 constitutional Act now provides. A negative vote by the Senate on legislation with financial or tax implications could be overturned by a simple majority vote here in the Commons.

Finally, on all non-financial Bills, a Senate amendment or veto could only be overturned in the Commons by a larger majority vote than that expressed in the Senate.

Honourable Members will have understood from the foregoing that proponents of the Triple E-Senate support significant powers for Senators. Their view is that the Senate's effectiveness in defending regional interests requires that it be able to control, if not direct, natural policies.

Maintaining the current veto, as proposed by Prince Edward Island, or the requirement of an outlandish majority in the Commons to go around a negative vote in the Senate, are only two of the possible means of strengthening the higher Chamber to make it more effective.

The need for such effectiveness is indeed clear. Once elected, the Senate would have the legitimacy it now lacks to exercise its broad powers. To that new legitimacy, equal provincial representation will add a clear mandate by indicating to the Senate what interests it must protect.

Knowing the commitment of Canadians to their regions, a chamber that would be devoted solely to the defence of provinces would not be long in gaining their sympathy, thereby strengthening its mandate. Therefore, how could we deny that legitimate chamber the powers required by its mandate? There would be no reason to do so. This is what supporters of the Triple-E Senate formula have understood.

Mr. Speaker, I would like to stress that for some time already, one of my constituents, Mr. Jean-Guy Legault, from Oka, who chairs the *Fondation Édouard-Montpetit*, has been consistantly asking the Prime Minister (Mr. Mulroney) to appoint volunteer deputy senators whose responsibility would be to advise the Government on draft Bills, etc. While finding this proposal original—it clearly goes against the reported collective will of an elected Senate—I am convinced that Mr. Legault will be interested in today's debate which will give him the opportunity to add new elements to his proposal or amend some current ones.

At the same time, Mr. Speaker, I will send him a copy of today's *Debates*. I see that you're indicating to me that I may still have a minute and a half left.

With equal powers and different representation structures, would the two Chambers not run the risk of attracting sympathy from different segments of the population, thereby increasing the opportunities for conflicts?

Although the supporters of an elected Senate have convinced me of the validity of their claims and a need for reform, none as yet has reassured me as to the dominant role the House of Commons would continue to play. To these and similar questions which come to mind today I have not yet found any completely satisfactory answer. It seems to me that, so far, the issue of Senate reform has been addressed in isolation, independently from the development of other Government institutions.

Without opposing this reform, Mr. Speaker, I feel that we should look into its impact on our political life generally, and of course I would fully support unreservedly any initiative to that end.

• (1720)

[*English*]

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, I begin my contribution to the debate as I did on a previous motion by the Hon. Member for Kenora—Rainy River (Mr. Parry). His Private Member's motion called for the abolition of the Senate by calling to the attention of Hon. Members the traditional or long held view of the New Democratic Party of Canada that the Senate ought to be abolished because of its non-democratic nature.

However, I want to make clear that it is the current non-democratic Senate which my Party has a long-standing policy of wanting to abolish. In my judgment there is openness within the Party, collectively and among individual New Democrats, on what kind of democratic Senate might be appropriately put in the place of the current non-democratic Senate which, as I said, ought to be abolished.

One of the origins of the current push for Senate reform quite legitimately comes from the feeling of certain regions in Canada that they do not have enough power at the centre, that they do not have enough power in the decision-making process in Ottawa, whether it is in the House of Commons or in the Senate as it now stands. They feel that there is a strong tendency, manifest in many ways, for the decision-making process in the House of Commons not to take into consideration the interest of the regions. I speak particularly from the point of view of the region from which I come, that is, western Canada.

Another way people have thought about addressing the problem has been through House of Commons reforms. They have imagined ways in which, through a combination of the system we have now, proportional representation, and representation based upon regions as opposed to constituencies strictly, we might be able to address the imbalance between the centre and the periphery in the House of Commons and still be able to get rid of the Senate and have a unicameral House.

That is not what we are debating today. We are debating the motion of the Hon. Member for Bow River (Mr. Taylor) which, as I understand it, calls for a Triple E Senate. It is important that these kinds of motions have come forward because they give us a chance to debate the matter. I am particularly appreciative of the contribution of the Hon. Member for Lethbridge—Foothills (Mr. Thacker) who I think did the House a service by reading into the record the recommendations of the Joint Committee on Senate Reform. He pointed to the fact, if I understood him correctly, that the notion of equality could be achieved, not necessarily on a province-by-province basis, but on the same sort of regional basis originally envisioned in the constitutional amending formula at one point, where we would have had western Canada considered as a region, Ontario considered as a region, Quebec considered as a region, and Atlantic Canada considered as a region. If we had equal representation devised on that basis, we might then get over some of the problems involved in having equal representation from each province. I think that bears more study.

However, one thing which concerns me as a western Canadian is some of the expectations raised around the idea of a Triple E Senate and what it could do. Part of the problem with the Triple E Senate proposal is that we do not know exactly what powers many of its advocates have in mind, whether it would be strictly a suspensive power, whether it would have well defined areas of jurisdiction, et cetera.

There is a variety of expectations being placed upon the Triple E Senate. In my judgment, support for such a Senate, although I respect many of the people who advocate it, has come into rather bad company lately with the support being given to it by an editorial in the *Western Report* by Mr. Ted Byfield. He went on at great length giving, in my judgment, the classic example of the false expectations raised about a Triple E Senate.

He referred back to the controversy over the CF-18 contract. He suggested that had there been a debate in the new Triple E Senate which he had in mind, these new Senators, unbound by Party discipline, would have somehow been able to prevent the decision to give the CF-18 contract to Montreal instead of to Winnipeg where it should have gone.

He used the phrase, "Unlike the Commons debate, it would be worth covering". As you know, Mr. Speaker, and as everyone knows, there was no Commons debate on the CF-18 contract. It was a contract let by the Government with the full powers of the Government. There was no debate in the Commons. There would not be such a debate in any new Senate, except in some aside way, the same way as we managed to have an aside debate in the House of Commons during Question Period about the contract after the fact.

There would have been no debate either in the Commons or in a Triple E Senate on a matter of government contracts.

It is quite misleading to give the impression that somehow a Triple E Senate would have been able to stop that or that a Triple E Senate would somehow exist in some sort of pristine political atmosphere where Parties would not have any effect.

I remind Mr. Byfield, through you, Mr. Speaker, that it was the Tory Premiers of western Canada—and Mr. Byfield is fond of chastising New Democratic Members of Parliament from western Canada—who decided not to stand by the Premier of Manitoba, Mr. Pawley, in his protestation against the CF-18 contract going to Montreal. They certainly had more freedom than any Senator would have had down here, working in close proximity to the Government. Yet, they could not be prevailed upon, through any sense of western Canadian solidarity, to be more than purely symbolic in their solidarity with Manitoba in protesting the injustice of the contract going to Montreal.

I think the whole debate about a Triple E Senate insofar as it relates to western alienation is being poisoned by this kind of false expectation. I think it is being done deliberately. I should like to quote from the March 16 editorial. It says:

> Unlike the Commons debate, it would be worth covering. Neither in the Senate would we have to witness such loathsome spectacles as that of four Manitoba NDP members declaring themselves in favour of taking the CF-18 project away from their own province.

You were here, Mr. Speaker, in the fall of 1986, as were the Hon. Member for Lethbridge—Foothills, the Hon. Member for Brandon—Souris (Mr. Clark), and many others. They will know—and I hope everyone will agree with me—that it is simply a lie, just a lie to say that we, the NDP Members of Parliament from Manitoba, declared ourselves in favour of taking the CF-18 project away from our own province. Why would anyone want to say that when it is so patently untrue, and say it twice?

This kind of thing was said previously in the *Western Report*, and I wrote a letter to the editor which was printed. Subsequent to that, a month or so later, we get, in the form of this editorial, a blatant lie.

• (1730)

This was raised in the House many times by Manitoban New Democratic Members of Parliament. If Mr. Byfield, or anyone else for that matter, is unhappy about the way the House of Commons works or the way the New Democratic Party handled the CF-18 contract, there are many criticisms he could make, but there is one thing he could not say with any pretension to truthfulness, namely, that the four Manitoba New Democratic Members of Parliament were in favour of the contract going to Montreal.

This debate has become tied to a much more serious political reality in western Canada. It has become associated with a deliberate attempt on the part of certain elements in western Canada, Mr. Byfield among them, to distort and misrepresent what is actually going on here in the House of Commons. There is enough to be unhappy about in terms of real western alienation and western Canadian grievances. I would be the first one to admit that. We ought not, for obviously ideological reasons, pretend that certain things happen when they did not happen. We ought not to allow people like Mr. Byfield to pretend that the only real western Canadians are those who happen to agree with him. We western Canadians disagree among ourselves, be we New Democrats or Progressive Conservative western Canadians. We have had left-wing Governments and right-wing Governments, and we do all that within the freedom of the democratic process that we cherish. For anyone, Mr. Byfield or anyone else, to pretend that somehow only those who agree with the *Western Report* are real western Canadians is a disservice not only to New Democrats, whom he is so fond of attacking, but also to Progressive Conservative Members of Parliament from Alberta and from western Canada generally who are now becoming the object of this particular form of garbage journalism.

[*Translation*]

Mr. Charles-Eugène Marin (Gaspé): Mr. Speaker, I welcome this opportunity to take part in the debate on the motion presented by the Hon. Member for Bow River (Mr. Taylor), which seeks the abolition of the Senate and the creation of a new Senate composed of Senators elected by the people on the basis of equal representation for each province and territory. The motion also urges the Government to initiate intergovernmental discussions to that end at the earliest opportunity.

Today I would like to take a closer look at one of the most interesting aspects of Senate reform, a subject that has been getting a great deal of attention recently in this House.

Mr. Speaker, when we look at the purpose or objective of the Senate reform, I think we should look at the various roles that could be played by a new Upper House. I think it would be useful to consider the function of the Upper House, especially in other countries with a federal system. In most cases, the Upper House has a responsibility for examining legislation. It is supposed to look at legislative measures to detect any possible errors, contradictions or shortcomings. Today, most Upper Houses perform this function without challenging the general principles or policies underlying legislation already adopted by the Lower House. Often, they are also asked to provide legislative support. For instance, Upper Houses may conduct inquiries on questions of public policy or they may have special powers to scrutinize subordinate legislation.

Some Upper Houses play a role in representing and protecting minorities. When minorities are regrouped geographically in a given region, they can be protected from the majority by giving this region a specially weighted representation. During the debate prior to Confederation, Lower Canada demanded representation in the Senate equal to that of the two other regions, Ontario and the Maritimes, and it is clear that the francophone leaders at the time thus hoped to enjoy a form

of linguistic and cultural protection. Mr. Speaker, there is also the option of demanding special procedures when voting on certain issues in the Upper House, so as to avoid any hasty action that might prove prejudicial to the interests or rights of certain minorities.

Upper Houses can have an intergovernmental function. They can be structured to enable various governments within a federation to take part in the business of the central or federal Government. A prime example of this is the *Bundesrat* in West Germany, whose members are Ministers or their delegates of the Governments of the component States. Members of the Bundesrat vote as one according to the instructions given by their respective governments. Many observers think that the Bundesrat makes an appreciable contribution to intergovernmental coordination and co-operation within Western Germany. In the late 70s the supporters of Senate reform in Canada came up with a number of propositions aimed at creating a similar institution at the federal level.

The fourth function which a second chamber may have is to represent the regions. This is intended to mean representation of the regions or constituent elements on a basis other than representation by population. In certain cases each state or province may have a representation equal to the second chamber. In others the number of members may vary, but the scale is usually tipped in favour of those with fewer people. In any case it is always a matter of limiting somewhat the will of the Lower House by reflecting the diversity of the regions or elements which make up the federation and, to that extent, to compensate for the rule of simple majority.

It is widely acknowledged that the first and second of these four functions—examining legislation and representing regions—are the ones which were expected to be the main role of the Senate when it was created. In light of this we can indeed wonder about the way the Senate has fulfilled these functions over the years. To answer the question, I would refer to the report of the Special Joint Committee of the Senate and of the House of Commons which was tabled in the House in January 1984.

According to the report, the role of the Senate had evolved so as to complement rather than compete with the popularly elected House of Commons. The Committee made the following comments concerning the role of the existing Senate, and I quote:

> Its principal functions are now improving legislation and investigating questions of public policy. It is said that investigation is one area where the present Senate has shown a commendable degree of independence from the executive.

On the matter of other important functions the Senate could perform, the Committee report noted that:

> The more recent arguments for Senate reform—notably those made to our Committee—have focused on achieving one of the original goals of the Senate, the protection and representation of regional interests. These arguments spring from a belief that Parliament needs a chamber that represents those interests with more political authority that can be achieved with a Senate appointed in the present way.

Based on the representations made by the various witnesses, the Committee went on to say:

> The principal complaint the Committee encountered was that federal institutions as they are now constructed are unable to express and mediate regional concerns. Although the Senate was originally designed to give the regions a weighted voice in Parliament's decisions, it is argued that this does not apply. Witnesses pointed out that regional interests are now forced to seek outlets through other means, often through provincial governments.

It is very clear, Mr. Speaker, in the Committee's report, that most witnesses heard focussed on the Senate's representational role. For instance, Hon. Robert Stanfield expressed the following opinion:

> I find it highly desirable that we have a Senate that would allow regions to be more present and have more influence in Ottawa.
>
> I do not believe it is possible to govern this country in a satisfactory manner based only on the majority rule, in spite of the distribution of powers and the Charter of Rights.

For its part, the Business Council on National Issues noted the following:

> The specific powers that should be vested in a new, elective Higher Chamber are less important than the principle that there must be an elected Canadian Senate, and that it should play a positive and strong role to iron out increasing regional tensions.

In its report, the Committee recognized that better regional representation was important in the opinion of witnesses.

> The principal complaint the Committee encountered was that federal institutions as they are now constructed are unable to express and mediate regional concerns . . . The more recent arguments for Senate reform—have focused on achieving one of the original goals of the Senate: the protection and representation of regional interests.

The Committee further emphasized that its primary objective was

> —to strengthen the Senate's capacity to fill its role of regional representation. If this objective and others which are consequential were achieved, there would be a new forum whose principal role would be to discuss openly and to reconcile competing regional interests in matters under federal jurisdiction. We do not argue that regional differences would disappear, but we do believe that the system for resolving them would be much improved and that regional tensions would be less troublesome—

Similar arguments could be found in a fairly recent study on the Senate reform. In its report issued in March 1985, the Alberta Legislative Assembly's Special Committee on the reform of the Senate wrote, and I quote:

> The role of an Upper Chamber in the federal decision-making process is effectively quite clear. The first function of the Canadian Senate, as contemplated by the Fathers of Confederation, was to represent provincial points of view within the federal decision-making process. The Committee does not believe that the Senate should get involved in intergovernment negotiations. The Senate of Canada must have, as its first objective, to continue representing regions at the federal level, as the Fathers of Confederation wanted it.

In the light of the few examples I have just given, Mr. Speaker, it can be said that the recent proposals aimed at reforming the Senate all share a common objective: To improve regional representation within the Senate and Parliament as a whole. I feel that during our discussions on the way to improve the Senate's regional representation, we should keep in mind that, basically, it is the Canadian people which will make it possible for the Senate to become a truly efficient

forum; through their support for a reformed Senate, whatever its nature, it will receive the power to act on behalf of the regions during the proceedings of Parliament.

• (1740)

[*English*]

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, this resolution before the House is two-pronged. The first part is very easy to support. It calls on us to abolish the Senate as it is today. I support that because I believe the Senate as we know it today is an affront to democracy. Senators are appointed until age 75. They are not elected and they are responsible to no one once appointed. Neither can they be recalled.

The second part of the resolution is a bit trickier. It suggests that we create a new Senate composed of Senators elected by the people of Canada on the basis of equal representation for each province and territory, and to initiate discussions to that end with provincial and territorial Governments at the earliest opportunity.

Speaking only for myself, I believe we should initiate some discussion on the possibility of an elected Senate. There should be some discussion as to the kind of representation we want in the other place, if any at all. I hesitate to endorse the idea of a Triple-E Senate as proposed in this motion by the Hon. Member for Bow River (Mr. Taylor) because it says that there should be equal representation for each province and territory. I am concerned that because we have so many small provinces and territories with very small populations there could be a time when a majority of Senators represent less than 10 per cent of the population of Canada. For example, if one were to have 10 Senators per province or territory, or five, you could add the populations of the four Atlantic provinces, Yukon and the Northwest Territories, and that would be half the Senate, and they would represent less than 10 per cent of the population of Canada. I think that is going a bit too far.

On the other hand, I think it is extremely important in a federal democratic state that there be a balance between representation by population on the one side and representation by region on the other. There has to be some balance between the two. We do not have that balance today. Ontario and Quebec make up the overwhelming majority of our population, about 38 per cent in Ontario and about 28 per cent in Quebec. Add those figures, and you will find that two-thirds of the Canadian population lives in two provinces. As a result, this House of Commons is dominated by those two provinces under representation by population.

We have to find some way of balancing that with representation by region. The Hon. Member for Lethbridge—Foothills (Mr. Thacker) talked about equal representation from each region. That is one possible way of doing it. The system would perhaps allow for special recognition of Quebec and the French fact. Perhaps there should be some special recognition of our native people on matters affecting their rights where a majority of native Senators would agree with the rest. Those are things we could look at in considering the possibility of another place.

I want to indicate my support for the idea of looking at taking steps in this direction without endorsing all the ideas in a Triple-E Senate. It is very important that we have some representation by region as well as by population. For example, in the U.S. House of Representatives there is representation by population. A state like North Dakota has one Congressman, as does the small state of Rhode Island. New York and California have many Congressmen and Congresswomen because of the size of their populations. On the other hand, there is representation by region in the Senate where every state gets two Senators, whether it be Rhode Island, North Dakota, New York or California. The U.S. has that balance, which I think is so important.

We of course now recognize equality of the provinces in our amending formula. To amend the Constitution you need to have agreement by at least seven provinces and they must represent at least 50 per cent of the population. That covers both regions and populations and gives us that balance which is so important.

Going back to the U.S., there is no way that a number of smaller states could block the will of the country as a whole. We could have that kind of situation here where the smaller provinces and the territories, with about 8 per cent of the population, would have as many Senators as the rest of the country and its 92 per cent of the population. That does not exist in the U.S. because there are many more states of roughly equal size, many more states of moderate size, and many more states of small size. There is that difference in the two systems.

• (1750)

I would like to return to the first part of the motion, which is to abolish the Senate. As I said, I believe the present Senate is not a democratic institution. It is an affront to democracy, a throwback to the 19th century. I believe that the Senate, as it exists today, should be abolished. I think all Members of Parliament should agree to that. I have nothing whatsoever against any member of the other place. There are many fine men and women who are Senators in the other place who work very hard and have served this country very well. However, in many ways the other place has become a house of patronage. Many people who worked very hard for the Prime Minister's Party, regardless of what it may be, got their just reward by being appointed there until the age of 75, regardless of whether or not they work or keep in touch with the province which they represent.

The second thing that concerns me is that campaign managers are appointed to the other place by the Prime Minister, regardless of his Party. They have a public office, draw a large salary, and have a large expense account and a staff paid for by the public. A good example is Senator Atkins who was appointed by the present Prime Minister (Mr. Mulroney). Senator Jean Bazin is there in the same capacity.

On the Liberal side there is Senator Keith Davey, a good friend of mine who has been there for many, many years. He is the chief Liberal campaign manager in the country extending back to the days of Lester Pearson. Senator Kirby is the newer version of Senator Keith Davey. He is a very intelligent man, a very decent Canadian, and a very competent political manager. However, that is not the role of the Senate. In a democratic society people should not be appointed for such functions in such an institution. I believe campaign managers should be paid out of the coffers of political Parties rather than by the people of Canada. That is not the purpose for which the Senate was created. That is another reason that the Senate of Canada, in its present state, should be abolished.

With that I call upon the House to support the first part of this motion to abolish the Senate. Although I do not agree with everything that has been advocated with regard to a Triple E Senate, I believe we should study this motion and begin discussions as soon as possible with regard to whether or not there should be an elected second House in this country in order to have a balance between "rep by pop" and "rep by regionalism". Without that, in a federal state we will have continuing problems of disunity within all political Parties because the problems of central Canada are often perceived as being more important than those of the west, the north, or Atlantic Canada.

Mr. William C. Winegard (Guelph): Mr. Speaker, I think no one in this House can doubt the necessity of doing something about the other place. Since the September, 1984 election, Members of this House have witnessed two incidents where Members of the other place have sought to frustrate the will of this House. With this in mind I would draw the attention of Hon. Members to the serious conflict at the turn of the century between the British House of Lords and the House of Commons, which culminated in the Parliament Act of 1911. I would like to take a few moments to explore the development of the Act because it is important in terms of the discussion which we are presently having.

The real catalyst of that crisis was the 1909 Budget of Mr. Lloyd George, Chancellor of the Exchequer. He, like the Government of Canada today, faced the problem of a large deficit and introduced a series of taxation measures which particularly affected Britain's wealthy land-owning class. Some observers at the time suggested that the Liberal Government had brought forward a particularly tough Budget in order to dare the Lords to veto it, thus allowing the Liberals to go to the electorate on a "peers versus the people" platform. Whether or not that is true, the fact remains that the Lords had not rejected a finance Bill in 250 years.

On November 30, 1909, the House of Lords rejected the Budget and in doing so disregarded one of the most fundamental principles of the parliamentary system, that is that the power of the purse belongs to the democratically elected House of Commons alone. Parliament was then dissolved and, as expected, both the Budget and the unparalleled action of the Lords were the key election issues. The Liberals remained in power with the support of a group of Irish nationalists who demanded that limits be put on the power of the Lords.

The Liberals then began to draft the Parliament Bill. It was introduced on April 15, and the 1909 Budget was passed without incident by both Chambers a few days later. With the introduction of the Parliament Bill came a warning from Prime Minister Asquith that if the Lords rejected the Bill there would not only be a second election, but the existence of the House of Lords would be an election issue.

A constitutional conference of Liberal and Unionist Party leaders aimed at ending the crisis was quickly convened. That went on from June until November when Prime Minister Asquith finally admitted that there was "an apparently irreconcilable divergence of opinion" between the two Parties. Shortly thereafter, in an audience with King George V, Asquith sought a guarantee that, assuming a Liberal victory in a general election, enough Liberal peers would be created to allow the passage of the Parliament Bill in the event of another deadlock. This guarantee was obtained.

As expected, the December, 1910, general election produced another stalemate, but Balfour himself, who had urged his House of Lords colleagues to reject the Bill in the first place, recognized that the British public had had enough and that the Unionists ran the risk of being blamed for any further constitutional upheaval.

After a serious and emotion-filled debate in both Houses, the Parliament Bill was finally passed on August 11, 1911. The vote in the House of the Lords was 131 to 114, with 37 Unionists voting with the Government. As you are aware, Mr. Speaker, the Parliament Act seriously reduced the power of the Lords. If the House of Lords does not pass a money Bill certified as such by you, Sir, the Speaker, within 30 days of its passage by the Commons, it may be presented for assent without the Lords' consent. In 1949 the Lords' power to prevent or unduly delay the passage of legislation was reduced still further. The Parliament Act has rightly been described as the most decisive step in British constitutional history since the extension of the franchise in 1867. It greatly reduced the authority of the House of Lords and established once and for all the supremacy of the democratically elected House of Commons in our parliamentary system.

I think you will see from my recounting of these events, Mr. Speaker, the similarity to the situation we face regarding the Canadian Senate. Here, too, there have been attempts by the majority Party in that Chamber, an appointed, non-accountable body, to thwart the clearly-expressed wishes of the House of Commons. Not only that, but the first incident was on a question involving public revenues, which are indeed the responsibility of the people's representatives in this House. Just as the "ditchers" of 1911 refused to accept the decision of the majority, we, too, have witnessed vain efforts from our own little band of "ditchers".

George Dangerfield, in his book, *The Strange Death of Liberal England*, put the matter very well. He said that these

individuals "did not realize that life consists in change, that nothing can stand still . . . . Clinging to the realities of the past, they prepared to defend their dead cause to the finish".

I sincerely hope, Mr. Speaker, that all Hon. Members, both here and in the other place, will heed the words of Dangerfield.

* * *

• (1800)

BUSINESS OF THE HOUSE

Mr. Gauthier: Mr. Speaker, will the Parliamentary Secretary tell us what we will be dealing with tomorrow? I am sure everyone is interested and will want to know so that we can prepare for the debate.

Mr. Lewis: Mr. Speaker, I am pleased to confirm that we will continue with Bill C-38 tomorrow morning until it is completed. We hope that we can finish it expeditiously so that the deal can be completed.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 66 deemed to have been moved.

ENVIRONMENTAL AFFAIRS—POSSIBLE USE OF LOW-SULPHUR WESTERN COAL BY ONTARIO HYDRO

Mr. Alan Redway (York East): Mr. Speaker, you are probably not aware of it, but I have a friend and constituent by the name of Judy Fournier. Judy lives in my constituency in the Don Mills Road and Lawrence Avenue area.

She has a brother who works for a coal company in Grande Cache, Alberta. This coal company used to be very prosperous. Its sales were very high, but recently they have gone down, production has fallen, and there have been lay-offs, as I am sure you are aware. The fact that there have been lay-offs at this mine in Grande Cache, Alberta, is an example of the problems that the Alberta economy has been facing and an example of the problems of regional economic disparity in Canada.

As you know, jobs are available in Toronto and, in fact, a report in the newspaper on the weekend states that thousands of jobs are unfilled at the moment. However, there is unemployment in Alberta and elsewhere in Canada. Judy Fournier is worried about her brother and his future. Although he has been working at that mine for a long time, even with his seniority he may very well be out of a job before too long.

Judy has a boss who is a very good friend of mine. His name is Chuck Thornton. He owns a printing company in Toronto and he and his family also have a cottage property on an island in Lake Muskoka near Gravenhurst, Ontario. It is a beautiful cottage, on a beautiful lake, in a beautiful summer resort area.

That summer resort area, Lake Muskoka, and the Muskoka Lakes generally, have a problem. The problem is acid rain. There is an answer to that problem, an answer to Judy Fournier's problem, and an answer to the problem facing Chuck Thornton and his family. The answer, which is the same, is for Ontario Hydro to begin using low-sulphur western coal instead of the high-sulphur American coal it is now using to generate electric power.

The House will know that a study was completed last summer which indicated that if Ontario would begin substituting western coal for U.S. coal, it could create some 13,000 permanent jobs until the year 2000. Most of those jobs would be created in Alberta and British Columbia and perhaps as much as 40 per cent would be created in Ontario.

That same study indicated that the income that would be generated by that effort would be some $4.1 billion. Of course, that would be important for western Canada and Canada as a whole, and, perhaps from a parochial point of view, it would be important for Ontario because it would cut the amount of acid rain emissions and reduce the amount of acid rain in Ontario.

• (1805)

As you know, Mr. Speaker, and as the Parliamentary Secretary knows, Ontario has agreed to cut its acid rain emissions by some 50 per cent by 1994. Ontario Hydro is responsible, through its coal and thermal generating plants, for some 85 per cent to 90 per cent of all of those emissions. Western coal, on the other hand, has a sulphur level of 0.25 per cent compared to the U.S. coal-sulphur level of 2.2 per cent.

If Ontario Hydro would use Canadian coal instead of American coal, it would create jobs, it would reduce regional economic disparity, it would help bind our country together instead of tearing it apart, and it would reduce acid rain emissions in Ontario. It would reduce acid rain which would help our lakes, fish, birds, trees and people with respiratory problems. It would make Judy Fournier happy. It would make Judy's brother happy. It would make my friend, Chuck Thornton, happy, and his entire family, his wife Pam and his children, Scott, Bruce and Paul, would all be happy. It would make the people of Ontario happy and it would make the people of Canada happy.

What is holding it up? Of course, it is Ontario Hydro and it is the Ontario Government. I ask you, Premier Peterson, what is holding it up? Let us get on with it. Let us substitute western coal for U.S. coal. Let us create some jobs and cut acid rain in Ontario.

Mr. Doug Lewis (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I would like to compliment my colleague on his continued interest in environmental matters, especially acid rain. I want

to lend my voice to his efforts to encourage Ontario Hydro to use western coal.

My colleague asked the Deputy Prime Minister if the Premier of Ontario is prepared to order Ontario Hydro to cut acid rain emissions in the same manner that private industry has been asked. The Deputy Prime Minister has met with the Premiers of Ontario, Saskatchewan, Alberta and British Columbia to seek ways to use low-sulphur western Canadian coal at Ontario Hydro. This is in response to the federal-provincial task force which reported in June of 1986 and recommended that increased utilization of western coal be treated not just as a possibility but, indeed, as a reality. Not only is this possible from a financial sense, but its importance in reducing acid rain is the key concern.

The sulphur content of western Canadian coal is .3 per cent. This is about nine times less than the sulphur content of Pennsylvania coal. That is the reason we must take advantage of our western-Canadian coal. The Hon. Member asks whether Ontario Hydro has been ordered to reduce its acid gas emissions in the future. The short answer to this is, yes. In fact, Ontario Hydro has pledged to reduce its total acid gas emissions by 50 per cent over the next six years. This means that the 430,000 tonnes per year of acid gas emissions must be reduced to less than 215,000 tonnes per year by 1994.

In order to reach this level it is anticipated that during the 1990s, when Ontario Hydro will be needing new capacity, western-Canadian coal will be efficiently utilized to ensure these levels are met. This project could potentially create 13,000 jobs across Canada.

That is the reason we are treating it as an exciting project which will unite the country and will provide jobs in many regions and reduce acid rain. Quite clearly, this is good for the economy, good for the environment, good for Ontario, good for the western provinces and, Mr. Speaker, good for Canada. We are very optimistic that this project will become a reality in the near future.

PENITENTIARIES—ILLITERACY AMONG INMATES

Mr. Bill Attewell (Don Valley East): Mr. Speaker, on March 5, 1987, I rose in this House to ask a question of the Solicitor General (Mr. Kelleher) about the steps being taken to combat the problem of illiteracy among prisoners. My question was prompted by the discovery of some alarming statistics.

• (1810)

Before pursuing my specific question about the illiteracy rates in prison, I would like to comment on this problem, which exists throughout our entire society. By coincidence, the leading editorial of *The Globe and Mail* today provides some shocking statistics about the illiteracy afflicting many Canadians.

Some one million Canadians cannot read at all, and four million cannot read or write well enough to function adequately in our society. The editorial points out that it is not an imported problem, since 70 per cent of the illiterate people in Canada were born here. Nor is it a problem of the elderly, since 40 per cent of the illiterate people are under the age of 45. Tragically, 60 per cent of the illiterate population is out of work. As Senator Fairbairn rightly said: "The illiterate population is our country's hidden shame."

With regard to my direct question of the Solicitor General, he assured me at the time that concrete steps would be taken shortly to deal with this situation. Indeed, on Wednesday of this week an adult basic education program will be launched in federal institutions across the country by the Correctional Service of Canada. Therefore, this is a good time to shed some more light on this unprecedented initiative, the success of which depends not only on my support or that of my colleagues in the House, but also on the awareness and goodwill of Canadians in general.

It would be instructive to begin with some further statistics. Currently, about one-half of all federal inmates have a level of competence below grade eight, which is considered to be the standard for conventional literacy. Out of these approximately 6,000 prisoners only 500, or less than 10 per cent, are enrolled in a basic education program, and of them only 150 or so will complete it successfully. Considering that 80 per cent of all prisoners are in jail for six years or less, this means that a great majority of those who enter being illiterate serve out their sentences and leave without any improvements. The question arises: Why educate prisoners? Some allege that this simply leads to well-informed, competent criminals. That is a narrow-minded, vindictive view.

To begin with, criminals, even if they have at one time consciously violated the law, are human beings who at some point will return to society. To be able to function within society on par with other citizens certain basic skills are essential. Certainly, being able to read and write are in that category. Not having these skills is yet another obstacle for a productive return to those already branded with the social stigma of a "record".

The adjustment process is difficult enough as it is. No conclusive evidence exists linking crime and lack of education, but one may draw a common sense link between the latter and repeat offenders. After all, if there is one area in which prisoners are relatively well educated, it is crime. Therefore, it is reasonable to assume that lacking alternative "employment", many will again resort to crime. In 1979 the then Chief Justice of the U.S. Supreme Court expressed his concern in the following way:

> In many of the institutions in this country today, a majority of the inmates cannot read or write. They are functional illiterates. This is why during the period of incarceration, a concentrated program must be available on two levels: first, to see to it that every prisoner learns to read and write; and, second, to see that each prisoner is trained in a marketable skill.

Aside from these specific considerations, it is important to look at what prisoners do during their term in a general way since, in a sense, that is their period of preparation for returning. These people have pride. But a lack of the most basic education often contributes to a low sense of self-esteem and self-confidence. Crime can be an escape from the system which may have failed them. Being better educated may enable them to discover new interests and skills and give their life in prison meaning and hope. Their preoccupation with anger and frustration may be channelled into something positive. Therefore, when they are released, literacy may qualify them to return, not just in a technical sense, but it should also raise their morale. Often, merely knowing that one can contribute in a meaningful way to society can be enormously inspiring and satisfying.

The goals of the program announced by the Solicitor General are ambitious. The target is to increase the number of successful completions of the program by 400 per cent in the first year, and ultimately to achieve a level of literacy among prisoners comparable to that of the Canadian public in general. This will not be easy, but the proposed initiative provides measures pointing in that direction. Incentives will be provided to encourage prisoners to participate. They will include linkage between program completion and, for instance, jobs in the institution and parole dates.

• (1815)

There will be improved co-ordination of the entire system so that prisoners transferred between jails will not be affected by the lack of standardized programs. More effort will be given to identify individual perceptual and hearing deficiencies, and correct them. Increased participation by qualified inmate tutors, with whom the prisoners will feel more comfortable, will also be encouraged.

In the entire process, success will depend largely upon the involvement of sectors of the community. Fortunately, a number of private organizations are ready and willing to help. For instance, there is Listen for Pleasure, a commercial group which distributes literacy programs in the form of cassettes—something that may be ideal for inmates often uneasy about formal classroom instruction. Frontier College is an institution whose basic mandate is to provide literacy in general, but its commitment to prisoners is very strong and well known.

And last, but most important, there are volunteer organizations, such as the John Howard Society and the Salvation Army, which have helped thousand of prisoners, and which try to foster goodwill toward them on the part of the public at large.

These groups provide an invaluable service, especially to young offenders and first-time offenders, during all stages, from court appearances, prison visits, and the problems associated with re-entry into society, to rebuilding family life, and in finding worthwhile employment.

In conclusion, Mr. Speaker, I should like to emphasize the importance of recognizing inmates as decent human beings, with dreams of a better future. Yes, they have violated our social and criminal codes of conduct. However, given that ultimately they will rejoin society, they deserve every opportunity to be able to make a productive contribution and to shoulder some of society's responsibilities.

[*Translation*]

Mr. François Gérin (Parliamentary Secretary to Minister of Justice and Attorney General of Canada): Mr. Speaker, I want first of all to thank the Hon. Member for Don Valley-East (Mr. Attewell) for providing us with an opportunity to raise this important issue in the House, and to emphasize that the Solicitor General of Canada (Mr. Kelleher) shares his opinion on most of the points he has made. The Solicitor General of Canada, who is responsible for the penitentiary services in this country, is also well aware of the serious problem resulting from prisoners' illiteracy. His response, therefore, was to announce recently an adult basic training program which will be implemented in all Canadian prisons.

To give you an idea of the scope of the problem, I will give you some statistics: recently, in Canada, almost 50 per cent of the inmate population, which means about 6,000 individuals, were functionally illiterate. Out of an inmate population of 12,500 people, only 500 were enrolled in basic education programs, and each year barely 150 complete successfully the program they have started. With this initiative, the Solicitor General seeks to raise the level of literacy among inmates to a level similar to the one found in the general Canadian population, that is 70 to 80 per cent of people with a grade nine education or better. To reach that goal, we are aiming for a 400 per cent increase in the number of literate inmates in 1987-88, thus helping 600 more men and women to reach a grade nine education level. The second year the program budget will be doubled and the number should reach 1,200.

Why all these efforts, Mr. Speaker? Because illiteracy is a social and economic problem particularly acute among prisoners. Most of them, when they come out, are confronted with serious adjustment problems in their job or social life. Illiteracy is another obstacle to their social rehabilitation. Illiterate people cannot read or complete a job application; they cannot go through the classified ads to look for a job or a phone number; they cannot read the street signs or find an address. Such simple tasks can be beyond their ability. As to those who finally find a job, they cannot read instructions, regulations or safety precautions at the work site.

Mr. Speaker, the facts speak for themselves: chances of finding and keeping a job are better if the applicant can read and write. It has also been acknowledged that there is a direct correlation between the ability to keep a job and not to commit a subsequent offence. In light of that principle, whenever the National Parole Board examines the record of an inmate it takes into account the efforts he may have made to acquire a basic training.

Other efforts will be made to encourage these people to take part in the program. As can readily be seen, the program is not additional punishment for the inmates, quite the contrary, it was designed to help them help themselves.

Mr. Speaker, the Solicitor General is convinced that most Canadians support him. According to a 1984 Gallup poll, more than 50 per cent of respondents felt that reading and writing should be the number one priority of programs for inmates. It is one way of expressing a basic truth concerning social reintegration: the inmate must have skills which will enable him to do something other than returning to criminal activities, and he can acquire the necessary skills by becoming more proficient at reading and writing. All Canadians who are concerned by this question will surely welcome this initiative whose aim is to enable inmates to reach that objective.

• (1820)

[*English*]

THE ECONOMY—WESTERN ECONOMIC DEVELOPMENT. (B) MANDATE OF ALLEGED OFFICE

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, this evening I want to elaborate on why I want the federal Government to announce its plans for the Western Diversification Office. About a month or so ago I asked a question in the House about the western initiative office. At that time the Deputy Prime Minister and President of the Privy Council (Mr. Mazankowski) said that it did not exist.

Since that time they have changed the name of the office to the Western Diversification Office. Once again the Deputy Prime Minister refused to acknowledge that such an office existed. I do not know why they are delaying making an announcement because there is such an office in the bureaucracy now.

I have a copy of a leaked list of the employees of the Western Diversification Office. It was sent to me in a brown paper envelope. It is not a "Lorne Nystrom" or an NDP list. It comes out of the Public Service of Canada from someone who is in the knowledge, in the situation, and has access to the list of employees of the Western Diversification Office.

It is an office which has not yet been announced by the federal Government. It is an office which does not have a budget of which we know or a mandate of which we know. It is an office which does not have the discretionary power to decide on what projects will be accepted or not or what projects will be funded or not. Yet, there is such an office.

I want to read into the record and make an announcement on behalf of the federal Government. On behalf of the Deputy Prime Minister I announce that there is a Western Diversification Office. It is located on the fourth floor at 435 Ellice Avenue in Winnipeg, Manitoba, in the Canadian Institute of Industrial Technology Building. This is a National Research building in Winnipeg.

When I first mentioned it, the Deputy Prime Minister said that these 15 employees were employees of the Minister of State for Science and Technology (Mr. Oberle). That is not true, and I will read into the record the names of the employees.

First, there are two co-chairpersons. The first is John Blackwood, Co-Chairperson of Resource Industries. He is located in Room No. 473 and his phone number is 949-6956. The other Co-Chairperson, Mr. Speaker—and do not forget that the Deputy Prime Minister said that this office did not exist—is Mr. Anthony Reynolds. He is co-chairperson of Manufacturing and Service. His Room No. is 474. His phone number is 949-6589. These are the two co-chairpersons.

In addition, the Western Diversification Office, which has not been announced by the Government of Canada, has a secretary. The secretary's name is Kay Hoare in Room 472. In addition, there is a senior policy adviser for Manufacturing and Services. This person's name is Robert Stalker. In addition, there is Derryl Millar, Senior Policy Adviser for Resource Industries. There is also Burt Waslander, Senior Economic Adviser. By the way, he was a person in the Ottawa headquarters of DRIE, the Department of Regional Industrial Expansion. He is now in Winnipeg in Room No. 466.

There is John Inns, Senior Project Manager. There is Gary Hosea, Co-ordinator of High Technology. There is Randy Winnitowy, Co-ordinator of Resource Processing. By the way, Mr. Winnitowy is from my home province. He comes from the Saskatoon office of DRIE.

There is also Bill Whiting, Co-ordinator of Traditional Industries. There is Kim Nishikaze, Communications Officer. There is Terry Gibson, who is Project Manager of Resource Industries; Mr. Ron Smith, Administration Co-ordinator; Janice Dyck, a word processing operator; and Joann Primrose, who is a secretary.

In addition, this Western Diversification Office, which does not exist according to the Deputy Prime Minister, has a communications centre. That communications centre is located in Room No. 461. In case you want to communicate with them, Mr. Speaker, their phone number is 949-2489. If that is busy, you can call 949-7950. That is the Western Diversification Office. It has not been announced by the Government of Canada. It is in existence. It is doing some work. It is paying rent at the NRC building in Winnipeg which happens to be in the riding of my friend, the Hon. Member for Winnipeg North Centre (Mr. Keeper). I want to know now from the Parliamentary Secretary, who is a very honest, decent forthright gentleman from Alberta, why the secrecy. Why has the federal Government not announced that the office exists? Why has the Government not told us what the mandate of the office is and whether or not there will be a budget?

• (1825)

I have another bit of information that you will be interested in, Mr. Speaker. I have been told by a reliable source, who I

cannot name, that the federal Government did not make this announcement because it is planning a very slick, audio-visual presentation in the four western provinces in order to kick it off at an opportune political time, using senior Ministers from each of the four provinces. Winnipeg, of course, is the headquarters, so I assume the Minister involved in Manitoba would be someone like the Minister of National Health and Welfare (Mr. Epp), in Saskatchewan it would be one of our two Ministers, in Alberta I would assume it would be the Deputy Prime Minister and in British Columbia one of the Ministers from there. Is the Government going to use taxpayers money for a slick, political kick-off rather than do some real work on western diversification?

With regard to western diversification, the Prime Minister (Mr. Mulroney) does say that there is work going on. The work is in his office and there will be an announcement very soon. Up to now there has been nothing at all in terms of western diversification. What we have had so far are western emergency programs. We appreciate them, like the $1 billion for farmers, the ending of the PGRT and the $350 million to western oil and gas. But that is not western diversification. That is western emergency aid which does not diversify the economy.

What we need in western Canada is a western Canadian economic strategy to diversify the economy, one with more local control, more self-reliance, more local input where western Canadians have more say. That is what I want and that is what western Canadians want. I hope that this office will have some input in real industrial economic strategy for western Canada so that in the future we will have a more balanced view of what the national interest is. I do not want to see more CF-18 decisions made that do not diversify the western Canadian economy but instead restrict the possibilities for diversification.

I look forward to my friend from Alberta enlightening this House since the Deputy Prime Minister felt he could not do so.

Mr. Jack Shields (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, I am very pleased to reply to the statements by the Hon. Member for Yorkton—Melville (Mr. Nystrom). First I want to compliment and thank him for supporting the Progressive Conservative Government on its western Canadian strategy.

I want to point out that this matter is not secret. We are not preparing a slick, audio-visual presentation. I am sorry to say that the Hon. Member for Yorkton—Melville was again using innuendo in this House in an attempt to discredit the Government.

He talks about the brown paper envelope with this list of people working in an office in Winnipeg. He says it came from someone who knows who has access to the information. He admits that he does not know from where the envelope came but in it there is a list of people who are in a so-called secret office.

I would like to point out that the Minister of Regional Industrial Expansion (Mr. Côté) has asked officials of his Department to undertake wide-ranging analytical work on the manufacturing and service industries of Canada. This work, of course, and I think the Hon. Member should agree, illustrates again the high priority which the Government places on western diversification. For administration convenience, the work is being co-ordinated by the Winnipeg office of the Department of Regional Industrial Expansion. The officers involved could not be accommodated in DRIEs permanent offices, so temporary accommodation has been rented in the Canadian Institute of Industrial Technology Building.

I underline that that is not the Western Diversification Office in Winnipeg. There is no Western Diversification Office in Winnipeg. The Hon. Member knows exactly what we are talking about. He heard the Deputy Prime Minister (Mr. Mazankowski) say there is no Western Diversification Office in Winnipeg. There is an office of the Department of Regional Industrial Expansion. Employees of the Department are doing analytical work so this Government can make decisions based on a good study of what is going on in western Canada. For some reason the Hon. Member would rather believe something from a brown envelope. Of course, the NDP are very used to brown paper envelopes.

• (1830)

Mr. Nystrom: So are the Tories.

Mr. Shields: They would rather believe that than the word of the Deputy Prime Minister. The Hon. Member knows the implications of making a misleading statement in this House, and he should also know that what the Deputy Prime Minister said is correct. The work going on does not constitute a Western Diversification Office. The Hon. Member should realize that and accept it once and for all. When the time comes for an announcement on the western diversification strategy and the setting up of an office, the member will know it and he will be there in the front ranks applauding this Government's initiatives.

[*Translation*]

The Acting Speaker (Mr. Paproski): The motion to adjourn the House is now deemed to have been adopted. Accordingly this House stands adjourned until tomorrow at 11 a.m., pursuant to Standing Order 3(1).

The House adjourned at 6.32 p.m.

HOUSE OF COMMONS

Tuesday, March 31, 1987

The House met at 11 a.m.

Prayers

ROUTINE PROCEEDINGS

[*Translation*]

PETITIONS

GOVERNMENT RESPONSE

Mr. Doug Lewis (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, pursuant to Standing Order 106(8), I have the honour to table, in both official languages, the Government's response to 44 petitions numbered as follows: 332-1224, 332-1228, 332-1230 to 332-1240 inclusive, 332-1243 to 332-1254 inclusive, 332-1260 to 332-1263 inclusive, 332-1267, 332-1270, 332-1272, 332-1274, 332-1276 to 332-1278 inclusive, 332-1299, 332-1300, 332-1302, 332-1334 to 332-1336 inclusive, 332-1530 and 332-1531.

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OFFICIAL LANGUAGES COMMISSION

TABLING AND REFERENCE TO COMMITTEE OF SIXTEENTH REPORT OF COMMISSIONER FOR 1986

Mr. Speaker: I have the honour to lay upon the Table the annual report of the Commissioner of Official Languages for the calendar year 1986, pursuant to Section 34(1) of the Official Languages Act.

Pursuant to Standing Orders, this report is deemed permanently referred to the Standing Joint Committee on Official Languages.

[*English*]

COMMITTEES OF THE HOUSE

JUSTICE AND SOLICITOR GENERAL—REPORT OF STANDING COMMITTEE

Mr. Blaine A. Thacker (Lethbridge—Foothills): Mr. Speaker, I have the honour this morning to present in French and English a unanimous report of the Standing Committee on Justice and Solicitor General on the review of the Access to Information Act and the Privacy Act to which, pursuant to Standing Order 99(2), the committee requests a comprehensive response within 120 days.

This report is unanimous and contains 108 sensible recommendations which will lead to the second generation access law and the third generation privacy law in Canada. It is also historic in that this is the first example of a statutory review clause inserted into the laws of Canada. We conducted our review pursuant to the clause which was inserted in 1982 into the then Access to Information Act.

[*Translation*]

STRIKING—EIGHTEENTH REPORT OF STANDING COMMITTEE

Mr. Scott Fennell (Ontario): Mr. Speaker, I have the honour of tabling the Eighteenth Report of the Striking Committee.

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

* * *

[*English*]

PETITIONS

OPPOSITION TO PROPOSED CHANGES IN PATENT ACT

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, it is a pleasure to present a petition pursuant to Standing Order 106, which petition is signed by a number of residents who are very concerned about the Government's proposal to change the Patent Act with relation to prescription drugs. They believe this will severely increase drug prices for Canadian consumers and restrict the ability of Canadians to buy necessary prescription drugs.

• (1110)

OPPOSITION TO PROPOSED CHANGES TO UNEMPLOYMENT INSURANCE BENEFITS

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, on a different topic, I am pleased to present a petition pursuant to Standing Order 106, signed by fishermen on the East Coast of Canada who are very concerned about an indication that the Government may be changing the Unemployment Insurance Act. They are concerned because many fishermen on Canada's East Coast as well as the West Coast depend on the provisions in the present Act.

RIGHT TO LIFE OF UNBORN BABIES—PROTECTION OF CHARTER OF RIGHTS AND FREEDOMS

Mr. Girve Fretz (Erie): Mr. Speaker, I have a petition from approximately 50 Canadians, most of whom reside in my riding of Erie. They are concerned about the killing of thousands of unborn babies each year for reasons of convenience, and for such babies, capital punishment exists for the crime of being unwanted. Therefore, they humbly pray and call upon Parliament to support Motion M-37 and allow unborn babies to be protected by the Charter of Rights.

[*Translation*]

OPPOSITION TO PROPOSED CHANGES TO PATENT ACT

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, pursuant to Standing Order 106, I have the honour of presenting a petition signed by several constituents in my riding, which says that the monopoly position given innovative pharmaceutical companies will preclude competition from less expensive generic drugs, resulting in increased drug prices for the Canadian consumer and making it increasingly difficult for many people to purchase the drugs they need; that the proposed amendments to the Patent Act will have a direct impact on all Canadians not covered by public or private health insurance plans; that the Government's proposals will add to the already high cost of provincial health insurance plans; and that the proposed amendments to the Patent Act are one more example of concessions being made by the Canadian Government to the United States in the context of free trade negotiations, to the detriment of the average consumer.

Therefore, my constituents humbly pray that Parliament reject the proposed amendments which will otherwise increase the price of drugs for Canadians.

[*English*]

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, pursuant to Standing Order 106, I would like to present a number of petitions. The first is from residents of British Columbia and the Province of Ontario, particularly Brampton, and concerns their opposition to amendments made to the Patent Act. They call upon the Government to withdraw this legislation. They believe very strongly that amendments to the Patent Act will cause the price of prescription drugs to rise dramatically.

I have another petition signed by residents from Dartmouth, Nova Scotia, who, like the previous petitioners, are opposed to the amendments to the Patent Act which they believe will cause prescription drug prices in this country to rise to an unprecedented level. They call on the Government to withdraw the legislation.

I have another petition signed by residents from Saskatoon, other parts of western Canada, and Windsor, Ontario. They are also opposed to amendments to the Patent Act. They call on the Government to withdraw this legislation because they believe it would negatively affect senior citizens and their ability to buy prescription drugs at a reasonable cost.

The final petition comes from residents of my constituency of Cape Breton—East Richmond who are opposed to amendments to the Patent Act, precisely for the reason I have outlined, that prescription drug prices in this country will rise to a dramatically high level. They call on the Government to withdraw this legislation in order to protect the disabled, elderly, and poor in this country.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Doug Lewis (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, question No. 81 will be answered today.

[*Text*]

CONTRACT AWARDED TO BRIKON MASONRY

Question No. 81—**Mr. Boudria:**

1. Since September 17, 1984, did the Department of Public Works award contracts to Brikon Masonry or Franco Trinci and, if so, how many and, in each case, in what amount?

2. For each contract, were public tenders called and (*a*) if so, were they the lowest bidder and if not the lowest bidder for what reason were they hired (*b*) if not, for what reason were they hired?

Hon. Stewart McInnes (Minister of Public Works): 1. On March 6, 1985, one contract was awarded to Brikon Masonry in the amount of $56,000. No contract has been awarded to Franco Trinci.

2. No. Public tenders were not called in order to meet a tight construction schedule. Consequently, tenders were invited from five contractors. Brikon Masonry submitted the lowest of four competitive bids received.

[*Translation*]

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

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

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

TELEGLOBE CANADA REORGANIZATION AND DIVESTITURE ACT

MEASURE TO ENACT

The House resumed from Monday, March 30, consideration of the motion of Mrs. McDougall that Bill C-38, an Act respecting the reorganization and divestiture of Teleglobe Canada, be read the third time and passed.

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, it is a pleasure to return to this debate. Last week, the debate centred on the question of pensions and the desire of the employees of this company to have an agreement prior to their accepting employment with the new corporation. They want such an agreement because of the potential difficulties which may face Teleglobe in the future, as well as Memotec, as its owner, due to its heavy reliance on the large loan capital on which it has based its purchase of Teleglobe.

In the materials supplied to us by the Minister of State for Privatization (Mrs. McDougall), there is great emphasis placed on the benefits for employees which will result from this sale. In fact, highlighted within those points are the tremendous benefits which are supposed to be received by Teleglobe employees in the transfer. Yet, it has not been possible to arrange an agreement between the Government and the employees of this company, despite the fact that they have requested meetings, suggested compromise and laid out possible alternatives they might be prepared to accept. It is a crying shame that a government which makes a commitment to privatization cannot follow that commitment through by ensuring, as is done in most parts of the world where privatizations have occurred, that an agreement has been reached with the employees of the company concerned.

In this case, the employees are prepared to take on good faith the probability of the remaining points being worked out. They have suggested to us that they would, therefore, like to see this legislation put through before the end of the present fiscal year in order that the company will have a good start as a private enterprise and not have to face significant difficulties which might arise because of complications if the sale itself were delayed.

• (1120)

I think that is a tremendously generous attitude on the part of the employees involved. I compliment them for putting their interests secondary to the survival of this new company. However, that, of course, still leaves in front of us a great many questions with respect to the viability, sensibility, and sensitivity of the privatization of this company. We could take Hon. Members in the House through a great many different documents which raise questions, documents from disinterested parties who are not anxious to attack the Government on ideological grounds, yet see in the case of this sale a foolish step being taken which can result in some very damaging effects for the company and for the country.

I would like to put on the record some of the perceptions which I think the Canadian people should have in mind as they judge this privatization over the years ahead. I think, for instance, they should know the views of one of the employees of Teleglobe who has written to us. He writes:

> I work for the time being for a Crown corporation, Teleglobe, which is about to be privatized against the good advice of many people and sectors of the economy.

He goes on to say:

> I am not very optimistic about the "benefits" that this will bring to anyone, the Canadian public, employees, the telephone users, et cetera, except perhaps one or two large corporations.

That is the view of an employee of this company who has put long term service into building up the corporation and who sees it now as being sold off to the private sector without a sense of logic ever being presented by the Government as to why this corporation, with its important role, should be part of the private sector as opposed to the public sector.

I said at earlier stages in this debate that this particular privatization demonstrates as well that the Government, having decided to act, could not even get its act together and do the job properly. We have enquiries taking place about insider trading with respect to Memotec's stock. This is taking place not only in one stock exchange. It is being looked at in the Toronto Stock Exchange, the Montreal Stock Exchange by the Ontario Securities Commission. We also have investigations undertaken by the federal Government itself with respect to insider trading. It has been a botched privatization in which clearly there have been people who seem to have had prior knowledge that Memotec, very much an outsider, would receive the right to purchase Teleglobe and, as a consequence, would see its shares go up significantly. That is what insider trading is all about, the purchasing of shares prior to a public announcement such as this. When Memotec was announced as the purchaser, of course, its shares did go up and those people benefited significantly.

I think as well we have to look at the question of Memotec itself. Memotec is not a large company. It is not a company which is experienced in telecommunications. Independent analysts in Toronto such as Nigel Allen suggest that if interest rates were to increase by even a quarter of a percentage point it could take a big chunk out of Memotec's equity. Other people have made the same point. This is an important public firm which handles our telecommunications with the entire world, and which works not just with other private companies but very much with public agencies in other countries. A private purchaser will, in a curious way, sit as our public

representative, despite the fact that it is a private firm, and as part of many of these international agencies which govern telecommunications. Despite that public role, the company has been sold to the private sector.

I refer Hon. Members to the assessment of *The Globe and Mail* of the process by which this sale was initiated. Lawrence Surtees writes in the business section of *The Globe and Mail* that the Teleglobe Canada sale is a question of act first and think later. I think that anyone who has sat through, some of the sessions of the legislative committee which heard witnesses, as I did, would have to say that there are a great many questions which remain unanswered with respect to this sale. There are questions, for instance, which were brought to us by the head of the CRTC. I tell Hon. Members that it is a pretty rare occasion when the head of the Canadian Radio-Television and Telecommunications Commission has to come to a committee and publicly criticize a Bill which deals with telecommunications, first, because he has not been consulted sufficiently and, second, because the context of the Bill and the content of it are, in his view, dangerous to the future of CRTC regulation in Canada.

• (1130)

Teleglobe Canada is a company which in 1986 made for the people of Canada almost $32 million, which is a great deal of income. In 1985 it made over $33 million. This is money that went directly to the taxpayers of Canada to reduce what they had to contribute and pay to the Government. Teleglobe is a company which all taxpayers have paid for over the years. Despite having listened to witnesses, I cannot see the logic of selling this company off and making what should be a public firm serving Canadians, a public firm giving income back to the Canadian taxpayer. I cannot see the logic of selling it off except for the logic of an ideological commitment which bears no relationship to practicality, need or the concerns of the country.

As I think back to the witnesses who appeared before the legislative committee it seems to me that the thrust of the arguments which they brought forward, especially those brought forward by the employees of the company, were that they hoped very much that the company could stay public so that they could continue to do the excellent job which they have done for Canada. I would have hoped that that logic, that sense of commitment with respect to the desire of the workers to keep a good company going and to return benefits to the taxpayers would have eventually won out. It did not win out in the legislative committee. It has not won out with respect to government thinking. I think it will win out eventually with respect to the thinking of the people of Canada as they assess this faulty, botched privatization Bill which is before us today.

Mr. James: Mr. Speaker, I wish to read into the record a letter that was sent to the Minister of State for Privatization (Mrs. McDougall) just a couple of days ago. It states:

Madam Minister:

The Telecommunication Technical Services Association has learned that a motion on Bill C-38 was proposed to the House which implies that Teleglobe employees would have to negotiate a "compensation package" with the new employer prior to Bill C-38 coming into force.

Our Union does not support this motion and strongly opposes such irresponsible action as it may jeopardize the interests of the TTSA members and ultimately cause delays in the adoption of the Bill resulting in serious consequences for all concerned.

They go on to state that they hope that the meetings will take place in the meantime but that the Bill should certainly pass.

The amendment which is referred to in the letter was moved by the Liberal Party. In the legislative committee all along members of the Liberal Party attended and expressed their concern about one aspect of the actuarial assumptions, and so on, as part of the pension issue. So they were on to this issue early. Members of the New Democratic Party came onside later in an attempt to catch on to the coat-tails of the Liberal Party, so to speak.

In the meantime, members of the union are telling us in letters which they have sent to us that we should not do what members of the Opposition are asking us to do. Members of the Opposition now make long dissertations about many and varied aspects of the Bill. Under the protection of past service, Teleglobe employees have a wider range of options than what is generally available in the private sector; notably, normal PSSA options are, first, return of contributions; second, immediate pension; third, deferred annuity at age 60, or annual allowance at age 50, depending on the age or service; as well as a transfer of prior PSSA service to a new plan on a going-concern basis. For example, there is full provision for future salary increase, indexation and survivor benefits versus the private sector practice of transfer on a termination basis only. There is also a guarantee of maintenance of the full body of accrued pension benefits which are in place. There is also the option of accrued benefits with respect to leave in the PSSA under the continuity of employment option, which is similar to the private sector practice. The pension transfer provisions that these employees are looking at are tremendous. They know it. They want the Bill passed before the end of the month. The employees are telling us that we should pass this Bill, and we should heed their words.

Mr. Langdon: Mr. Speaker, I am not certain if the Hon. Member for Sarnia—Lambton (Mr. James) was here for the beginning of my speech. Had he been here he would have noted that I too received a copy of the letter to which he referred and that I complimented the employees on their generosity and, frankly, their acceptance of the goodwill of the Government. I must say it is more than I would be willing to bet on these days.

Mr. Boyer: Why is that?

Mr. Langdon: The point I make to the Hon. Member for Etobicoke—Lakeshore (Mr. Boyer) is that to believe in the goodwill of the Government it would take a miraculous wiping clean of the slate of the over two-and-one-half years of

disastrous government. This would include wiping clean the slate with respect to privatizations which, to my mind, like this privatization, have been badly botched and have been most unfortunate for Canada, not just for the employees involved.

If the Hon. Member for Sarnia—Lambton had wished to give the full flavour of the letter to which he referred he might have read it all. In the letter it is indicated that there are still some points of disagreement that the employees of the company have with respect to the pension arrangements which have been made.

• (1140)

I wish to point out to the Members of the House, and to people across the country, that we are not simply talking about minor issues here; as we heard from the Treasury Board officials who appeared before the legislative committee, what we are talking about is a difference of approximately $7 million insofar as the funding of the pension plan is concerned, and that amounts to something close to $10,000 per employee. So, it is a significant factor.

As a last point, let me say that while I respect the generous decisions which the employees of the company have taken—and we shall not be holding the Bill up—that is no reason not to put before this House and before this country some of the botched efforts which have gone into privatization in this particular case and some of the sad results which may well ensue for taxpayers right across this country.

The Acting Speaker (Mr. Paproski): The Hon. Member for Cape Breton Highlands—Canso (Mr. O'Neil) on a question or comment.

Mr. O'Neil: Thank you, Mr. Speaker. I should like to make a brief comment on the remarks made by my colleague.

I could not help but reflect upon the discussions and debate that took place some time ago when the Government was in the process of privatizing de Havilland through a sale to Boeing Corporation. At that time, both in the House and in committee, there were many bleak predictions about what the future would be for that corporation, what the future would be for its employees, and what the future would be for the technology involved.

As we all know, Mr. Speaker, all of those predictions have proven to be incorrect. All of those predictions appeared at the time—and I think events have proven this—to be based upon adherence to ideology and a resistance to change, and the desire to make all Canadians public servants of one sort or another. I think today in this debate we are witnessing more of the same. Were we to go back in *Hansard* and take out some of the speeches made at that time and read them into the record today, the flow would not be all that much different.

Mr. Langdon: Our argument, of course, with respect to the privatization of de Havilland was that Boeing itself was getting a Christmas gift because of the very low price which it was having to pay and because de Havilland would prove to be extremely profitable and extremely beneficial for Boeing.

The money of which the Member speaks so glowingly could be money coming back to the people of Canada, to the taxpayers of Canada, who put so many billions of dollars into de Havilland. Instead it is money which is going to the United States in the form of yet further benefits for Boeing.

It would seem to me in fact, Mr. Speaker, that the member's argument proves our point and not his point, our point being that Boeing Corporation was going to get a Christmas gift with bells on it and keep receiving benefits of immense proportions for years on end. That is precisely what has happened because this excellent company, de Havilland, was sold to a private U.S. company, a company which is now benefiting so tremendously.

As a last point, Mr. Speaker, let me quote from the letter with respect to the pension plan. I shall put on the record the sentence which the Member for Sarnia—Lambton did not. It is as follows: "Some issues relating to transferring values for past service, in our opinion, are still not resolved." That is the reality. I think it is a sad reality. Privatization is taking place without a key question such as that being resolved.

The Acting Speaker (Mr. Paproski): The Hon. Member for Ottawa—Vanier (Mr. Gauthier), on a very brief question or comment.

Mr. Gauthier: A very short question, Mr. Speaker. It deals, again, with the pension issue.

As we know, there was something of a precedent set in the Canadian Arsenals Limited transfer to the private sector, a precedent which was not followed in the Memotec-Teleglobe transaction. There are distinctions and differences between the two plans. One is a money-purchase plan; the other is a defined-benefits plan. I am wondering whether the member has a preference for either the money-purchase plan or the defined-benefits plan?

As a person who has, at this time, in the Public Service of Canada a defined-benefits plan, would he like to carry that forward to his job with the new company? Or would he perhaps like to take the risk of the money-purchase plan?

I am just wondering what he thinks about that.

Mr. Langdon: Mr. Speaker, it is of course not for me to make judgments on behalf of the Teleglobe employees. They have made their judgment, and they will live with it—

Mr. Gauthier: They don't like it.

Mr. Langdon: I think it is very important to recognize that one of the major reasons the Teleglobe employees were in favour of a fully funded money-purchase plan is the great uncertainty that hangs over the future of Teleglobe under this privatization plan, an uncertainty that is there, first, because there is no guarantee that provincial telephone companies will not bypass through the United States, thereby reducing the

revenues of Teleglobe; and, second, there is a considerable possibility that Memotec itself, because it has had to take out so many loans to make this purchase, may end up in severe financial difficulty and have to cut back its pension plan, as it has reserved the right to do.

The Acting Speaker (Mr. Paproski): Is the House now ready for the question?

Some Hon. Members: Question.

The Acting Speaker (Mr. Paproski): The question is as follows: Mrs. McDougall moves that Bill C-38, an Act respecting the reorganization and divestiture of Teleglobe Canada, be now read a third time and passed.

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

Some Hon. Members: Yea.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Paproski): All those in favour of the motion please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed to the motion please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion, the yeas have it.

And more than five Members having risen:

The Acting Speaker (Mr. Paproski): Call in the members.

The House divided on the motion (Mrs. McDougall) which was agreed to on the following division:

• (1150)

(Division No. 85)

YEAS

Members

Andre
Attewell
Beatty
Bernier
Bertrand
Blais
Blenkarn
Blouin
Boyer
Bradley
Brisco
Browes
Cadieux
Caldwell
Cardiff
Champagne
(Champlain)
Chartrand
Clark
(Yellowhead)
Clark
(Brandon—Souris)
Collins
Comeau
Cook
Cooper
Corbett
Cossitt
Côté
(Lac-Saint-Jean)
Crofton
Crombie
Crosbie
(St. John's West)
Crouse
Daubney
de Cotret
Domm
Dorin
Ellis
Epp
(Provencher)
Fennell
Fontaine
Fraleigh
Fretz
Gass
Gérin
Girard
Gottselig
Grisé
Gustafson
Hamelin
Hamilton
Hardey
Hawkes
Hockin
Howie
James
Johnson
(Bonavista—Trinity—
Conception)
Kilgour
Kindy
King
Ladouceur
Lanthier
Leblanc
Lesick
Lewis
MacDonald
(Kingston and
the Islands)
MacDougall
(Timiskaming)
MacKay
Mailly
Malone
Marin
Martin
Mayer
Mazankowski
McCuish
McDermid
McKenzie
McKinnon
McKnight
Merrithew
Minaker
Mitges
Nickerson
Oberle
O'Neil
Oostrom
Peterson
Plamondon
Plourde
Price
Redway
St-Julien
Schellenberg
(Nanaimo—Alberni)
Shields
Siddon
Sparrow
Speyer
Stackhouse
Stevens
Stewart
Tardif
(Charlesbourg)
Towers
Turner
(Ottawa—Carleton)
Van De Walle
Vankoughnet
Vézina
Vincent
Wilson
(Swift Current—
Maple Creek)
Wilson
(Etobicoke Centre)
Winegard
Witer—108

NAYS

Members

Baker
Blackburn
(Brant)
Blaikie
Broadbent
Caccia
de Corneille
de Jong
Dingwall
Epp
(Thunder Bay—
Nipigon)
Gagliano
Garneau
Gauthier
Gray
(Windsor West)
Guilbault
(Saint-Jacques)
Heap
Henderson
Hopkins
Hovdebo
Isabelle
Killens
Langdon
Malépart
Manly
Marchi
Mitchell
Nystrom
Orlikow
Parry
Penner
Prud'homme
Riis
Rodriguez
Turner
(Vancouver Quadra)
Young —34

• (1230)

And the Clerk having announced the result of the vote:

Mr. Fennell: Mr. Speaker, I rise on a point of order. When we were in opposition I recall the Government bringing to the attention of the House a certain member who was in the House without a tie. I notice today that the Member for Davenport (Mr. Caccia), who was part of the former Government, came into the House without a tie. I suggest that his vote not be counted.

Some Hon. Members: Hear, hear!

Mr. Caccia: Mr. Speaker,—

Some Hon. Members: Withdraw. Out!

Mr. Caccia: Mr. Speaker, if the Hon. Member will first look at his side of the House he will notice that there are many members on his side who are not wearing a necktie. Second, I have come from a committee meeting where the way I am dressed is acceptable. Since the committee is an extension of the House and allows members not to wear a tie, it seems to me inconsistent to have two different sets of standards in both places.

Some Hon. Members: Out!

[*Translation*]

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I believe there is an important question to be settled, and I would not want to minimize the fact that the Hon. Member for Davenport (Mr. Caccia) is not wearing a necktie. However the fact that you gave him the floor—he was recognized—would seem to confirm that you did not object to his presence and his being seen tieless.

In my opinion, the question as to whether a Member should be denied the right to vote or have his vote struck out after the division is a matter to which we should perhaps give serious consideration. The fact the the Hon. Member was here, that he voted, and that you recognized him, Mr. Speaker, just might point to a more contemporary approach concerning the way we dress. As the Hon. Member for Davenport said, and I repeat, there are people in this House who do not and probably will not wear a necktie ever, yet that does not prevent them from voting.

[*English*]

Mr. Deputy Speaker: The Hon. Member for Windsor West (Mr. Gray) on the same point of order.

Mr. Gray (Windsor West): Mr. Speaker, I want to associate myself with the words of our distinguished Whip for the Official Opposition. Government Members do not recognize that a number of their group are in the House without wearing a tie. I think I can identify the Minister of Communications (Miss MacDonald), the Minister of Supply and Services (Mrs. Vezina)—

Some Hon. Members: Oh, oh!

Mr. Gray (Windsor West): I can identify a number of others who are not wearing a tie.

An Hon. Member: Don't be silly.

Mr. Gray (Windsor West): I think the right to vote in the House should not depend on whether one is wearing a tie. The Member for Davenport is dressed neatly and in a way that cannot be considered disrespectful of the House. Certainly the right to vote in the House should be considered on the basis of something more serious than whether or not a member is wearing a tie. I am very surprised that the chief government Whip thinks that the right to vote should hinge on something as irrelevant as whether or not one wears a tie.

I believe we have reached the point where we should not approach these kinds of matters on the thesis of *deux poids, deux mesures*. I ask you to take a moderate, enlightened approach to this matter and recognize the right of the Hon. Member for Davenport to vote, failing which one must strike from the record the votes of all Conservative Members who are not wearing ties, and there are quite a few of them.

Teleglobe Canada

Mr. Epp (Provencher): What about Thérèse? Do you count her vote, too?

Mr. Fennell: Mr. Speaker, I will relent on my argument the day the Member for Windsor West (Mr. Gray) comes into the House wearing a dress.

Some Hon. Members: Oh, oh!

Mr. Broadbent: Go for it, Herb.

Mr. Fennell: The opposition Whip, my colleague and friend, in quieter times would probably agree with me that it is important to retain dress in the House. I repeat that I would relent on my argument if the Member from Windsor would do as I request.

Mr. Deputy Speaker: I hope that not all Hon. Members want to speak on this question. However, I would like to hear the opinion of the Hon. Member for Winnipeg—Birds Hill (Mr. Blaikie), who is a member of important committees concerning the House.

Mr. Shields: We are getting into jeans next.

Mr. Blaikie: Mr. Speaker, lest the wrong impression be left, I want Hon. Members to know, particularly the government Whip, that many male Members of the House of Scottish origin, have often appeared in the House wearing a kilt and that has and should continue to be regarded as appropriate dress.

Mr. Deputy Speaker: I am prepared to rule. There are two matters to this issue. First, with regard to the right of the Hon. Member for Davenport (Mr. Caccia) to vote, the vote will stand.

Some Hon. Members: Hear, hear!

Mr. Deputy Speaker: Second, with regard to the dress of Hon. Members in the House, there is nothing specific in the Standing Orders. However, Citation 244 of Beauchesne states quite clearly that Speakers should enforce what is described as conservative, contemporary dress.

Some Hon. Members: Hear, hear!

Some Hon. Members: No.

Mr. Deputy Speaker: In light of that citation, as far as men are concerned, I would ask members to please wear ties in the House, possibly with the exception of the Member for Eglinton—Lawrence (Mr. de Corneille).

I declare the motion carried.

Bill read the third time and passed.

Canagrex

CANAGREX DISSOLUTION ACT

MEASURE TO ENACT

The House resumed from Friday, March 27, consideration of the motion of Mr. Wise that Bill C-2, an Act to dissolve Canagrex and to amend certain Acts in consequence thereof, be read the third time and passed.

Mr. Deputy Speaker: There were six minutes remaining in the question and comment period on the excellent speech of the Member for Windsor West (Mr. Gray).

Mr. Baker: Mr. Speaker, I want to ask the Member for Windsor West (Mr. Gray) a question concerning Canagrex. First, I point out to you that one of the requirements for being allowed into the Speaker's Gallery in the House is that one must wear a tie.

Does the Hon. Member for Windsor West believe that the Conservative Government perhaps made a mistake in 1984 when it cut all funding to Canagrex? Did it make a prejudgment on the results of the work commenced by the Crown corporation? Does he think that is what happened? Or does he think that this was an intentional move by the Government to try to satisfy, perhaps, some objections from the United States with respect to Crown corporations in Canada? Why does he think the Government cut off its funding in 1984 and only two years later tried to do away with the Crown corporation?

• (1240)

Mr. Gray (Windsor West): Mr. Speaker, I do want to answer the question. However, I also want to seek your guidance, Mr. Speaker, on whether I should raise a point of order about the lack of a tie being worn by the Speaker when occupying the Chair. I will seek your guidance about this very interesting point because one cannot say that the tabs worn by the Speaker are the equivalent of a cravat. I will seek your guidance, Mr. Speaker, and reserve my right to raise a formal point of order on this subject.

Dealing with my hon. friend's question, one would have thought it would have made a lot more sense for the Government to give Canagrex a reasonable period of time to see just what kind of business it could generate for the Canadian agri-food sector, which would not otherwise have been there, before it proceeded to choke off its funding and rush legislation into the House to kill Canagrex.

It is my information that at the time the Government withdrew funding from Canagrex, it was in the process of formalizing some $100 million in export sales of Canadian agricultural products, both processed and unprocessed. These sales would not have been there had Canagrex not been able to step in and seek out opportunities in world markets. There is no doubt in my mind, therefore, that the foolish step taken by the Government to eliminate the funding of Canagrex and to kill that organization was done prematurely. It would have made more sense to respond to the views of many in the private sector and give Canagrex a chance to show what it could do before making a final decision about its future.

The decision the Government did take was not only premature, it was foolish. The result was to lose opportunities for sales of Canadian agricultural products abroad in the area, initially, of likely $100 million, and over time perhaps in the billions of dollars. The effort by the Conservative Government to kill Canagrex has been another $1 billion mistake. The way the Conservatives bungled the matter of the failures of the two banks has cost taxpayers $1 billion. This Bill with which we are being asked to deal today represents another mistake which may well cost taxpayers, the Canadian private sector and the agri-food business perhaps another $1 billion or $2 billion.

It is a shame that the Government has taken this action. As I said before in answer to my hon. friend, we are going to make sure the Government's action is not forgotten by the voters. They will have the final say. I am confident their say, through their votes, will be that the Government made a terrible mistake, but the voters will not be making a mistake in getting rid of the Government for this $1 billion error.

Mr. Nystrom: Mr. Speaker, I agree with the Hon. Member for Windsor West (Mr. Gray) that this will be another $1 billion bungle by the Conservative Party. It is amazing to see the Minister of Indian Affairs and Northern Development (Mr. McKnight) sit back and allow his Government to shaft the farmers of Canada. I cannot understand that. I was in his riding on Friday night and people there are wondering why he does not stand and defend Canagrex. I was in Kindersley and the people there are so angry that from a small New Democratic Party fund raiser of 120 people we raised over $5,000. That shows you the concern those people have that the Cabinet Minister is not doing his job, and we have many good farmers who want to run in that riding. I think the only people who will win in the west now are New Democrats. I am just reading the polls.

It is very important we keep Canagrex because of competition now between the Europeans, the EEC and the Americans with their farm Bill. It is very important that we get out there and hustle to find markets for Canadian food products. I cannot understand why the Government would get rid of an agency which could do just that. The Hon. Member for Windsor West was a member of the previous Government. He and his Government knew a number of years ago that there was getting to be more and more competition in terms of sales and markets for Canadian farm goods. Why on earth did the Hon. Member's Government take so long to bring in Canagrex in the first place? Why did it wait until the dying days of a Liberal regime, until the last gasp for breath, before it introduced Canagrex to try to get a few more votes from Canadian farmers? Why was the Liberal Government so slow. It was almost slower than the Conservative Government.

Mr. Gray (Windsor West): Mr. Speaker, the original concept, I have to admit, created some controversy. There

were concerns in the private sector, both on the part of producers and processors of agricultural products, that the original concept would overlap activities already going on, and would take away opportunities which could be carried out by the private sector.

I think the parliamentary process did its job. Through the debate on the Bill at second reading, through the committee hearings and through consideration of the report of the committee, we were able to develop a concept which eliminated almost all of the concerns of the private sector and there was as a result a consensus that Canagrex, as it was passed by this House, was a good idea and deserved the support not only of this House but of the agricultural sector of Canada generally. I, therefore, say that I do not think that we took too long. The parliamentary process did its job, eliminating issues and problems which the community outside of Parliament saw in the Bill.

I think the real mistake is the mistake we are now trying to stop the Government from making by proposing this Bill. It is a mistake of the Government to try to kill Canagrex. If there was any mistake on the part of the previous Liberal Government, it is that we could not see how such an obviously good idea as Canagrex would not be accepted and would be rejected even by a Conservative Government. We thought that if it happened that we would not be returned after the next election, even the Conservatives would be able to see what a good idea Canagrex was. We could not anticipate they would be so foolish as to reject this very good idea.

In this respect I have to admit we were wrong. However, I am sure the Canadian people will assist in helping make sure these kinds of mistakes are not made again, and I refer to the mistake in judging just how foolish and lacking in understanding and intelligence Conservatives can be. I am sure that after the next election they will not have the same chance they have now to do the damage they are doing to the Canadian agricultural sector and to the Canadian economy.

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, I am happy to have the opportunity to say a few words about Canagrex because I was very closely involved with the development of Canagrex. As the Hon. Member for Windsor West (Mr. Gray) suggests, it was a product of the past Government. It was also a product which was supported by the Conservatives in opposition. In fact, during the time of the Government of the Right Hon. Member for Yellowhead (Mr. Clark), the present Minister of Agriculture (Mr. Wise) brought in legislation almost identical and was ready to have it pushed through the House. Somehow between that time and when it finally got to the House four years later, the Conservatives had decided they could make it a political football. What they did was—and I can only think of one word—disgusting in its approach. They took what was a good idea, what they themselves had supported, and made it look like something which was not worthwhile.

• (1250)

Canagrex was born out of neglect, out of the neglect of many Byears of governments which did not put into place the type of marketing and exporting system which would work well for the agricultural producers of Canada. It was created because a developmental policy that would allow the continuing increase of exports around the world was not forthcoming. It was built to fill a vacuum, in spite of the fact that the Department of External Affairs said that it had in place around the world agents who would do the type of work that was necessary to increase the agricultural export market. They had not done it, and they did not do it. Consequently, Canagrex was created to fill a vacuum.

It would be of interest to review for a few moments exactly what Canagrex did put in place in its short life span of eight months. Canagrex was born on July 3, 1984. Immediately, it set out a corporate plan which touched on those areas in which it thought it could be the most effective in terms of the export of agricultural products around the world. This plan was approved by its board of directors and by the Minister of Agriculture of the day. The plan included a great number of developmental ideas. By June its plan was pretty much under way. It had a team of people in place which was working not only in Canada but around the world to develop markets and to establish a basis for realistic proposals which were put forward in the corporate plan. It found a tremendous amount of interest in the agricultural community for its plans. Producers of almost every type of product other than those already handled by marketing boards, such as wheat and grains, were interested in having for themselves some type of an agency which would develop export markets for them.

Canagrex did not go out to sell goods or to buy goods. In fact, it did not have the right to do so under the legislation. What it did was leave buying and selling to the private sector. Its objectives were to facilitate sales and to provide information to the producers and shippers of agricultural products. It surveyed Canadian commodities and found that many of them could be produced in surplus and could be sold on the world market. It also went out into many countries to find out what products they might want to buy. In the process, a source list of Canadian products, of commodities, was developed. It is probably the most comprehensive and most up-to-date source list of agricultural products that are available in Canada for sale even up to this date. I point out to Hon. Members that Canagrex was created about three years ago.

The next step Canagrex took was to develop a market survey program. This program entailed in-depth research of specific markets around the world, markets which were considered to be promising in countries which were most interested in buying Canadian products. When Canagrex went out to investigate these markets it took with it producers from each of the product areas concerned. For instance, when it went to Singapore it took pork producers along. When it went to Cuba it took potato producers along. When it went to Egypt it took along tobacco producers. In each case Canagrex used the

producers and the distribution industry in such a way so as to give them direct contacts with buyers. Many countries in the world have central buying systems. These countries practically demanded a central selling system from Canada. That is a role which Canagrex could have fulfilled, although it was not the basis of its initial mandate.

Canagrex also developed programs for the Philippines, Colombia, Panama and other South American countries. It prepared a comprehensive study that identified the markets for a number of commodities that were available. For example, it prepared a comprehensive study of markets for pork, a study which was developed in conjunction with pork producers. Commodities were listed and a potential sales list was sent out to producer organizations around Canada.

In the short time in which I have been speaking I have mentioned a number of countries. I wish to point out that if we take a look at a list of those countries to see which ones have so-called agricultural people in our External Affairs offices in those countries we will find that a number do not have any agricultural people. Consequently, nothing has developed since the days of Canagrex in terms of sales to these countries.

Canagrex was developed in such a way that most of its operation costs would be defrayed by the sale of products. The only costs of the operation of Canagrex which would be referred back to the Government, or which would become a government expense, were those with respect to the employees on its staff and the sending out of information.

After Canagrex had surveyed the markets and pin-pointed them, it then went out to stimulate export sales in the countries which it identified. It did this in a way which no commercial officer who has been posted abroad could possibly do. No agency of the Government which is not specifically interested in agriculture could have done this. To illustrate my point, Canagrex transported high quality breeding swine stock to Italy for show to ascertain whether or not Italy was interested in that type of market.

Mr. Speaker, I see you indicating that it is almost one o'clock. I will continue my remarks later on today.

Mr. Deputy Speaker: It being 1 p.m., I do now leave the Chair until 2 p.m. this day.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S. O. 21

[*Translation*]

TRANSPORT

PROTECTION OF MOTORISTS—MEASURES GOVERNMENT WILL TAKE

Mrs. Thérèse Killens (Saint-Michel—Ahuntsic): Mr. Speaker, Transport Canada had an excellent idea last week when it held a public forum on March 25 and 26, on restraint systems in cars.

I attended the forum and was delighted to see the positive attitude shown by all parties either directly or indirectly concerned with finding better ways to protect automobile users against highway accidents.

A number of participants stressed the importance of educating the public to increase the rate of seat belt use. A coroner who spoke to the forum pointed out that there was a right way and a wrong way to wear a seat belt.

Finally, car manufacturers announced that installation of rear shoulder belts in the back and air bags in the front would be complete by 1990.

Much remains to be done, and we will have to keep up the pressure, Mr. Speaker. The organizers are to be commended for the tremendous success of this forum, and I am anxious to see the measures the Minister of Transport (Mr. Crosbie) will introduce to ensure that the Canadian car user will have maximum protection against highway accidents.

* * *

[*English*]

CAPITAL PUNISHMENT

CALGARY NEWSPAPER'S CAMPAIGN

Mr. Alex Kindy (Calgary East): Mr. Speaker, recently the *Calgary Sun* had a write-in campaign for the reinstatement of capital punishment, entitled "Let Brian Know".

As the *Calgary Sun* promised the petitioners, it would be hand delivered to the Prime Minister (Mr. Mulroney). After finishing my statement, I shall do so on behalf of the petitioners.

I feel more confident now that we have the promise of the Government to have a debate and a free vote on the reinstatement of capital punishment before June 1. I feel more confident, too, that this issue is going to be resolved to the satisfaction of the majority of Canadians.

HUMAN RIGHTS

CHILE—TORTURE AND OTHER VIOLATIONS

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, this week Pope John Paul II visits Chile, where he will become familiar with the terrible human rights situation in that country.

The Vicariate of Solidarity, sponsored by the Catholic Church, has documented hundreds of cases of torture, kidnapping, and murder. Sadistic torture methods sometimes reach new levels of technical sophistication. At other times, as in the burning of Carmen Quintana, who came to Canada for healing, they reflect old fashioned brutality.

During his visit the Pope will see a fascist Government, will see all of the trappings of power; but he will also see the courageous spirit of the Chilean people, who refuse to accept dictatorship and who continue to work and struggle for a return to democracy and freedom. I say, let the spirit of the Chilean people live and triumph.

* * *

PETRO-CANADA

PRIVATIZATION RECOMMENDED BY ECONOMIC COUNCIL OF CANADA

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, after careful consideration and detailed study, the Economic Council of Canada, under the eminent chairmanship of Judith Maxwell, has concluded as follows:

> We recommend that Petro-Canada be privatized. The corporation should be sold through a broad share offering, made initially only to Canadians, but no specific legislative restriction should be placed on individual shareholdings.

Since the passage of the Petro-Canada Act in 1975, this Crown corporation has become the largest refiner-marketer in Canada. But there is no indication that the public is better off by one cent than had previously been the case.

It is time that this most sensible recommendation of the Economic Council of Canada was acted upon by the Government.

Some Hon. Members: Hear, hear!

* * *

ENVIRONMENTAL AFFAIRS

CANADIAN COALITION ON ACID RAIN—TELEGRAM SENT TO PRIME MINISTER

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, the Canadian Coalition on Acid Rain has urged Prime Minister Brian Mulroney to press, at next week's summit, for more substantive American actions to fight acid rain.

The Prime Minister "should ask U.S. President Ronald Reagan to submit a formal legislative proposal to Congress that would actually reduce acid rain emissions", the Coalition said in a telegram to the Prime Minister.

The telegram, signed by the Coalition's 55 member groups and 900 individual supporters, was sent Monday. A copy was released today. Coalition Co-ordinator Michael Perley said that the Prime Minister's statements on acid rain have indicated Ottawa is satisfied with Reagan's commitments, which amount to little more than research. "This impression needs to be corrected and a clear message sent to U.S. legislators and the American public that nothing short of emission reductions will solve the acid rain problem", Mr. Perley said.

* * *

[*Translation*]

LIBERAL PARTY

USE OF MEDIA HIGH-TECH FACILITIES

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, on Sunday morning in Quebec City, Liberal Party Members had the honour and the privilege of brunching with their Leader, thanks to modern computer technology.

Initially, the organizers were going to set up 100 tables, but because of low attendance, they reduced this number to 60.

Subsequently, they decided to seat two or three people per table, because it is a problem to fill 480 seats with 250 guests. Mr. Speaker, some of the guests felt rather uncomfortable attending such a lavish event with so few people present.

Finally, the guests who were present and, we assume, listened to the Leader's speech were very disappointed since it contained no definite program worthy of a political party.

Did the Liberals hand out cassettes of their Leader because they were afraid the cameras would show a lot of empty tables?

Is this a ploy on the part of the Liberals to obtain a consensus among all dissidents? Or was it to avoid fortuitous contradictions by their Leader?

* * *

• (1405)

[*English*]

CANADIAN NATIONAL RAILWAYS

LAY-OFFS IN MELVILLE, SASK.

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, on Wednesday of last week CNR announced that it was laying off some 47 employees in the city of Melville, which represents

about 11 per cent of its workforce in that city. The payroll of CNR in the city is around $12.5 million. It will be a tremendous cut-back and hardship, not only for the families working with CN but for the business community and for the city as well.

CN is downgrading the car shops from repair shops to cleaning shops. What makes me angry as the Hon. Member for Yorkton—Melville is that some months ago, or a little over a year ago, CNR announced that it would not be cutting back on personnel in Melville, that indeed it would be maintaining the workforce and perhaps even expanding it.

I call upon CNR to keep its promise, to rehire the people it is laying off in Melville, and to expand the car shops not just to cleaning shops but to repair shops as well.

* * *

AEROSPACE INDUSTRY

DE HAVILLAND—INCREASE IN EMPLOYMENT FOLLOWING PRIVATIZATION

Mr. John Oostrom (Willowdale): Mr. Speaker, when the Government decided to sell de Havilland, the opposition Parties predicted that privatization of the corporation would result in the loss of jobs. Further, they argued that the Government had destroyed a major portion of our aerospace industry.

The doomsayers on the opposition benches have been proven wrong again. Since the sale of de Havilland to Boeing, employment has risen from 4,400 people to 5,200 people, an increase of 800 jobs.

For the first time orders for Dash-7 and Dash-8 aircraft exceed production. The new management, coupled with the world-wide network of Boeing Corporation, has led to this excellent increase in orders for these fine aircraft.

This success has allowed de Havilland to produce a new series of aircraft, which will allow de Havilland to increase its penetration in the short-haul commuter field and will mean a further increase in jobs and technology. No wonder the Opposition now avoids the issue altogether.

* * *

[*Translation*]

UNEMPLOYMENT INSURANCE

REQUEST FOR JUSTICE FOR ELDERLY WORKERS

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, on Monday, March 23, more than 1,000 early retirees attended an information and consultation meeting in Montreal.

On Friday, in Quebec City, over 600 early retirees went to a similar meeting and today we have the visit of Coalition and ARSAC representatives who came to protest against the Conservative Government decision to take a harder position concerning elderly workers in Quebec and the rest of Canada.

Sad to say, Mr. Speaker, the Conservative Members of the House do not seem to be overly eager to defend the interests of elderly workers.

Today the Minister of Employment and Immigration is attending a federal-provincial conference with his provincial colleagues responsible for employment, and I happen to know that some of the provincial Ministers will request the federal Government to play fair with elderly workers because the Conservative Members simply will not come to their defence.

* * *

PATENTS

ADOPTION OF LEGISLATION TO PROTECT PHARMACEUTICAL DISCOVERIES—IMPACT

Mr. Gilles Bernier (Beauce): Mr. Speaker, the results of a nation-wide poll show that 80 per cent of respondents support the adoption of federal legislation to protect pharmaceutical discoveries, with the guarantee that drug price increases will not exceed the inflation rate.

Bill C-22 now before the House provides for the creation of a patented medicine prices review board. Canadians think this is a good idea. Only price increases lower than the inflation rate will be authorized.

Mr. Speaker, Canadians hope that intensified research will lead to better medical treatment in this country. I would stress that if the Bill is adopted, over 10 years the industry is committed to double its biomedical research and development budget, as a percentage of its sales. In Canada this will translate into new investments of $1.4 billion, for a total of $3 billion.

This also means jobs for young people joining the labour force. The Liberals are against that. The New Democratic Party is against that.

Meanwhile, Mr. Speaker, the Leader of the New Democratic Party has both hands deep in Shirley Carr's handbag. Both of them will quickly waste the Canadian Labour Congress membership funds on the election campaign.

• (1410)

[*English*]

ENVIRONMENTAL AFFAIRS

OPPOSITION TO U.S. DEMOCRATIC SENATOR'S PROPOSED LEGISLATION ON ACID RAIN

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, the Canadian Coalition on Acid Rain has rightly sent a message to the Prime Minister (Mr. Mulroney) critical of the impression he has given to the American administration, the Congress, and indeed the American public that Canada is somehow satisfied with what President Reagan has committed himself to do so far. But things continue to go from bad to worse. We learned yesterday that Democratic House Leader Robert Byrd from Virginia is intent on weakening what is already an abysmally weak proposal by the President. Mr. Byrd is a Democrat, and so with respect to our hopes that action will come from the United States on acid rain we find that we have staunch opponents on both sides of the Congress, something that all members should regret.

I asked the Prime Minister yesterday whether he would consider asking President Reagan to assure us that he would veto any such congressional action. That kind of action has become less likely as a result of Senator Byrd's statements. I wonder whether the time has not come for all of us here in the Canadian House of Commons and in the Senate to get together to pass a unanimous resolution sending a message to the United States Congress, both the House of Representatives and the Senate, saying just how unanimous we are that the United States must take real action to reduce acid rain emissions and become the good neighbor that it says it is.

* * *

CHILD CARE

PARLIAMENTARY COMMITTEE'S REPORT

Mr. Bill Attewell (Don Valley East): Mr. Speaker, the Special Committee on Child Care presented its much awaited report to this House yesterday. The committee was asked to report on three related subjects: the needs of children being cared for inside and outside the family, how best to define a role for the federal Government in child care, and what steps the federal Government could take to fulfil this role.

The federal Government has 120 days to give a sensitive, caring and thoughtful response to the committee's report and its 39 recommendations. I am confident that most Canadians will be supportive of the Government's response. On the other hand, I believe the knee-jerk reaction by some Members of this House and leaders of other groups in the public sector is irresponsible and smacks of blatant political posturing.

I intend to read the entire report over the next few days, and I would encourage some of the most vocal critics to do likewise, unless they fear that a more thorough understanding and knowledge of the facts, the intensive research and well thought out recommendations, including an appreciation of the funding requirements, might alter their preconceived opinions.

* * *

[*Translation*]

LABOUR

CLOSURE OF A. GOLD & SONS—EARLY RETIREES—REQUEST FOR ANNOUNCEMENT OF GOVERNMENT PROGRAM

Mr. Alfonso Gagliano (Saint-Léonard—Anjou): Mr. Speaker, I have a number of letters from people in my riding who are aged 55 and who lost their jobs because A. Gold & Sons have closed their doors. In their situation they were entitled to early pension benefits until August 17, 1986. Once these employees have used up their 52 weeks of unemployment insurance they will be without jobs or early retirement benefits, and they are now wondering how they will manage to keep their children in university and provide for family needs.

The Conservative Government put the axe to the early retirement program and today still, after many months, it has not announced a replacement project. These people are quite worried, Mr. Speaker, and we urge the Minister of Labour (Mr. Cadieux) to unveil his program immediately.

* * *

[*English*]

PHARMACEUTICAL INDUSTRY

PATENT ACT—SUPPORT FOR AMENDING LEGISLATION

Mrs. Mary Collins (Capilano): Mr. Speaker, like my colleague, the Hon. Member for Beauce (Mr. Bernier), I would like to draw to the attention of this House a recent Decima poll, released yesterday, which shows that 82 per cent of Canadians support the principles of Bill C-22.

In fact one of the questions asked was whether or not Canadians would be willing to pay higher prices for their prescription drugs if more research and development were done here in Canada. Sixty-five per cent of respondents said yes.

Bill C-22 is good for Canada, and Canadians support it. The opposition Parties are basing their politics on unfounded fear of vastly higher prices, but they have failed to address the important issues of better health care and intellectual property protection, values that Canadians support.

This poll indicates that Canadians do support research and development and Bill C-22. It is a Bill which, with the establishment of a drug prices review board, will provide

Canadian consumers for the first time with monitoring and regulation of drug prices. Canadians like that.

* * *

• (1415)

FISHERIES

MARINE ECOLOGY LABORATORY AT BEDFORD, N.S.

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, I rise today to express my sincere disappointment with the Minister of Fisheries and Oceans (Mr. Siddon) for his decision to close down the marine ecology lab at the Bedford Institute of Oceanography in Nova Scotia. There can be no sensible reason to dismantle this world-renowned facility, a facility that has proven its worth many times over since it was created.

How can the Minister of Fisheries and Oceans, with the silent approval of the Government of Nova Scotia, make this decision? Time and time again the Minister of Fisheries and Oceans has made decisions that have impacted negatively on the fishing community and industry of Nova Scotia. It is about time the Government of Nova Scotia and members of the Cabinet from the Province of Nova Scotia make it clear to the Minister that this decision is completely unacceptable to the people of Nova Scotia.

I call upon the Minister of Fisheries and Oceans, the Minister responsible for Canada Mortgage and Housing Corporation, and the Member of Parliament from Halifax to stand up for the constituents of that particular region of Nova Scotia and to have the Government reverse its decision and maintain the marine ecology lab at the Bedford Institute of Oceanography.

ORAL QUESTION PERIOD

[*English*]

CHILD CARE

PARLIAMENTARY COMMITTEE'S REPORT—NATIONAL CHILD CARE PROGRAM PROMISE

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, in the absence of the Prime Minister I put a question to the Deputy Prime Minister. The Prime Minister's defence yesterday of the proposals of his caucus members on child care was about as irrelevant as those proposals themselves. The Prime Minister either misrepresented the facts or does not understand those facts. Does the Prime Minister understand that if the proposals of his caucus members are accepted, they will be breaking the major campaign promise made by the Prime Minister for a national child care program?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, the Right Hon. Leader of the Opposition must recognize that this report was presented to the House. The Prime Minister said very clearly yesterday that he as well as other members of Cabinet would be studying the report. The Leader of the Opposition also knows that, under the changes to the parliamentary rules, the Government has 120 days from yesterday to respond to the report. I think that is very much in keeping with the negotiating timetable the Ministers of Social Affairs, both provincial and federal, have set for themselves for finalizing these plans by the middle of this calendar year.

[*Translation*]

LACK OF MODERATELY PRICED PLACES IN DAY CARE CENTRES

Right Hon. John N. Turner (Leader of the Opposition): Well, I believe that under the circumstances I should direct the following questions to the Minister of National Health and Welfare.

Does he know whether the Prime Minister is aware of the fact that his own Members have failed to understand the biggest problem, which is the very severe lack of places in day care centres? Is the Minister aware that there is a very severe shortage? And what is he going to do to meet the needs of Canadians, to have enough places to meet the demand of Canadian families, particularly lower income families?

[*English*]

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, the Prime Minister as well as members of the Cabinet and Canadians who have looked at the child care issue know that there is a need for more spaces. The Prime Minister has said that right from the beginning. He said that during the election campaign of September, 1984, and he repeated it in Vancouver at the First Ministers' Conference. He mentioned it again as recently as Saturday night when he addressed a group of women delegates to Impact 87. Quite frankly, that point is not the issue.

I think the issue is what kind of a mix we should put together in child care so that there will be more spaces and so that those parents who choose, for whatever personal reasons, not to access the so-called formal day care system will also get some recognition, either financial or otherwise, from the Government of Canada and from provincial Governments.

POSITION OF PROGRESSIVE CONSERVATIVE PARTY

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, of course we paid due attention to the Prime Minister's speech to a very carefully chosen and culled audience. When the country as a whole seems to be taking a more mature and progressive approach toward child care, why is the Minister's Party moving backward? Could he explain to the House why his colleagues on the committee are so opposed to setting national standards for quality child care? Why are they so opposed to meeting the immediate need of lower and middle-income families? Why do they resist fulfilling the immediate need for spaces for Canadian children who do not

have access to quality child care? Why did his colleagues react in this way? Could he explain that to the House so we know just where he and his Party stand?

• (1420)

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I addressed the matter of spaces in my second answer to the right hon. gentleman. The Progressive Conservative Party is not moving backward. The parliamentary committee has put forward recommendations to Parliament. The Government has not yet either endorsed or acted on them. I think the right hon. gentleman should be fair and recognize that this is a federal-provincial area with primary responsibility in the provinces. I am not saying that to deny any federal responsibility.

Mr. Turner (Vancouver Quadra): Let's see a little leadership.

Mr. Epp (Provencher): We are willing to give leadership. It is a given that, if there is public money put into a system, there must be standards. As an example, under the Canada Health Act the Government of the day set standards and, if those standards were met, funding was provided to the provinces. That model could also be used in a national child care system. The Right Hon. Member should not jump to conclusions which may be of short-term political gain but may not necessarily be of the greatest benefit to child care.

IMPLEMENTATION OF GOVERNMENT POLICY

Hon. Herb Gray (Windsor West): Mr. Speaker, I have a question for the Deputy Prime Minister. In the answers so far the Government has shown no recognition of the compelling need to have a comprehensive national child care system set up right away. Some 1.2 million Canadian children live in poor families which have problems earning an adequate income due to the lack of adequate day care. The lack of adequate day care means that single mothers do not have an equal opportunity to earn better incomes for their children.

Will the Deputy Prime Minister put aside the scatter-gun approach of the Conservative Members and tell us how the Prime Minister will keep his promise to provide a comprehensive national day care system for Canadians, or is he asking Canadians to wait another two and a half years for the answer?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, the Hon. Member really amazes me. I thought he was in the House yesterday. I am sure that if he had been paying attention he would have heard very clearly the words of the Prime Minister which are reported at page 4687 of *Hansard* as follows:

> We know that a comprehensive child care system will require significant resources, and we are going to have to find them. For I want to state clearly that our commitment to a child care program is real and that Canada shall have an effective national child care system.

GOVERNMENT POSITION

Hon. Herb Gray (Windsor West): Mr. Speaker, in spite of the glib answer of the Deputy Prime Minister, if he accepts the proposals of the Conservative members of the committee, in the year 2000, which is less than 20 years away, we will still be more than one million child care spaces short.

Why will the Deputy Prime Minister and the Government not show leadership today and tell us how they will meet the need of Canadians for an adequate comprehensive child care system?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, why does the Hon. Member not start paying attention? The Minister of National Health and Welfare just answered that question. The report presented by the parliamentary committee will be studied, considered, and responded to, as the Minister indicated.

PROVISION OF SERVICES

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I have a question for the Minister of National Health and Welfare. Yesterday, virtually every expert in the country who knew something about the need—no one on that side of the House I assure you—and knew anything about the almost 2 million Canadian children who need child care services, condemned the Conservative majority report for being totally inadequate in terms of increasing services.

• (1425)

I remind the Minister that on page 41 of this Conservative document there is a recommendation to spend a mere $10 million in increasing the services for children. The whole country knows that the Government will spend $40 million to move an unneeded prison into the Prime Minister's riding.

Some Hon. Members: Oh, oh!

Mr. Broadbent: I want to ask the Minister a serious question—

Mr. Crosbie: Get serious!

Mr. McDermid: You want to ask a serious question? Get serious!

Mr. Broadbent: The Minister has some responsibility for this. Does he believe that it is the right priority for a Government of Canada to spend four times the amount of money on a prison for the Prime Minister's riding than for all of the children of Canada? Is that the right priority?

Mr. Siddon: Don't be ridiculous.

Mr. Mazankowski: You are being ridiculous, Ed.

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, there are two responses to those comments. First,

the Leader of the New Democratic Party used the figure of 1.9 million—

Mr. Broadbent: No, I did not. Where did you get that?

Mr. Epp (Provencher): One point nine million as the number of children, for example, who should have child care. He knows full well that the figures he and his members use include children from 18 and under. When you talk about universal systems, you put all of this together and come up with a large figure.

When one considers the amount of money the committee recommended yesterday, the member was again very selective in his figures and gave the figure of about $10 million in new services for the children of Canada. That is simply not what the committee recommended. The committee is recommending that the federal Government expend approximately $700 million in programs. You might disagree with the mix; I might want a slightly different mix too. However, I am telling the member to start using all the facts rather than selectively, as you always choose to do.

PROVINCES' REACTIONS

Hon. Edward Broadbent (Oshawa): I was quoting from the document and the Minister knows that the figures he has just given mostly are in the form of tax breaks which have not worked in the United States, which have been rejected by every country in Europe that has effective day care, and have been rejected by church groups in Canada and every expert. You are a disgrace in terms of providing child care, and you know it.

Some Hon. Members: Oh, oh!

Mr. Mazankowski: Shame on you!

Mr. Holtmann: Ask Howard Pawley.

Mr. McDermid: There is a clip for *The National*.

An Hon. Member: Grandstanding again.

Mr. Clark (Yellowhead): Stomp all over Parliament.

Mr. Shields: Ed makes *The National* again.

Mr. Speaker: I ask all Hon. Members to respect the right of the questioner to put a question. I would ask the Hon. Member for Oshawa not to use the personal pronoun "you". I remind all Hon. Members that if preambles are argumentative there will, of course, be a response. The Hon. Member.

Mr. Broadbent: Mr. Speaker, after this report came down the Government of Ontario said it is inadequate in terms of services, the Government of Manitoba has said the same thing, and the Conservative Government of Nova Scotia has condemned it as being inadequate in supplying services for Canada's children. Three Governments have responded—

Mr. Speaker: The Chair is always very reluctant to interrupt the questions, but the Hon. Member for Oshawa has already had a long preamble and seems to be on a second one. I would ask the Hon. Member to put the question.

Mr. Broadbent: Mr. Speaker, will the Government listen to these Governments, if it has not listened to the experts, and commit itself now to increasing the services needed by Canada's children, before the end of June?

• (1430)

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, first, the date we have given in terms of June was agreed to by the federal Government, the provinces and the territorial Governments, and I think the Hon. Member should respect that. Second, the Leader of the New Democratic Party tells us to listen to the Government of Ontario. The Government of Ontario also has approximately 40 per cent of its spaces commercial and it wants to continue the commercial side of child care. But the Hon. Leader's Party objects to that totally. So what part does he want me to take? What part does he want me to leave out? I really think what is needed is a lot less heat and a lot more study on this subject, and that is what we are going to do. In June we will be ready, we have said, with the federal, territorial and provincial Governments.

* * *

[*Translation*]

UNEMPLOYMENT INSURANCE

INQUIRY WHY ELDERLY WORKER WITH COLLECTIVE PENSION PLAN IS PENALIZED

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, this is another subject where the Government has shown a complete lack of understanding with respect to low-income Canadians. My question is directed to the Minister of Finance. There are Coalition representatives who object to the cut in unemployment insurance benefits for the early retirees we met this morning. These people would like to hear from the Minister of Finance what kind of social justice the Government had in mind when it decided to penalize elderly workers who had opted for a group pension plan as opposed to the elderly worker who has to set up his own pension plan. Why the double standard? Why penalize elderly workers for having saved to contribute to a group pension plan?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I am not quite sure I caught the thrust of the Hon. Member's question. I think the translation of the words was not accurate in terms of the thought the Hon. Member is trying to get across. However, if I can assume what I thought he was trying to say, I can tell him with regard to the basis of pension funds there is a clear connection in the contractual arrangement

between the employee and the employer. That is the basis on which the decision was made.

[*Translation*]

INQUIRY WHY THERE ARE TWO CLASSES OF ELDERLY WORKERS IN CANADA

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, the Minister knows perfectly well that in his statement on November 8, he said he would subtract pension income from group plans from the unemployment insurance benefits paid to these people, even to people in the armed forces who have to pay unemployment insurance premiums and whose benefits are now being cut. These people, who are here today, want to know what kind of social justice the Government had in mind when it decided to penalize people who opted for saving part of their wages to contribute to a pension plan and who also paid unemployment insurance benefits. When they took early retirement, the Government cut these people off. A person who has to contribute to a RRSP can draw on his RRSP without having unemployment insurance benefits cut off. Why the double standard for elderly workers in Canada?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the question was very convoluted. I am not sure that I got the sense of the question. Possibly the Hon. Member could put the question to the Minister of Employment and Immigration because I believe the Minister has responded specifically to that question, if I can understand what I think the Hon. Member said.

[*Translation*]

Mr. Speaker: I think there may be a problem with the translation. Perhaps the Hon. Member would care to put his question again?

INQUIRY WHY CERTAIN CATEGORY OF ELDERLY WORKERS IS PENALIZED

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, I would like to remind the Minister of Finance that I put this question to the Minister of Employment and Immigration, who answered at the time that it was the Minister of Finance, in his November 8, 1984 statement, who decided that from then on, payments from a private pension plan would be subtracted from unemployment insurance. Why has the Minister decided to subtract group pension plan payments from unemployment insurance benefits, while people who contribute to a registered retirement savings plan are not penalized? Why the double standard? Is that clear enough?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, that is the answer I gave in my response to the Hon. Member's first question. It is very clear and very easy to make the link between savings and the contractual arrangement between an employer and employee. It is not so easy to make that link in relation to RRSPs.

* * *

CHILD CARE

REQUEST FOR ESTABLISHMENT OF COMMUNITY INITIATIVES FUND

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. Witnesses told the Special Committee on Child Care that the lack of rural child care is causing accidental deaths. Native children are dying while white people talk. Teenage moms need school-based child care. Poorer communities need special resources. These are urgent needs. They need action now. Will the Government immediately allocate $26 million for a community initiatives fund which will allow parents and communities to develop innovative programs to meet these special child care needs?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, if the Hon. Member checks the report—she was a member of the committee which tabled the report yesterday—she will know there were recommendations respecting the matter of the federal Government's direct responsibility in respect to native children and to child care based on reserves and specifically directed to native Canadians. I think she should also keep in mind that there have been agreements. I do not think the Minister of Indian Affairs and Northern Development would say it is sufficient, but steps have been taken, for instance, in a number of provinces where agreements have now been signed not only with a number of native organizations in Provinces such as Ontario, Manitoba, Alberta and British Columbia, but also with some tribal councils.

I think that initiative which is being taken by the Minister, along with some of the recommendations made by the parliamentary committee, could at least address in part some of the problems which the Hon. Member has raised and of which I am aware as well.

REQUEST FOR DIRECT FEDERAL FUNDING

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, the Minister does not seem to be aware that the committee did not ask for any extra funding for native children. The Special Committee's inadequate recommendations will only cause further delays. Will the Minister establish a community initiatives fund, a direct fund of the federal Government, which does not require cost sharing, so that native communities, rural communities and others can apply directly with innovative projects to meet local needs? The Minister could do this immediately. He does not have to wait for the provinces.

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I will take that representation from the Hon. Member if she wants to add that to her minority report. As I

said, the recommendations the Government is accepting from the Hon. Member, from the parliamentary committee and from others will be put together with a national plan to which the Prime Minister has committed his Government and himself personally well before the Hon. Member had risen in her chair today or some other day.

CARE OF NATIVE CHILDREN

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, I would like to go back to the Minister who I know is concerned about native children. We were talking about a $26 million community initiatives fund, which he missed in my first question. Coming back to native children, will he personally take responsibility to see that more substantial money is available, if necessary through DIA if not directly to native bands, so that native children will have some alternatives and their children will not be taken away from them, which is happening over and over now?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, with respect to additional funds and programs for native people, there is no question in my mind, when one takes a look at what is happening, and has happened in native communities and on the reserves, that the points that the Hon. Member makes, and I have made myself, both as Minister of National Health and Welfare and formerly, are a correct reflection of what is taking place.

The Minister of Indian Affairs and Northern Development and my cabinet colleagues in terms of the agreements which are being signed, as I mentioned to the Hon. Member before, with tribal councils and native leadership and with the provinces, take us some distance along the lines the Hon. Member recommends. If there is additional work which should be considered, that is fair comment, and I said to the Hon. Member that the Government is willing to do that.

* * *

• (1440)

REGIONAL DEVELOPMENT

NORTHERN ONTARIO RECOVERY PROGRAM

Mr. Keith Penner (Cochrane—Superior): Mr. Speaker, my question is for the Deputy Prime Minister. On November 19 of last year in answer to a question which I raised in the House of Commons the Deputy Prime Minister outlined the bare bones of a northern Ontario recovery program. Since then the economy of northern Ontario has continued to decline. In northeastern Ontario the unemployment rate is well above the national average, and more jobs are being lost every month. When, if ever, will the Deputy Prime Minister put some flesh on those bare bones with respect to a northern Ontario recovery package? I especially wish to ask him about item number four, his promise to bring in a stabilization program for forestry and mining.

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Soon, Mr. Speaker.

PUBLIC SERVICE JOBS QUERY

Mr. Keith Penner (Cochrane—Superior): Mr. Speaker, while the Deputy Prime Minister is getting his act together I also want to ask him to pay attention to promise number three which is: "to transfer some federal agencies and services to northern Ontario". Why, instead of keeping that promise is the Government cutting staff in northern Ontario unemployment insurance offices, shutting down northern Ontario customs offices, and relocating northern Ontario immigration officers to Ottawa?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, this Government and this Party are recognizing the unique problems of northern Ontario—

Mr. Penner: What a laugh!

Mr. Mazankowski: —after 25 years of Liberal neglect. The Hon. Member should not get too excited over the delay of a month or so, after he was a member of a Government which ignored the economic problems of northern Ontario for over 20 years.

Some Hon. Members: Hear, hear!

* * *

HOUSE OF COMMONS

PRESENCE IN GALLERY OF MINISTER OF RURAL, AGRICULTURAL AND NORTHERN DEVELOPMENT, GOVERNMENT OF NEWFOUNDLAND AND LABRADOR

Mr. Speaker: I would like to draw the attention of members to the presence in the gallery of the Hon. Robert Aylward, Member of the House of Assembly, Minister of Rural, Agricultural and Northern Development, Government of Newfoundland and Labrador.

Some Hon. Members: Hear, hear!

* * *

[*Translation*]

CHILD CARE

RESPONSIBILITY OF PUBLIC SECTOR—REQUEST FOR NECESSARY FUNDING

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, my question is directed to the Minister of National Health and Welfare.

The spokesman for Canada's Catholic bishops has just said that child care is too important to be left to the private sector.

As requested by Canada's bishops, will the Minister now give the regions and small communities in Canada the necessary funding to create the new day care centres that are needed today across Canada?

[*English*]

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, the Hon. Member says that child care is too important to be left to the private sector. How does the Hon. Member define the private sector? Does he define the private sector only in the commercial sense when, in the Province of Alberta, over 70 per cent of child care spaces are now located in that sector, or in the Province of Ontario where over 40 per cent of the spaces are located in that sector? Is the private sector the home? Is the private sector the family? Is the private sector relatives? Is the private sector maybe a church day care centre? What does the Hon. Member mean by the private sector?

Some Hon. Members: Hear, hear!

[*Translation*]

Mr. Nystrom: Mr. Speaker, the Catholic bishops of Canada said that child care is too important to be left to the private sector.

INQUIRY WHETHER GOVERNMENT WILL FOLLOW ADVICE OF CANADIAN CATHOLIC BISHOPS

Mr. Lorne Nystrom (Yorkton—Melville): Is the Minister prepared to take the advice of Canada's bishops and provide the necessary funding to create day care centres across Canada? Is he now prepared to take the advice of Canada's Catholic bishops?

[*English*]

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, if the Hon. Member is asking whether I will endorse a program of child care which is only in the public sector, which is only non-profit and which leaves out the family, then the answer is an unequivocal no.

Some Hon. Members: Hear, hear!

* * *

AUTOMOTIVE INDUSTRY

IMPORTATION OF JAPANESE MANUFACTURED VEHICLES

Mr. Jim Caldwell (Essex—Kent): Mr. Speaker, my question is for the Minister for International Trade or the Parliamentary Secretary. As the Parliamentary Secretary is probably aware, the current agreement with Japan under the import restraints program ends today. Can the Parliamentary Secretary indicate what the Government intends to do to replace this agreement? In the meantime, can we expect a flood of Japanese imports into Canada which will hurt our domestic industry?

Mr. John McDermid (Parliamentary Secretary to Minister for International Trade): Mr. Speaker, as was reported in the press this morning, the Minister of Regional Industrial Expansion is conducting a complete review of the auto policy of our Government. Of course that includes the regime with respect to imports. I might say that the report is expected within the next couple of months. In the meantime, our Government expects the foreign countries which do ship autos here to respect the system that was in place before. There will not be a surge of imports into the country.

* * *

AIRPORTS

PROVISION OF FIRE-FIGHTING SERVICES

Mr. Roland de Corneille (Eglinton—Lawrence): Mr. Speaker, my question is for the Minister of Transport. It is not only the airline pilots but also the people who are disabled and handicapped who are shocked by the fact that the Minister has reduced the required number of fire-fighters at our major airports from seven to five in order to save $1 million. How can a person who is visually impaired, or a paraplegic, slide down an emergency chute or get off that chute without assistance? Even worse, what if the flight crew is overcome by smoke inhalation? If it takes all five fire-fighters just to operate and man the vehicles, I ask the Minister who is left to help the passengers?

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, I might start in answering this question by saying that the present CFR policy was adopted in 1982. If it was good enough for the Government of the hon. gentleman then, one would think it would be good enough even today.

With respect to this service, the first point that must be realized is that it is the job of the CFR people to provide foam and a passageway out of an aircraft if there is an accident at an airport. They are not targeted, and it is not their duty, to try to get on to aircraft to assist passengers coming off. It is their duty to provide protection so that the crew, the passengers, and others, can assist them in getting off. That is their primary task, not to go on to aircraft and get in the way of passengers who are trying to leave the aircraft. I would ask the hon. gentleman to try to understand that.

There has been no reduction in the number of fire-fighters. I said that a week or 10 days ago. I do not know why the hon. gentleman wants to misinform the House about that. There has not been a reduction of one in the number of airport fire-fighters across Canada—not one. There have been some changes with respect to overtime rules, and that is all.

Mr. Gauthier: Sit down!

Mr. Crosbie: Hon. Members opposite should listen and get the facts. It is they who ask the questions. They do not like the answers.

Mr. Gauthier: It's an abuse of time.

Mr. Crosbie: If Hon. Members want the answers, we have the answers.

Some Hon. Members: Hear, hear!

DEPARTMENT'S REGULATIONS

Mr. Roland de Corneille (Eglinton—Lawrence): Mr. Speaker, I am surprised at the Minister's response. Obviously he is not even familiar with his own guidelines. The Minister maintains that the job of fire-fighters is limited to putting out fires. His own Transport Canada Fire-fighters and Rescue Standard—and since he has not read them I will give him the number—TP3660—provides—

Mr. Speaker: Order, please. All of the matters referred to by the Hon. Member for Eglinton—Lawrence are important. However, I think it is appropriate for him to put his question.

Mr. de Corneille: Mr. Speaker, why does the Minister insist that his own Transport Canada regulations which require that if the flight crew is unable for any reason whatsoever to give assistance the fire and rescue team will force entry to the aircraft and provide assistance in the evacuation and rescue of the occupants, if the job of the fire-fighter is merely to fight a fire, as the Minister claims—

• (1450)

Mr. Speaker: Order, please. I am not sure whether the Hon. Member had completed his question. If not, I would ask him to do so.

Mr. de Corneille: If the job of the fire-fighters is merely to fight a fire, as the Minister claims, why are the trucks equipped with ladders, axes, and jaws of life? Why is that?

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, for each airport there is an emergency plan for use in the event that an aircraft is damaged on landing, or there is an impact, or a fire, or whatever. It is the first responsibility of the CFR crew to provide a corridor through the use of foam, so that anyone left alive on the aircraft can be evacuated. The standards for that are set by ICAO.

If there is no fire, or once they have cleared a corridor to the plane, they are then to assist in the evacuation of those on the aircraft. There are other personnel then involved. There is a complete plan of emergency action to be taken in the event of an accident.

I do not think anything can be plainer than that, but if—

An Hon. Member: It is not true.

Mr. Crosbie: —if the Hon. Member wants to spend five or six hours with me in another question and answer session, I would be prepared to join him.

An Hon. Member: Save us!

* * *

ENVIRONMENTAL AFFAIRS

ACID RAIN—REQUEST THAT HOUSE PASS UNANIMOUS RESOLUTION

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, my question is for the Deputy Prime Minister, or the Minister of the Environment, or whoever is answering on acid rain today.

Given the unanimity that exists in this House—

Mr. Crosbie: On what?

Mr. Blaikie: —with respect to the fact that we would like to see acid rain abatement legislation in the United States, I am wondering whether the Government would be prepared, given the remarks yesterday by Democratic House Leader, Robert Byrd of Virginia, to sit down with members on all sides of the House concerned about this issue for the purpose of drafting a resolution, which could be passed unanimously by this House, thus sending a very clear message to the American public and the Congress of the United States of just how seriously Canadians take the issue of acid rain and how desperately we see the need for real acid rain abatement south of the border.

Some Hon. Members: Hear, hear!

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, I think it would be presumptuous of me to dictate to the House of Commons how it might wish to express its will on a subject such as this, or on any other.

There is some legitimate concern behind the Hon. Member's question. Possibly he could suggest to his House Leader that the matter be referred to the committee of House Leaders to be pursued just as any House-related matter would be.

Mr. Blaikie: Mr. Speaker, this isn't just any other matter. This is a matter—

An Hon. Member: Who is the House Leader of your Party, anyway?

Mr. Blaikie: This is a matter about which there is exceptional unanimity on the part of Canadian political Parties.

MINISTER'S POSITION

Mr. Bill Blaikie (Winnipeg—Birds Hill): I am asking the Minister of the Environment, as the Minister charged with this particular responsibility, whether or not he would be open to the possibility of sitting down with Members on all sides of the House for the purpose of drafting a resolution which would be

passed quickly through this House, thereby sending a strong message to the Congress of the United States and to the American public as to just how urgently Canadians regard the need for real acid rain abatement legislation in the United States.

It seems to me that that is something to which the Government should be open. I am talking about a non-partisan matter. I am talking about something that we can do together, and something that would have an important effect.

What does the Minister have to say?

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, I have the following to say: I am prepared to sit down with any member at any time about any subject.

* * *

LABOUR

CONSTRUCTION WORKERS—DECISION TO STOP ISSUING WAGE SCHEDULES

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, my question is for the Minister of Labour, who recently made a decision which will affect thousands of construction workers on federal construction sites.

As of tomorrow, Mr. Speaker, construction workers will no longer be protected insofar as the issue of fair wages is concerned, the reason being that the Minister has decided to do away with the practice of issuing wage schedules identifying wage rates for construction workers.

What logic prompted you to do this? What is the Government trying to achieve through this decision? Who will benefit from it?

And while the Minister is looking into this, I should like to know who requested this action and what support the Minister has for this decision, a decision which will affect thousands of workers, and particularly those in British Columbia.

Some Hon. Members: Order, order!

Mr. Speaker: Certainly it is an interesting question. The question went well beyond the preamble. Since that is what we are driving for, perhaps the Hon. Member is to be commended.

Hon. Pierre H. Cadieux (Minister of Labour): Mr. Speaker, as I indicated on March 18, 1987, all I did was to take the administrative measures required in connection with a situation which had been prevailing since 1982, a situation which started under the then Liberal Government.

Mr. Guilbault (Saint-Jacques): Mr. Speaker, the Minister knows that there is widespread opposition to his measure.

Mr. Crosbie: It is your measure.

MINISTER'S POSITION

Mr. Jacques Guilbault (Saint-Jacques): My question for the Minister is: why did you choose not to consult the construction industry before reaching such a decision? Why did you do that? And why is it that the players involved in this decision had to learn of it via the media? That is what I should like the Minister to tell us.

Hon. Pierre H. Cadieux (Minister of Labour): Mr. Speaker, as I also indicated on March 18, 1987, all of those interested in the subject had made their views known since 1982, and all of those parties affected learned of my decision through a letter from myself, and not through the media.

* * *

FISHERIES

MARINE ECOLOGY LABORATORY AT BEDFORD, N.S.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I should like to direct a question to the Minister of Fisheries and Oceans.

The Minister will know that there is a great deal of opposition to his decision to close the marine ecology laboratory at the Bedford Institute.

Can the Minister explain why his departmental Deputy Minister and Assistant Deputy Minister are issuing letters of reprimand and ordering disciplinary hearings for the five oceanographers who disagreed publicly with the Government's plan to close the marine ecology laboratory at the Bedford Institute?

How can we have honest and objective discussion of this important decision when those in opposition to the decision are being told that they will be punished if they make their views known?

Hon. Thomas Siddon (Minister of Fisheries and Oceans): Mr. Speaker, it is unfortunate that the Hon. Member was not here yesterday when I dealt with this question.

Mr. Orlikow: I was here yesterday.

Mr. Siddon: Obviously, you weren't listening, then.

We are not closing the marine ecology laboratory; we are changing its name and consolidating and strengthening the scientific work that it does, in the context of creating six new centres—

An Hon. Member: Why the gag?

Mr. Siddon: —creating six new centres of expertise in important Fisheries and Oceans related research. Secondly, Mr. Speaker, no gag order has been issued by any of my officials, and no punishment has been threatened. In fact, there are standard Government of Canada guidelines for

communications by public officials, and I, in particular, encourage public officials to speak out, as they wish, with the degree of discretion that is appropriate to their duties.

Some Hon. Members: Hear, hear!

Mr. Orlikow: Surely the Minister knows that at least two of these people have had reprimands placed on their records.

ASSISTANT DEPUTY MINISTER'S LETTER TO UNIVERSITY PROFESSORS

Mr. David Orlikow (Winnipeg North): Let me ask the Minister a supplementary. Can the Minister explain the actions of Assistant Deputy Minister Scott Parsons, who wrote to Dalhousie University professors who had protested the cut, suggesting that they might consider keeping quiet on this subject since they receive government funds for oceanography research?

Does the Minister approve of that kind of blackmail threat on the part of a senior official of his Department?

Hon. Thomas Siddon (Minister of Fisheries and Oceans): Mr. Speaker, of course I do not, and Canadian Press falsely repeated a story attributed to one Dr. Eric Mills, who presumes from Mr. Parsons' letter that certain things were said which I do not find in the letter which I have in my hand.

An Hon. Member: Table it.

Mr. Crosbie: The usual innuendo.

GOVERNMENT POSITION

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, my question is for the Minister of Fisheries and Oceans.

Today in Halifax-Dartmouth the scientific community is holding a funeral service for the marine ecology lab, the closure of which has been termed by one American scientist as a victory of bad government over good science.

Mr. Crosbie: She is dead but she won't lie down.

Mr. MacLellan: Why are this Minister and this Government determined to close this facility, with the stated belief that they are going to improve upon the services that this institution can provide, when already this institution is internationally recognized as one of the finest institutions of its kind in the world?

Hon. Thomas Siddon (Minister of Fisheries and Oceans): Again, Mr. Speaker, it would be helpful if this Hon. Member would pay attention to the answers given. As well, he could have attended the standing committee this morning, where these questions were addressed in detail.

• (1500)

The marine ecology laboratory is not being abandoned. As I indicated yesterday, of the 60 personnel in that laboratory, some six will be transferred to strengthen our research capabilities in other parts of Atlantic Canada. Most of the remaining personnel, but for one or two, will continue to sit virtually in their same offices. In fact we are creating three new areas of competence in the Bedford Institute which encompass the work of the marine ecology laboratory.

Mr. MacLellan: Mr. Speaker, the facility is being done away with, and I wish the Minister would have the courage to answer the question.

GOVERNMENT RESEARCH FUNDING QUERY

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, my supplementary question is for Captain Tuna, the Chicken of the Sea. Why is the Government cutting back so drastically on funding for Atlantic fisheries? In addition to the reduced funding, why is there also a reduced percentage of funding for research and development? Why, in the reduced percentage to research and development, is so little being done for basic long-term research? Why is all of it going to short-term projects?

Hon. Thomas Siddon (Minister of Fisheries and Oceans): Mr. Speaker, if the Hon. Member had been taking note he would have realized that over a year ago we decided to bring oceanographers together with fisheries biologists so that we might do a better scientific job. This current matter was announced last September 28 in Atlantic Canada. Where has the Hon. Member been for the past six months? We are creating a new centre for marine plankton ecology and a new centre for toxicology at the Bedford Institute—

Mr. Speaker: Order, please.

* * *

REGIONAL DEVELOPMENT

NORTHERN ONTARIO—ALLEGED TRANSFER OF PUBLIC SERVICE JOBS

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, my question is for the Deputy Prime Minister. Far from being one month, as he suggested, it has been six months since the political announcement of an economic recovery program for northern Ontario. It has been four and a half months since he announced the 7-point program in the House. Since northern Ontarians have had their expectations raised and are now obviously looking for a far-reaching strategy on the part of the Government, will the Minister at least advise his colleagues, while he is waiting to make the announcement, not to transfer jobs out of northern Ontario as they have been doing?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I appreciate the Hon. Member's interest. I am not sure of any deliberate policy of the federal Government to transfer jobs out of northern Ontario. The objective of the Government is to strengthen the

economic base of northern Ontario to provide many long lasting and durable jobs.

Mr. Parry: If not deliberate, it must have been by accident because it has been happening.

REQUEST FOR FREEZE ON JOB TRANSFERS

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, instead of simply blaming the former Liberal Government, will the Minister freeze those transfers, pending an announcement?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I will answer the question again by simply saying that the policy is in the final stages. It will be announced very soon. The Hon. Member can respond then, and I am sure he will find something negative to comment about at that time.

* * *

[*Translation*]

OFFICIAL LANGUAGES

INQUIRY WHEN GOVERNMENT WILL INTRODUCE PROMISED AMENDMENTS TO ACT

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, this morning, the Commissioner of Official Languages summarized the Government's performance in the following terms:

[*English*]

After another year marking time, 1987 will be the year of the test.

[*Translation*]

He also said: "The machine has run out of steam. There are no directives from higher up."

The President of the Treasury Board admitted to me in the House that enforcement of the legislation would not be relaxed and that the Government was truly committed to amending it. We have been promised this for two and a half years, in two Throne Speeches. When will this Government introduce the promised amendments to the Official Languages Act?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, to answer the Hon. Member's question, first of all, I would like to say that the Government welcomes both the criticism and the suggestions and recommendations submitted in the Commissioner's latest report. As I have said before here in the House, we are conducting a thorough review of the Official Languages Act which is now several years old and is in need of significant renewal. This will come in the form of a new Bill that will be tabled in the House as soon as possible.

[*English*]

SOCIAL SECURITY

PAYMENTS TO DISABLED—ACTIONS OF GEORGE WESTON LIMITED

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, my question is for the Minister of National Health and Welfare. The Minister has correspondence from London Life, from George Weston Limited, and from myself in respect of their attitude concerning what they should do with money received by people on disability insurance, and how they propose to handle disability insurance policies by reducing the payment to the insured by the amount of the increase the Minister gave to disabled people. The Minister will know that the attitude of George Weston Limited is that it thinks that its seizure of this money is fair. What action does the Minister intend to take in respect of the benefit to ensure that the disabled receive what they were entitled to receive?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, in response to the Hon. Member's question, I have been very concerned about the fact that, when Parliament passes legislation which gives an increased benefit to the disabled of Canada, the money is not passed through to the disabled. I wrote to Canadian Health and Life Insurance Underwriters. I want to make quite clear that they are the ones who are co-operating fully. George Weston in this case has not. I must make the point that these plans are operated by the company. They are insured by the company rather than by a life insurance company.

It is not only George Weston. It includes some universities, some Public Service unions, and some other unions. I have a list. I do not intend to go public with others yet because they have not responded. However, I do intend to do so if Canadians decide, regardless of what happens when Parliament passes a law or legislation giving benefits to the disabled, to withhold the benefits.

* * *

NATIONAL PARKS

PACIFIC RIM NATIONAL PARK—MORATORIUM ON INTRODUCTION OF ENTRANCE FEES

Mr. Ted Schellenberg (Nanaimo—Alberni): Mr. Speaker, my question is directed to the Minister of the Environment. The Minister is aware of plans by his Department to install a toll-gate at Pacific Rim National Park on Vancouver Island. He is also aware of concerns that the proposed gate is uneconomical and extremely difficult to police. The region's geography makes it a hindrance to tourism promotion as well. When will the Minister respond to these concerns? In other words, for whom does the gate toll? Hopefully it is not for Pacific Rim National Park.

Patent Act

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, it is true that my Department and the Government of Canada had intended in June of this year to introduce national park fees at Pacific Rim. The Hon. Member and other B.C. colleagues on the government side have argued very strongly that it would be inappropriate for us to do so, on the grounds that Pacific Rim is not yet a full-fledged national park, that we have yet to receive all the relevant lands from the Province of B.C., and that we have not paid for those we have received. Because of his very strong representations and those from the B.C. Government too, I have decided to put a moratorium on all relevant national park entrance fees at Pacific Rim. I think this would be particularly welcomed by the residents of Tofino and Ucluelet, and I congratulate the Hon. Member for his most successful lobbying in this connection.

GOVERNMENT ORDERS

[*English*]

PATENT ACT

MEASURE TO AMEND

The House proceeded to consideration of Bill C-22, an Act to amend the Patent Act and to provide for certain matters in relation thereto, as reported (with amendments) from a legislative committee.

Mr. Speaker: There are 47 report stage motions on today's Notice Paper in amendment to Bill C-22, an Act to amend the Patent Act and to provide for certain matters in relation thereto.

[*Translation*]

Motion No. 1 was moved and negatived in committee and therefore will not be selected for debate and will not be put to the House.

Motion No. 2 will be debated and voted on by itself.

[*English*]

Motions Nos. 3, 4, 5, 11, 13, and 15 seek to amend that part of Clause 15 which deals with restrictions on the importation by the licensee of processes or products related to a medicine for which they have been granted a manufacturing licence, the duration of such restrictions, and their coming into force. Therefore, these motions will be combined for debate but voted on as follows.

• (1510)

(*a*) vote on Motion No. 3 will be applied to Motions Nos. 13 and 15.

(*b*) Motions Nos. 4, 5 and 11 will be voted on separately.

Motions Nos. 6 and 7, in the name of the Hon. Member for Winnipeg North (Mr. Orlikow) seek to amend the same subclause of the Bill as his Motion No. 4 and, therefore, they will not be selected for debate and will not be put to the House.

[*Translation*]

Motions Nos. 8, 9 and 10, in the name of the Hon. Member for Cape Breton—East Richmond (Mr. Dingwall), seek to amend the same subclause of the Bill as his Motion No. 5 and therefore they will not be selected for debate.

Motion No. 12 will be debated and voted on separately.

[*English*]

Motions Nos. 13 and 15 were dealt with earlier and are grouped with Motion No. 3.

Motions Nos. 14 and 16 will be debated and voted separately.

Motions Nos. 17, 18, 30, 39 and 40 deal with information to be submitted by patentees to the Patented Medicine Prices Review Board and the time frame for submission of such reports. Therefore, these motions will be grouped for debate but they will all be voted on separately.

[*Translation*]

Motions Nos. 19 and 20 seek to amend the same clause of the Bill and are virtually identical. Since Motion No. 19, in the name of the Hon. Member for Cape Breton—East Richmond was placed on the *Notice Paper* first, it will be put to the House and voted on separately. Therefore, Motion No. 20 will not be selected.

[*English*]

Motions Nos. 21, 22, 23, 24, 25 and 31 seek to limit the powers or the options of the board to exercise its mandate in controlling the market price of a medicine of a patentee in favour of the patentee. Therefore, these motions will be combined for debate but voted on as follows:

(*a*) Motions Nos. 21, 22 and 31 will be voted on separately, and

(*b*) an affirmative vote on Motion No. 23 will obviate the question being put on Motions Nos. 24 and 25. A negative vote on Motion No. 23 would require the question to be put on Motion No. 24 and on Motion No. 25.

Motions Nos. 26, 27, 28, 33, 34, 41 and 42 seek to make the work of the Board more accessible to the public and, therefore, will be grouped for debate. Voting on these motions will take place in the following manner:

(*a*) a vote on Motion No. 26 will apply to Motion No. 27; and

(*b*) Motions Nos. 28, 33, 34, 41 and 42 will be voted on separately.

Motion No. 29 was moved and negatived in committee. Therefore, it will not be selected to be put to the House.

[*Translation*]

Motion No. 30 was dealt with earlier and was grouped with Motion No. 17.

Motion No. 32 will be debated and voted on separately.

Motions Nos. 35, 36 and 37 will be debated and voted on separately.

[*English*]

Motion No. 38 in the name of the Hon. Member for Cape Breton—East Richmond, seeks to levy a charge on patentees of medicines which is then to be distributed to the patentees in a part of the Bill dealing more specifically with information to be provided to the board on sales and expense analysis. Thus the amendment is irrelevant to this part of the Bill. Further, such a charge, an annual royalty of 14 per cent on the sales of patented medicines in Canada, would extend the objects and purposes as expressed in the Royal Recommendation and would require the passage of a Ways and Means motion. Therefore, I must rule the motion out of order. In doing so, I refer the Hon. Member to Citations 516, 517, 773(1) and 773(7) of Beauchesne's Fifth Edition.

I have dealt already with Motions Nos. 39 and 40, grouped with Motion No. 17, and with Motions Nos. 41 and 42, grouped with Motion No. 26.

Motions Nos. 43, 44, 45, 46 and 47 will be debated and voted on separately.

Mr. Dave Dingwall (Cape Breton—East Richmond) moved:

Motion No. 2

That Bill C-22, be amended in Clause 15 by adding immediately after line 34 at page 10 the following:

""research" is exploratory and innovative work undertaken on a systematic basis towards the acquisition of new knowledge in new ways. New knowledge involves the integration of newly acquired information into existing hypothesis, the formulation and testing of new hypothesis or the re-evaluation of existing observations;".

He said: I thank you for your ruling, Mr. Speaker, with regard to the grouping of various amendments that I have submitted on behalf of my Party, as well as those amendments submitted by the New Democratic Party. Before I debate the substance of the particular amendment, I must say that I may be calling upon the Chair from time to time to enlighten us as to the exact motion with which we are dealing. Some of them, as I am sure the Chair and the Table will recognize, are grouped together for the purposes of debate but, as you know, they are voted in different ways. Just so we have clarity throughout our debate, we would want to have some indication as to where we are. I make that point at the outset just so that members opposite as well as members in the respective opposition Parties will know that we are not attempting to unduly delay the passage or the time of debate on this piece of legislation.

This amendment, known as Motion No. 2, which includes definition of research really stems from our deliberations at committee stage. It should be noted that we are dealing with a piece of legislation which fundamentally alters the way that Canadians and industry will have to respond, if you will, to the whim of the Government in the United States. Bill C-22 is not a product of any Canadian Government, it is a product of the American Government and American multinationals which have told their branch plant economies here in Canada that they have to adhere to policy which has been developed in Washington, New York, Philadelphia and other places.

One major, and I want to underline "one", and I want to underline "major", omission from Bill C-22 is that there is no definition whatever of the word "research". We have heard time and time again the Minister extol the virtues of Bill C-22, particularly with regard to research and development, but he fails miserably to include a direct reference to the concept in the definition in the parameters of the word "research".

In making these amendments to Bill C-22, it should not be interpreted by Members opposite, no matter how perverted their thinking may become, that we agree with the thrust and substance of the Bill. We do not agree with the Bill, and I want to make that perfectly clear.

• (1520)

There are ways to improve upon the Bill, as Hon. Members would know if they were to keep their minds open and accept the arguments, not only of opposition Members but indeed of some very distinguished representatives who have made representations to the committee and to individual Members. I am certain that we could arrive at a definition of research like the one I am advocating today which would be suitable to all sides.

It should be noted that there are a number of questions about the omission of the word "research" from Bill C-22 that ought to be put on record. Why has the Government refused to table the $1.4 billion commitment allegedly made by the multinationals to the Government in exchange for greater patent protection? Why is there no provision in the legislation referring to the commitments made by the multinationals and no enforcement by the board if the multinationals refuse to live up to their commitments? The only sanction in the Act is a review by Cabinet in four years' time.

We need a definition of research in the Act. No one will know what commitments were made by the multinationals if there is nothing to be a judge or a guide. Of course, with great fanfare, the Minister rebutted the suggestion by saying that this will be done by regulation. I thought that Tory Members were concerned, as they said during the election campaign in repeated pronouncements across Canada, about getting away from regulation. That is why they talked about regulatory reform. Now, when we want to include within the pith and substance of the Act a definition of research, the Government opposite is refusing to accept our amendment.

Can the Government explain why the Pharmaceutical Manufacturers Association of Canada was instrumental in drafting the research and development guidelines, better known as Regulation 2900, for the purposes of the Income Tax Act? How will Canadians be assured that more jobs, growth, et cetera, will be created by this legislation when Canada has the most favourable research development tax incentives of any country in the world but Singapore? How will Canadians

know if the Government is spending more by virtue of these tax write-offs than what it alleges will be gained through increased commitments by the industry? It would seem that the two will neutralize any positive growth effects. That is another reason for including in Bill C-22 a definition of research, taking it out of the politically-motivated hands of the Governor in Council.

As has been shown to us by Gallup poll after Gallup poll, Canadians do not trust this group of bandits across the way to somehow represent their interests. Therefore, Canadians need a definition of research in the legislation which is clear and unequivocal as advocated by my amendment.

Members opposite might say that they need more time. They may argue with my definition of research, but the Government has had many months to come up with a suitable definition to be placed in the Act. I am suggesting that the Government does not want to include a definition of research in this piece of legislation because the group which is controlling the Government's agenda on Bill C-22 is composed of multinational corporations. The multinational corporations do not want a definition of research in the Bill.

I know that there are members of the Tory caucus who believe very strongly as do I that this piece of legislation is regressive and does not represent the interests of ordinary Canadians. There are many members of the Tory caucus who believe that without a clear definition of research spelled out in the Bill itself, this legislation will not be effective. The Minister can shake his head all he wants, for many days, nights, weeks and months, but if he is trying to use the back-door argument that this will be put into regulation, it seems to me that he is talking out of both sides of his mouth. Government Members were on the one hand the ones who advocated regulatory reform and less regulation, but now on the other hand we are seeing the exact opposite taking place in the legislation.

It was my hope that government Members would see the value of this amendment, not only in terms of how ordinary Canadians view this particular legislation but also in terms of how the pharmaceutical industry views it. By providing a clear definition of research, I would think that government Members would be able to send a clear signal to the pharmaceutical industry in Canada and, indeed, the multinational pharmaceutical corporations that there will be guidelines and parameters attached to the word "research".

The Government has done nothing. It has listened time and again to the multinational corporations, to corporate interests from the United States, as opposed to the Canadian industry and the sick, the elderly, the disabled and the four million Canadians who would prefer to have a definition of research in this particular Bill.

The Canadian Federation of Biologists appeared before the committee and was supportive of the Bill. However, when its members found out that there was no definition of research in the Bill, they withdrew their support. These were very distinguished and reputable individuals who came before the committee to make that presentation. I had hoped that through their verbal communications to the Minister of Consumer and Corporate Affairs (Mr. Andre) and others, the Government would have seen fit to include that definition in the legislation.

The Government had already received representations from members of the New Democratic Party, the Liberal Party and the Canadian Labour Congress. After hearing from those individuals who are directly involved, the Government should have reasoned that it was time to include this particular amendment in Bill C-22.

I suppose I have several minutes left, Mr. Speaker. How much time do I have? I do not want to overdo it.

Mr. Deputy Speaker: The Hon. Member is one minute over the time he was allotted. However, I think I will give the Hon. Member the courtesy of 30 seconds so that he may conclude. Hon. Members may speak for only 10 minutes at this stage.

Mr. Dingwall: Mr. Speaker, I will be very brief because I certainly would not want to extend my time, although I know Hon. Members opposite would like to hear what I have to say.

Let me conclude by saying that there is a great deal of support in Canada for research and development. I think it is important that government Members recognize that, notwithstanding the fact that multinational corporations seem to be pulling the strings, Canadians want to see more research and development taking place in Canada. By omitting the word "research" from this legislation, government Members have made the Bill fall far short of the expectations of Canadians and Members of Parliament regarding research.

• (1530)

Mr. David Orlikow (Winnipeg North): Mr. Speaker, we must face the fact that when this Bill is passed it will substantially increase what Canadians pay for the prescription drugs they need. Before 1969 we paid the second highest prices for prescription drugs in the world. Since 1969 we have had among the lowest costs for prescription drugs in the industrialized world. That was brought about by amending the Patent Act in 1969 with regard to prescription drugs. That amendment allowed the company which researched and developed a drug to recoup its costs after which generic drug companies could get a licence, pay a royalty, and duplicate the drug. When prescriptions are filled with generic drugs there is a 50 per cent or greater saving than when they are filled by brand name drugs.

We are talking about a lot of money. Professor Eastman of the University of Toronto, who did a major study on this issue in the last couple of years, pointed out that in 1983 Canadians saved $211 million by having prescriptions filled with generic products. This Bill will give the company which develops a drug an extra six years of exclusivity during which time no other company will be able to duplicate the drug or compete

pricewise. Dr. Eastman points out that as a result of this the multinational companies which develop the drugs will be able to charge as much as they want and that Canadians will pay a great deal more.

We must keep in mind that because of the revolution which has been going on in the fields of biotechnology and medical research prices for the drugs which have been coming on the market in the last year or so are substantially higher than they had been before. As I said, we are talking about a great deal of money.

Nothing is more important with regard to this Bill than the definition of "research" and what can be done under its terms in this country. Surprisingly, for all its claims about what Bill C-22 will do to advance research in Canada, the Government has chosen not to define "research" for the purposes of this Bill. A number of witnesses who appeared before the parliamentary committee in support of this Bill expressed their belief that the Bill was deficient in that the term "research" was not more clearly defined. I will mention a few witnesses who made that point. They include the representatives of Cangene, a company which is highly involved in the most modern techniques in biotechnology. The Canadian Medical Association, which has supported the principles of this Bill, made it clear that the term "research" had to be defined. Dr. Gerry Karr, a member of the board of directors of the Canadian Medical Association, made it clear in answer to questions that he believed that the term "research" had to be much more clearly and precisely detailed in this Bill.

Clause 41.25(7) of Bill C-22 reads:

> The Governor in Council may make regulations defining, for the purposes of this section, the expression "research and development".

That leaves the matter up to the Cabinet. This is not a point which the House should leave to regulation. The disadvantages are only too well known on such an important principle of this legislation. Many delegations appeared before the committee, and had the Conservative majority on the committee not imposed a time limit for reporting to the House there would have been many more individuals and groups appearing before it. Almost all of the delegations which appeared before the committee to express their views opposed this Bill.

The only support for this Bill was from representatives of the industry and some of the medical researchers who, looking at the cut-backs in funding which the Government has imposed on the Medical Research Council, on the universities through cuts in Established Programs Financing, and on the have-not provinces through cut-backs in transfer payments, and desperate in their desire to do more research, supported this Bill because of the increased funding they expect will come from the multinational drug companies. However, even they believed it was necessary to define much more precisely what research and development meant.

The Cabinet caved in to the representations of the multinational pharmaceutical companies. The Prime Minister (Mr. Mulroney) caved in to the request of President Reagan that we change our legislation in respect of prescription drugs because—

Mr. Clark (Yellowhead): That is false.

Mr. Orlikow: The Secretary of State for External Affairs (Mr. Clark) says that is false. I cannot think of another reason why the Government would be so determined to proceed with this Bill in the face of the tremendous opposition which has come from nearly all sources. Organizations of seniors, labour, and consumers as well as Keystone Agriculture, a very important farm group in Manitoba, have opposed this Bill. I could continue all day to list organizations which have opposed this Bill.

Mr. Clark (Yellowhead): Your assertion is false. You're uttering falsehoods in the House.

Mr. Orlikow: I cannot believe that there is any other reason for the Government to proceed with this Bill except as a result of the pressure which has been exerted by the pharmaceutical manufacturers in Canada and the United States. We are not satisfied to leave the definition of "research" to the Cabinet because we believe that the Cabinet has already caved in to the multinational companies and will continue to cave in. This is not a point which the House should leave to regulation because the disadvantages of not defining clearly what the term "research" means in this Bill are only too well known. Regulation is a hidden process. The legislative statute provision which this Bill provides is an open one. Regulation can be changed by another regulation, often unnoticed but with enormous implications in this case. Regulations allow those with vested interests in regulation to make their case to the exclusion of any broader public interest in Parliament.

• (1540)

We have seen the history of regulatory agencies established to protect the interests of ordinary citizens. Consumers and passengers in the transportation sector, not only in this country, have watched in horror as the regulatory agencies frequently become the defender of the special interests rather than the defender of the people. One need only look at the Canadian Transport Commission.

Mr. Deputy Speaker: I want to remind the Hon. Member that his time has expired. I am sure the House will give him a couple of seconds more in which to conclude his remarks.

Mr. Orlikow: Let me just say in conclusion that the motion moved by the Hon. Member for Cape Breton—East Richmond (Mr. Dingwall) is commendable in its attempt to make a statutory definition of research. It calls on the Government to account for promising such things as 3,000 high-tech research jobs for graduates, then failing to define just what the research will be for the purpose of Bill C-22. We believe that this makes a mockery of what Bill C-22 is supposed to achieve.

[*Translation*]

Mr. Gauthier: Mr. Speaker, I should like to make a few very short comments on Motion No. 2 which is now under consideration and which would add to Bill C-22 a provision containing a clear and specific definition of the word "research". The motion moved by my colleague the hon. Member for Cape Breton—East Richmond (Mr. Dingwall) reads as follows:

> ""research" is exploratory and innovative work undertaken on a systematic basis towards the acquisition of new knowledge in new ways. New knowledge involves the integration of newly acquired information into existing hypothesis, the formulation and testing of new hypothesis or the re-evaluation of existing observations;"

To me, Mr. Speaker, this appears to be a clear, specific and adequate definition which for many Canadians may indeed be one of the reasons why Bill C-22 must be amended.

Mr. Speaker, this Bill contains definitions and measures which the Canadian public must be able to understand. It is important that Canadians know that this Bill may have a hard and very direct impact on the price of drugs.

One of the reasons given by Government Members to take action and try to amend the Patent Act is that they want to promote research in Canada, or so they say. According to their statements and their definition, the multinationals would spend close to $1.4 billion—that is 1,400 million dollars—on research in Canada.

As you may recall, Mr. Speaker, the former Liberal Government commissioned the Eastman report. It was tabled and led to amendments to the Patent Act. In his report Mr. Eastman pointed out that the multinationals had not invested any more than they had to in Canada, that as a rule many of those companies treated our country as a branch plant, if you will, and that very little money was invested in pure and applied research in Canada.

As a result the money of Canadians, the admittedly huge profits of these multinationals end up in foreign countries, mostly in the United States. They are spent on research and development in the United States, so the new jobs are created in the localities where the companies have their head offices. To a certain extent we too benefit from this research, but not from the economic fallout of research work done here in Canada. Now the Government is telling us: Well, you can expect $1.4 billion worth of commitments if we pass Bill C-22. This Government has been making strong statements, Mr. Speaker, but never did the companies make any kind of firm commitment with respect to research. This is why we want to define the word "research" just so people will begin to understand that we aim to ask the companies to carry out research and development projects here in Canada so as to create jobs in this country and boost our economy.

Mr. Speaker, this is all I wanted to say. I suggest it is altogether appropriate and normal that the Government accept to amend Bill C-22 and include a clear and specific definition of the meaning of the word "research", and I commend the Hon. Member for moving this amendment.

[*English*]

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, I too wish to speak to this amendment. We oppose Bill C-22 because it is negative legislation that is damaging for Canadian people and will result in higher drug prices. This Bill is a result of the cave in of the Government to the demands of the U.S. pharmaceutical industry and to the American Government which is largely under the influence of that industry.

We know that we cannot make a bad Bill good by amending it, but we hope that perhaps some amendments can build fences to remove some of the more damaging aspects of the Bill.

That is why we are very anxious to see some definition of research. We do not believe that the amendment moved by the Hon. Member from the Liberal Party goes far enough, but it is still a beginning. We do not want to leave the definition of research to the regulatory process which is hidden away and has no accountability to the House.

Therefore, given the need for a definition of research and that even the Canadian Medical Association in its appearance before the committee stressed the need for a stricter definition, why did the Government not introduce such a definition of research? Why does the Government leave it up to the Opposition to define something as basic to this Bill as that? In fact, in other legislation the Government provides a definition.

For example, Section 2900 of the Income Tax Act defines scientific research for the purposes of the Income Tax Act. Not only does it have a positive definition, it also has a negative definition, part of which I would like to read into the record. It says that scientific research:

> —does not include activities with respect to
>
> (d) market research or sales promotion;
>
> (e) quality control or routine testing of materials, devices or products;
>
> (f) research in the social sciences or the humanities;
>
> (g) prospecting, exploring or drilling for or producing minerals, petroleum or natural gas;
>
> (h) the commercial production of a new or improved material, device or product or the commercial use of a new or improved process;
>
> (i) style changes; or
>
> (j) routine data collection.

Such things as market research or sales promotion, or style changes, or routine data collection are not allowed in the definition of research according to the Income Tax Act. I suggest that they should not be allowed in this Bill. But we do not know what is going to be allowed. Why does the Government not come out and say what its definition of research is? I suggest it is clear that the reason the Government rejected the Income Tax Act definition is that the pharmaceutical manufacturers want to include expenditures of this kind in areas such as applied research, market research and style changes. That is simply not good enough.

• (1550)

The Government has promised that there is going to be basic research. We have a great many concerns as to whether or not that is really going to happen. Dr. Lexchin has characterized the way in which applied research takes place in the drug industry, and I would like to quote from his comments. He said:

> Much of the applied research and development that is carried out by Canadian companies is done for one of two reasons: either to take advantage of tax concessions, or to satisfy the Health Protection Branch's regulations about clinical testing of new drugs. Applied research and development also assumes a highly routine character, which tends to make these tasks unappealing to university scientists. Furthermore, in a profit motivated firm there is always a latent conflict between an atmosphere of freedom, which is necessary for good scientific endeavour, and the necessity of direction from those who are responsible for the conduct of the firm.
>
> When applied research and product development are the predominant research activities, both the goals and procedures become relatively well defined, and an atmosphere of completely free inquiry is not crucial. These considerations may explain the fact that although the pharmaceutical industry provided approximately 21 percent of the total funds for health care research in 1977, it utilized only 11 percent of the total number of medical researchers in this country in that year.

In other words, the pharmaceutical industry is not oriented toward the kind of basic research the Government would have us believe from some of the comments made by government Members in the debate so far. It is interesting that even the Canadian Medical Association, which has supported the PMAC in its desire to have changes, has said in its brief, and I quote:

> It is our opinion that additional measures are required to encourage investment and high quality research . . . In order to achieve this goal it will be necessary to define more precisely the term Research and Development as it applies to C-22.

On page 8, the CMA, as one of its three recommendations, adds:

> That a precise definition of research and development be established for the purposes of interpreting and administering Bill C-22.

This is from a supporter of the Bill. When the Hon. Member for Winnipeg North (Mr. Orlikow) asked:

> Do you believe that the section in the present draft legislation is deficient, in that it should be much more specific as to what kind of research should be considered as part of the package that the companies have promised, in terms of going to $1.5 billion rather than just leaving it to the companies' whim?

Dr. Gerry Karr of the Board of Directors of CME said: "Emphatically yes". For these reasons I would very much want to say that either the definition proposed by my Liberal colleague should be accepted or the definition which is proposed in the later amendment of my colleague, the Hon. Member from Winnipeg North, should be adopted. I think it is absolutely essential that we not leave this Bill completely defenceless and open with respect to the question of what "research" involves. We should not leave that entirely to the regulatory process. We as Members of Parliament, representing the people of Canada, should have a say in it.

Mr. George Henderson (Egmont): Mr. Speaker, I want to take time to speak to this motion, which was introduced by my colleague, the Hon. Member for Cape Breton—East Richmond (Mr. Dingwall), defining the word "research". I think I should read that motion one more time. The Hon. Member, I might add, has done a tremendous amount of work trying to get legislation through this House that will not destroy our drug industry in Canada, certainly on the generic side, so that we can show some compassion and feeling for our poorer citizens and, indeed, for all Canadian citizens by being able to give them drugs at a cheap and affordable price. The motion states:

> That Bill C-22, be amended in Clause 15 by adding immediately after line 34 at page 10 the following:
>
> " "research" is exploratory and innovative work undertaken on a systematic basis towards the acquisition of new knowledge in new ways. New knowledge involves the integration of newly acquired information into existing hypothesis, the formulation and testing of new hypothesis or the re-evaluation of existing observations;".

For the life of me, Mr. Speaker, I cannot understand why the Government would try to get a Bill through this House without clearly defining the word "research". I can only think it must be trying to hide something. I have received letters and I am sure every Member of Parliament has also received a number of letters from interested individuals and groups such as senior citizen groups and groups representing the Royal Canadian Legion and all those who would be affected by paying a higher price for drugs if this legislation is passed. I have a copy of a letter written to the Minister of Consumer and Corporate Affairs (Mr. Andre) dated November 24, 1986. A copy of the letter was sent to me as well as to other Members of Parliament from Prince Edward Island, to the Minister of Finance (Mr. Wilson) and to the Minister for International Trade (Miss Carney).

We are dealing with the importance of the word "research" being defined in the legislation and not by regulation. I believe this letter is very appropriate to the motion before us today and I would like to read it into the record. It reads:

> Dear Minister:
>
> As a long-time member of the pharmaceutical industry in Canada, a former company director and member of the PMAC I can no longer remain silent regarding the issue of drug patent legislation.
>
> Based on nearly 25 years experience in the industry and participation on numerous PMAC committees I can say without hesitation that you and your government associates are being bamboozled and indeed railroaded into a quick decision in the sole interest of U.S. protectionism.
>
> If the legislation you are now proposing is enacted into law this country will be faced with a monstrous increase in drug costs.

This is what a man who has been working for 25 years in the industry and who understands it is saying versus the Minister who tells us there will be no extra costs for drugs. The letter continues:

> With rising hospital costs and insurance premiums individual Canadians will have to dig deeper into their pockets in order to provide additional profits for the majority of PMAC members whose head offices are located in the United States. Canadians will gain nothing!
>
> The suggestion that this country will profit from multi-millions of dollars of investment in drug research is ludicrous in the extreme. Less than 5 per cent of new drug introductions over the past several decades have been the direct result of research in the United States or Canada. The great bulk of new drugs

introduced on the North American continent had their origins in Switzerland, Germany, Great Britain, Sweden, Norway, Italy and Japan.

Working through appointed resident research groups every major U.S. company seeks to obtain a license for new drugs as they are discovered in the countries mentioned. These, in turn, are then put into a screening and clinical research process before they ultimately appear on the North American market.

This procedure of screening and testing is indeed subject to high costs and a protracted time schedule due to U.S. and Canadian government regulations but is a far cry from the costs involved in basic research to isolate new drugs. The high costs claimed by PMAC members for "so-called" research—

• (1600)

This is the point at which he brings in the so-called research.

—involves a higher percentage for "clinical research" that should more appropriately be debited to merchandising. This results in highly exaggerated claims that have no relevance whatever to actual research expenditures.

That is why the word "research" should be clearly defined in the Bill.

Three companies alone in Switzerland—Ciba-Geigy, Hoffman-La Roche and Sandoz control a remarkable number of widely used prescription specialties. It is well known that Hoffman-La Roche alone earned well in excess of one billion dollars on the drug Valium which only now has come off the protected patent list. What is more important is that close to 100 per cent of the research and development facilities of these companies is located right in Switzerland. Do you seriously think that these and other PMAC member companies are going to duplicate costly research facilities just to satisfy the Canadian Government and then not raise prices on all drugs? To suggest that Canada's minuscule contribution to Valium profit will encourage greater investment in Canadian research facilities is naive indeed.

The PMAC is interested in the protection of its members. This is first and foremost. It has no interest whatever in seeing Canadians get the best of available drugs at competitive prices. Drugs, like cars, textiles, electronics or food are marketed to make money. The fact that they happen to cure some diseases or relieve pain is incidental. This is the nature of the business and if you and your government can be hoodwinked into believing otherwise then all Canadians must pay the consequences.

As one Canadian who just happens to have been close to the drug scene for many years this is how I see it. I trust and indeed hope that the legislation now in the discussion stage will be abandoned completely before it is too late.

The letter is signed by R. H. Wygant, President of Seawood Estates Inc., Prince Edward Island.

Not I, nor any Member of Parliament, could have outlined the situation any clearer than is outlined in this letter. That is why I thought it important to read it into the record. This letter was written by a man who spent 25 years as a member of the pharmaceutical industry in this country. This is a man who took the time to write the Minister and advise with respect to this legislation. This is a man who understands the industry. He is a man who happens to reside in my province right now, the Province of Prince Edward Island, who understands that it is the province in which the highest number of senior citizens in the country live. This man should be listened to. He is the man who also makes it quite clear that more than 5 per cent of the research that is done on drugs, and prescription drugs of any kind, is done either in Canada or in the United States on what he calls "basic research".

Mr. Wygant is trying to tell us that the American drug laws and the American multinational companies are trying to force this issue, and very successfully I might add, on the Government at this time. This is a man who is trying to tell us that the only research that will be done will be done in marketing. That is what I suspected when this legislation was first talked about. I suspected that here was a way that the United States, and the large American corporations, could see a weak and vacillating Government in Canada of which they could take advantage. In this way they can move in here and exploit the poor people of this country, the aged, the sick and those on this continent who are less fortunate than probably some of the multinational corporations who are paying their presidents as much as $1 million a year.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: It is my duty, pursuant to Standing Order 66, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for York East (Mr. Redway)—Environmental affairs—Clean-up of Niagara River and Lake Ontario; the Hon. Member for Laurier (Mr. Berger)—Refugees—Imminent death of hunger striker—Government position. (b) Processing of refugee claims; the Hon. Member for Capilano (Mrs. Collins)—Finance—Sales Tax Credit Program—Request for greater publicity.

GOVERNMENT ORDERS

[*English*]

PATENT ACT

MEASURE TO AMEND

The House resumed consideration of Bill C-22, an Act to amend the Patent Act and to provide for certain matters in relation thereto, as reported (with amendments) from a legislative committee; and on Motion No. 2 (Mr. Dingwall) (p. 4745).

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, at long last Bill C-22 is back before the House for consideration at report stage. This Bill, which would change the conditions by which Canada would permit the production of generic drugs, is bad medicine for Canadians. It is bad medicine for our national health program. I note the arrival in the House of the Minister in charge of this legislative catastrophe. I note also that the Secretary of State for External Affairs (Mr. Clark) has been here in the House throughout the initial stages of the debate on report stage of Bill C-22. That is appropriate since this Bill has a lot more to do with the

interests of a foreign power than it has to do with the Canadian people.

Earlier, I heard the Hon. Member for Capilano (Mrs. Collins) taking wing in a flight of fancy, lofted by the vents of the PMAC poll. She was ecstatic, I suppose because she was surprised that the Pharmaceutical Manufacturers Association conducted a poll and found out that massive numbers of Canadians are in favour of legislation that will hurt them. She somehow found it within her naive consideration of reality that all of the previous polls, and all of the thousands of names submitted in this Chamber in protest against this legislation, were somehow misled or perhaps a sheer invention.

One searches and has searched repeatedly for reasons for bringing this legislation to Parliament. One of the reasons about which we are certain is of appropriate interest to the Secretary of State for External Affairs. We know the history. Ronnie and Brian got together. Ronnie said: "Brian, come on, man, we have to change this ridiculous arrangement up here in Canada which provides drugs cheap to sick people. That has to change". There are reasons for this, of course. The Government craftily negotiated a trade arrangement with the United States. It had a list of the things it wanted to give up to show its sincerity. We know the history of what has been given up in order to have nice, comfortable, friendly negotiations with the United States. Never has a Government offered so much in order to have another country buy this country cheap.

We could look beyond that for reasons which have been articulated by the Minister for wanting to pass this legislation. He tells us that he has a promise from the multinationals that they will do "oh so much research in Canada", that they will create 3,000 jobs and spend $1.5 billion by 1990-91. There are two notable aspects with respect to this matter. There was the contesting proposal from Eastman that there be legislated in a new Patent Act a mechanism involving increased royalty payments which would provide a stimulus, an inducement, an incentive, for more research by those companies, which have had up until now, it is true, a ridiculously bad record of research expenditures in Canada. That record is even worse than the average among multinational companies in other areas of manufacturing.

• (1610)

Having set aside a reasonable proposal, he has a promise that is not on paper. But the most absurd thing in all of this, Mr. Speaker, is that he has a promise for research and he does not even know what it is, or at least there is nothing in this legislation that tells us what it is.

To the multinationals, "research" could mean everything from basic research to studies on whether the pills should be square, round, longitudinal, or hollow.

The amendment before us is intended to help the Minister out. It at least provides a definition which will fit into the provisions for the evaluation of costs, provisions which are supposed to serve the Drug Prices Review Board. As you may recall, Mr. Speaker, the Drug Prices Review Board is going to look at what the companies are charging and somehow make them adhere to some notion of "appropriate pricing".

We will not talk about how ridiculous that notion is in its fundamentals, but among the costs that are supposed to be included are the costs for research.

One would think that any normal human being, much less a Minister, would have the good sense—and even the Secretary of State for External Affairs across the way is smiling because he knows how ridiculous it is—would expect that this legislation would at least include a definition of research.

And so, Mr. Speaker, I think the amendment suggested by the Official Opposition that an attempt be made to define research is a good one, and they have taken their shot at it. I want to congratulate them for that. They at least show a little more sophistication than the Minister and the Government whose legislation this is. Unfortunately, Mr. Speaker, the definition is somewhat flawed. Let us examine what it states. It is as follows:

> "research" is exploratory and innovative work undertaken on a systematic basis towards the acquisition of new knowledge in new ways. New knowledge involves the integration of newly acquired information into existing hypothesis, the formulation and testing of new hypothesis or the re-evaluation of existing observations;—

I have been a scientist for a long time, and I can tell you that this is the kind of definition that philosophers attribute to science. There is one notable omission from this definition, and it is that it makes no reference to the fact that science is empirical, that it involves the laboratory. Unfortunately, this definition would involve as "research" history as well.

With deference to my historian colleague to my right, it may very well be that it would be useful to fund research in the pharmaceutical industry so that the Government will remember the situation that existed pre-1969, a situation which would be repeated by this Bill, and it is that the multinationals raped this country in their pursuit of profits, and all at the expense of the ill. The arrangements which were then enacted became a part of a coherent program, providing health services to all at prices they could afford.

But, Mr. Speaker, I know that you are liable to allege that I am not being serious when I suggest that there be the inclusion of history as appropriate research for the pharmaceutical industry, and so, whatever happens to this amendment, I will in fact recommend to you the proposal of the New Democratic Party in Motion No. 43, an amendment which, while it does not define research, certainly prescribes the limits that make it possible to evaluate what the multinational drug companies will be doing in terms of research.

I think that the conclusion, Mr. Speaker, will be that the Minister knows no more about research than he does about the nature of this country, when it comes to the basis of a national health program which provides service to all at an economical cost.

Patent Act

Mr. Sergio Marchi (York West): Mr. Speaker, I, too, am very pleased to rise on the motion introduced by my colleague, the Hon. Member for Cape Breton—East Richmond (Mr. Dingwall).

One of the major planks that the Progressive Conservative Party of Canada has used in trying to market Bill C-22 is that of the research and development spin-offs that would accrue to Canada.

In the legislation, Mr. Speaker, that comes before the House, Canadians—not scientists and not researchers, but Canadians from coast to coast—can identify with the political Party of their choice. The legislation itself helps define the differences between the various philosophies that we see exhibited on the floor of the House of Commons.

Certainly, Bill C-22 is such a piece of legislation. It is a piece of legislation that illustrates to Canadians the mind-set of the Progressive Conservative Party of Canada. It is a piece of legislation, Mr. Speaker, that underlines the progress that we have made in the area of our health care system and the medicare system of this great country.

Canadians will ultimately reject this piece of legislation. We saw this in the emotionalism contained in the over-all mobilization of the senior citizens across this country when this Government tried to move on the deindexation of senior citizens' pensions.

I am not sure that what we will see in connection with this legislation will match that which we saw in connection with the deindexation of senior citizens' pensions, but it will come close. The Government simply cannot move on such pieces of legislation and not expect feedback from the Canadian electorate.

Going back to the initial response of this Government on the whole question of research, given that the Government is using the research and development argument as the major selling point in respect of this piece of legislation—a piece of legislation which ultimately will be rejected by Canadians—it is disconcerting for Canadians to learn that the Government of Canada has not even taken the step of defining what research means. This is something that goes to the very heart and soul of this legislation. The Government has not even made a commitment to ensure that the moneys that it says will flow from research and development on the part of the multinationals will in fact come about.

The amendment put forward by my colleague is an attempt to get this Government to commit itself to what it means when it speaks of research and development, an attempt to get this Government to ensure that the $1.4 billion figure that it uses in respect of the research and development expenditures that will be encouraged through this piece of legislation is in fact spelled out in black and white for all Canadians.

The Government cannot argue that this legislation will help the average Canadian in terms of drug costs; it cannot argue that this is a made-in-Canada policy. We all know, Mr. Speaker, that this policy is being dictated by the large U.S. multinational corporations. It is something that is being dictated by those south of the border.

The Government cannot argue that this legislation is in the best interests of our nation. Therefore, its only remaining argument is that of research and development; its only remaining argument is to try to show to Canadians how many jobs will in fact be created. But, this Government is not doing that, Mr. Speaker. The Members of this Government are talking about it and using it as rhetoric in their speeches across this country. But when it comes down to showing a commitment in the legislation itself, when it comes down to showing the clarity that Canadians request and require in order to begin to believe some of the things the Government is saying, the Progressive Conservative Party of Canada has not had the courage to illustrate that its convictions, its rhetoric, have a basis in fact.

It is for this reason, Mr. Speaker, that the consumer and corporate affairs critic of the Liberal Party of Canada has tried to tie this Government down in terms of its promises to Canadians. If the Conservative Government is not prepared to be very specific in defining what it means by research and development, if it is not prepared to ensure that there will be a guarantee of the $1.4 billion in research spin-offs, it is removing the very proof that it has tried to demonstrate to Canadians in order to obtain their support for the piece of legislation. If it is removing the entire research plank, why is it continuing to put forward this piece of legislation? If it is not prepared to define its essential argument, which is the guiding light in this piece of legislation, for whom is the legislation triggered or whom will it help?

• (1620)

In my constituency of York West there is no support for the legislation. Last weekend I had occasion to address 400 Canadians belonging to an association of senior citizens of Metropolitan Toronto and affiliated with the Villa Colombo, an Italian senior citizens' home. This piece of legislation was at the forefront of those discussions. It was at the forefront of their concerns, concerns which we as a Parliament must begin to understand and listen to. One would have thought that the Conservative Party of Canada would have learned its lesson with its deindexation legislation.

Government Members thought that they would be able to move on what they thought was a very unorganized, unmobilized, and perhaps passive constituency. How wrong they were. Canadians discovered that the senior citizen constituency was far from being immobilized or far from being dispassionate about issues concerning themselves in a very direct way. This piece of legislation is moulded in that same regressive attitude which characterized their initial legislation on the entire deindexation of senior citizens' pensions.

It is much larger than simply the senior citizens constituency. It gets at the very essence of Canadians who are deserving of drugs. I am not referring to those who can simply afford

drugs, but those who in fact need them. Drugs should be accessible to such people. However, if we are to move forward *vis-à-vis* the accessibility of drugs and the affordability of drugs, we should move in a progressive way which will enhance the accessibility and affordability of drugs for all Canadians regardless of age, income, or background. That is for what the Liberal Party stands for. That is what is behind Motions Nos. 2 and 3 and the long list of amendments we proposed at committee stage.

It is time the Government began to understand where those amendments came from. Essentially, they are not amendments from an opposition Party whose sole interest is to oppose. The amendments reflect the evidence which we heard in committee. The amendments reflect the national constituency out there which is beginning to tell the Conservative Party of Canada and the Government it leads that they are mistaken in their direction, that they are mistaken in the essence of Bill C-22.

Bill C-22 embodies something which Canadians will ultimately reject. Unfortunately, Bill C-22 depicts what it means to be a Conservative, a Tory in Canada. It is our hope and aspiration that these amendments will be accepted, that these motions will be taken in the light in which they are being offered, that is, essentially speaking on behalf of average Canadians who do not want their drug costs to rise and medicine to be inaccessible to them.

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, I should like to say a few words in support of Motion No. 2 which is now before the House. It deals with the definition of research presented by the Liberal Party.

I find it very strange that in a Bill respecting research, amending the Patent Act, and abolishing generic pharmaceuticals, there is no definition of research. I find it extremely surprising, coming from the Conservative Party of Canada.

An Hon. Member: Why?

Mr. Nystrom: I will answer the question. I am surprised that the Conservative Party of Canada would leave the definition of research to the Cabinet, to the bureaucracy, and to the multinationals, in effect.

I remember the same Conservative Party when it was in opposition. Time and time again it said to the House, when the Liberal Party did the same thing, that we should not leave the definition of important things to regulation, to secret meetings behind the scenes, to cabinet Ministers, to their bureaucrats and staff, or to vested interest groups, be they corporations or whatever. Also it said to the House that we should have more openness in Parliament and in the country, and more participation by parliamentarians in terms of drafting regulations and defining what we mean by certain legislation which goes through the House.

I could name many pieces of legislation in the last number of years where parliamentarians meant one thing at the beginning and the meaning was entirely different at the end. When a piece of legislation was passed and it got into the hands of the bureaucracy, regulations were made to define terms and concepts, and its entire meaning was different at the end of the process from what it was at the beginning.

I am really surprised to see the Conservative Party take one line in opposition, and now that it is in government take the other line. Perhaps it is a bit like the name of the Party. It is the Progressive Conservative Party. Its Members are a bit more progressive in opposition and a lot more conservative once they are in government.

An Hon. Member: Just like the Liberals.

Mr. Nystrom: Yes, like the Liberal Party. I see the Hon. Member for Assiniboia (Mr. Gustafson) nodding in agreement. He realizes that that is exactly what happened. Once they are in power they become more conservative and more reactionary. They put more and more faith in the bureaucracy. I see the Hon. Member for Winnipeg—Assiniboine (Mr. McKenzie) sitting in the House this afternoon. When he was in opposition, he protested against power being given to the bureaucracy to draft regulations and power being given to cabinet Ministers to draft legislation. However, now that he is in government, he sits quietly by and, like a trained seal or a little pup, says "aye man aye". When a cabinet Minister says, "jump", he says, "how high?"

I am surprised by these long-time members who used to criticize the Government when they were in opposition for not allowing parliamentarians to have more power. Now that they are government back-benchers, they are afraid to stand and speak their mind. Why do they not have the courage of their convictions to rise in the House and say what they think? Is it because the Hon. Member for Winnipeg—Assiniboine believes that if he does not rock the boat he will be a cabinet Minister some day? Is that the reason? God help us if that were to occur. I will bet that is why he is afraid to get up. He does not want to make big Brian angry. He does not want to make officials in the PMO angry. He does not want to make the Minister of National Health and Welfare (Mr. Epp) angry. The Minister of National Health and Welfare is the tsar of Manitoba when it comes to patronage and when it comes to making political decisions for the Conservative Party in that province. He does not want to make him angry.

It is surprising to see these Members, who were so vocal, sanctimonious, and self-righteous in opposition, become toothless tigers or toothless pussy-cats once they are in government. Their fangs have been pulled.

Mr. Riis: They are jellyfish.

Mr. Nystrom: They are jellyfish. Perhaps one of them would rise to explain why the transition took place. I am sure that it is a real disappointment to their constituents.

Perhaps it is why the Conservative Party is now the third Party in the country according to poll after poll after poll.

They have misled Canadians. They are one thing in opposition and another thing in government.

• (1630)

Second, I am really surprised to see the Conservative Party support this kind of legislation that would allow American multinationals and Ronald Reagan and his buddies in the United States to call the tune over what happens in Canadian industry. Where is the great nationalist Party of Sir John A. Macdonald of many years ago which had a national vision that we can do things in Canada ourselves, that we can do our own research and development to develop our great country? Where is the great Party of Sir John A. Macdonald? I suggest it has gone and it is finished.

Where is the Party of John Diefenbaker? If he were here and Prime Minister today we would not have this kind of legislation. He would not have gone to Quebec City in February, 1985, to sing *When Irish Eyes are Smiling* with Ronnie Reagan and agreed with him when he said, "If you want free trade, then you have to adopt our policy in generic pharmaceuticals". John Diefenbaker would not have agreed to that. He would have stood up for Canada and for cheaper drugs for Canadian consumers and for our senior citizens.

The fact that the Conservatives are not standing up for Canada is another reason that the Conservative Party is now third in the public opinion polls. Conservatives are not true to their traditions or their roots. Soon there will be a rebellion among the back-benchers of the Party. Back-benchers will be more and more unhappy as they realize their Party is going down with this change in direction.

Where is the Conservative Party, Mr. Speaker, that was there under the leadership of the man from Yellowhead, who was also a strong nationalist when he was Prime Minister for a few months? Where is that Conservative Party? It has disappeared under the leadership of the man from Baie Comeau, who has a vision of our country as a Canada that is a branch plant. It is much like his vision of the business community, when he was a corporate lawyer, being a branch plant of American corporations, when he was head of Iron Ore. He has brought the same philosophy with him as Prime Minister that he had when he was President of Iron Ore and that he had as a little boy growing up on the north shore in Baie Comeau, where many people at that time worked for branch plants and American corporations.

That is not good enough. That is not the tradition of the Conservative Party and it is not Canada. That is why this Bill must be defeated and why people will rally around the New Democratic Party to stand up for their national interest, for the consumers which will defeat this legislation. And in a couple of years we will defeat the Conservative Party as the Government of Canada.

Whenever the Conservative Party gets into power for a few years it destroys its Party for about two generations. It happened with R. B. Bennett in the 1930s. It happened again in 1958-59. Once the Conservatives are in office they forget about what Canadians want. They try to implement a Conservative agenda which goes against the wishes and the grain of the people of Canada. I call upon the back-benchers of that Party who sat in that position to rise to their feet and say no to cabinet Ministers who are saying, "We want regulations defining research drafted by the bureaucracy, drafted by the multinationals and drafted by the Minister and officials in his office". I say: Stand up and say that parliamentarians should have the right to define what we mean by research in a very important Bill about research and development. That is the tradition of the Conservative Party as it was led in this House by the Hon. Member for Yellowhead (Mr. Clark), that is the tradition of the Conservative Party as it was led in this House by Mr. Stanfield in 1967 to about 1974-75. Where is that Conservative Party of these hon. gentlemen? The Conservative Party has now become more of the Republican north than the Conservative Party of Canada.

I wonder why all these trained seals are sitting around so shyly. I see the Hon. Member for Pembina (Mr. Van De Walle) here who is anxious to get up on his feet. He will say that politicians should draft this definition, not bureaucrats. He will say that because he has had first line experience in the front lines. He ran in a by-election and won by 200 votes in a seat the Conservatives won by about 30,000 two years ago. He knows how the Conservative Party will be dealt with when the Conservatives face the people in 1988 or 1989. I am anxiously looking forward to the Member from Pembina, the rookie member, getting up and saying that parliamentarians themselves should have the power to decide what we mean by research in a Bill we are passing through Parliament.

I am sure the member is sensitive enough to the needs and the wishes of his constituents to get up and say that right now. Because of that I will sit down. I encourage him to put his colleagues into line.

Hon. Douglas C. Frith (Sudbury): Mr. Speaker, I wish to shed some intelligent remarks on the Bill presently before the House. We have before us an amendment to the present legislation. Let me read it because members of the Government are not willing to listen to the reason and impassioned plea of my colleague, the Hon. Member for Cape Breton—East Richmond (Mr. Dingwall), who has so ably steered the legislation on behalf of the Liberal Party through the committee stages. His amendment reads:

> That Bill C-22, be amended in Clause 15 by adding immediately after line 34 at page 10 the following:
>
> ""research" is exploratory and innovative work undertaken on a systematic basis towards the acquisition of new knowledge in new ways. New knowledge involves the integration of newly acquired information into existing hypothesis, the formulation and testing of new hypothesis or the re-evaluation of existing observations;"

Until now accusations have been made by government Members in debate and in committee that somehow the Opposition, by fighting for changes to the legislation, is against the original research and development being done in Canada. Nothing is further from the truth, Mr. Speaker. In

the evolution of the law since 1969 and as a result of Bill C-22 we want to ensure that Canadians, while paying higher prices for their drugs, will have spin-offs in research and development from the funds being allocated.

The difference between the Conservative Party, the Liberal Party and the New Democratic Party on this Bill is clear cut. I admit that. We are in favour and were in favour of amending the 1969 legislation, but only in favour of amending it as it was recommended to be amended by the Eastman Commission. That is the difference between ourselves and the New Democratic Party which has taken the position consistently that there should be no changes to the 1969 legislation.

I refer now to the Eastman Commission. I want to come full circle on this point about the need for original research and development. Professor Harry Eastman was asked by the previous Liberal Government to head a commission into the state of the pharmaceutical industry in Canada. I think it is now acknowledged that the Eastman Report represents the state of the art of the knowledge of the pharmaceutical industry in Canada. Since the 1969 amendment, the Eastman Commission found that the Pharmaceutical Manufacturers Association of Canada's ratio of R and D to sales was no better before the 1969 amendments than it was after. He states:

> —the reason for this is our "branch plant" economy and that R and D in Canada will never be at high levels due to our small domestic market and due to the fact that historically multinationals perform innovative R and D in their home country.

The major reason that the Eastman Commission decided on the basis of the study to recommend only that the pharmaceutical manufacturers be allowed an amendment to the 1969 legislation was to allow only a shorter period of time for exclusivity on any research and development on any products introduced after the legislation is passed. If there was a desire on behalf of Canada to increase the R and D levels to allow our university graduates an opportunity to pursue their professional interest in a career for which they have studied at universities, he stated the following. He said that that ought to be done on the basis of a revolving R and D fund which would link the level of R and D done by pharmaceutical manufacturers in Canada to a period of exclusivity that would make it worth while for those companies to do R and D in Canada. That is why at the very beginning we in the Liberal Party set forth our position. We wanted to indicate to the House that we were prepared to allow amendments to the 1969 legislation but we wanted to ensure that Canadians' pocketbooks would be protected and that the goal of increased R and D could be attained. What disturbs the Liberals about Bill C-22 is that, in our opinion, there is no clear-cut protection to ensure higher levels of R and D in Canada, the object of amending the legislation.

• (1640)

As has been pointed out by speaker after speaker, the legislation has given a period of exclusivity to the multinational pharmaceutical industry that is too long, and it does not give enough protection to the consumers. That is why members of the Liberal Party want to amend it, and I hope members opposite would listen. We have argued this consistently in committee and I believe that there is a genuine desire on the part of members of the Government to have higher levels of R and D in Canada. If this is so, we must ensure that there is a proper definition of research and development in the legislation. Otherwise, we will find that over the next decade, Canadians will be paying much higher prices for drugs but there will still not be a corresponding increase in R and D levels in Canada.

I submit to the House that without a proper definition of research and development, the multinational corporations will call product development research under the terms of the legislation. That will not attain the goals Eastman wanted to attain for university graduates. That will not attain the goals of the scientific community. That will not attain the goals of the universities.

As I have travelled across Canada I have spoken to deans of pharmaceutical universities about the future of health care in Canada. I have spoken to deans of medical schools and scientific colleges. I have listened carefully to their impassioned plea, one that I share, for a climate in Canada that would allow increased R and D activities, thus ensuring that the next generation of graduates will have an opportunity to use their knowledge in a field that is useful for all of mankind.

Without a proper definition of research and development, I believe that there will be very little original research and development taking place in Canada. Consumers will ultimately pay a higher price for drugs. I question the Minister's ability to defend his contention that this Bill will not add to the cost of drugs. Anyone with a reasonable knowledge of the pharmaceutical industry is aware that over a long period of time, a higher price will be paid for drugs by Canadians.

Opposition Parties are not voting against this proposed legislation because we are somehow against more research and development into new cancer drugs. It is not true that if we are against this legislation, we are against new, innovative products being introduced, products that would save Canadian lives. It is far from that. I am indicating that if we are to change this law, and I believe it should be changed, let us ensure that we word the amendments and the motion so that we will end up with what we wanted in the first place, a reasonable change to the 1969 legislation that would ensure a level of R and D that would lead to a viable scientific and pharmaceutical industry and to innovative products. Without that, this legislation is wrong.

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, it is a pleasure to say a few words about Bill C-22 at this rather critical stage. I must admit that I am a bit surprised that the Bill has reached this stage. As the Minister, the Hon. Member for Crowfoot (Mr. Malone), the Right Hon. Member for Yellowhead (Mr. Clark) and the Hon. Member for Provencher (Mr. Epp) will know, for days and days, in fact for many

months, the people of Canada have actually spoken out in this House individually. They have signed their names to petitions that have come from every province and territory in Canada telling the House of Commons just how they feel about Bill C-22. I would like to take a moment to read the wording of many of these petitions which are addressed to the Honourable House of Commons of Canada in Parliament assembled:

> WHEREAS, the federal government's proposals to change the Patent Act relating to prescription drugs will increase drug prices for Canadian consumers and will severely restrict the ability of average Canadians to buy necessary prescription drugs, and,
>
> WHEREAS, the proposed measure will unfairly hurt those Canadians whose health needs require the purchase of prescription drugs on an on-going basis, and
>
> WHEREAS, the proposals of the federal government will result in higher costs to the provincial government drug plans, and
>
> WHEREAS, the proposed changes are another example of Canadian government concessions to the United States, at the expense of average Canadians, in the Free Trade negotiations,
>
> WHEREFORE, the undersigned, your Petitioners humbly pray and call upon Parliament to reject these proposals which will increase prescription drug prices for Canadians.

My colleagues and I have risen day after day, week after week, month after month to present hundreds and thousands and tens of thousands of names of individuals from every community in Canada telling the Government to stop this madness and start treating Canadians as they ought to be treated. The petitioners are telling the Government to stop picking on those people who require prescription drugs, the elderly, the sick, the people who face all sorts of difficulties. Now the Government is planning to literally increase the cost of living borne by these individuals. There is no question about that. If anyone believes that having a monopoly on a new drug without having any competition will make that drug available at the lowest price possible, then that person will believe that there are pink elephants floating around in the House of Commons as well.

I wonder why the Hon. Member for Malpeque (Mr. Gass), the Hon. Member for Okanagan—Similkameen (Mr. King), the Hon. Member for Crowfoot (Mr. Malone) and the Hon. Member for Provencher (Mr. Epp) are not on their feet speaking strongly against continuing with this legislation. They might say that they disagree with the hundreds of thousands of Canadians who have registered their concerns in Parliament because they are interested in all the new research this will create. Let us look at some of this research that is being proposed. During the committee meeting, various witnesses, through access to information, found that the Ministry of Consumer and Corporate Affairs had done its own research into these new jobs that would be created. We heard that some of the new positions that would be created would be for clerks, animal keepers, cleaners and managers, not the scientific research staff the Minister has commented on time and time again.

Mr. Nystrom: What is an animal keeper?

Mr. Riis: My friend, the Hon. Member for Yorkton—Melville (Mr. Nystrom), asked what an animal keeper is. Animal keepers would presumably keep the pens of animals that are being used for experiments. They are people who will be raising rabbits. That is what the Minister calls research people. These are the new professional scientists who will be raising chickens and rabbits for various experiments. That is not what we ought to be encouraging.

The Government is cutting back on research and development. University presidents across Canada are complaining about the brain drain. They are saying that the best researchers in Canada are required to move to universities or centres of research in other parts of North America because of the atmosphere in Canada. Even in terms of research, there is a problem.

If there is a critical element to this legislation, it has to do with the whole matter of research. It is only reasonable that one asks what the Government means by research. Does it mean the people who will be keeping the cages of animals clean? Does it mean the clean-up crews which will be working in the offices and research facilities? Who does the Government mean? We look carefully to the legislation to find the definition of research and find that it is not here. This is a critical piece of legislation with regard to a very critical matter, yet there is not a single line defining research.

• (1650)

I want to remind members of the Government that when they were in opposition they lived in fear that if anything in legislation was left open to interpretation the Cabinet could define whatever it wanted as research. It is important to have predictability and consistency so that people opening new research facilities will know precisely what the Government means when it says "research". We must have precision and accuracy in order that people can plan for the future. Good scientific policy is not built by leaving it to the whim of Cabinet. For that reason we have proposed a motion which attempts to define research.

In my conversations with people involved in the pharmaceutical industry I have been told that most of the research which will be done in Canada will be marketing research, finding new ways of packaging and marketing prescription drugs, rather than good, pure scientific research into new ways to defeat cancer and other illnesses facing people today.

My good friend, the Member for Winnipeg North (Mr. Orlikow), presented a motion as follows:

> That Bill C-22, be amended in Clause 15 by striking out lines 6 to 9 at page 25 and substituting the following therefor:
>
> "(7) The Governor in Council shall make regulations defining, for the purposes of this section, the expression "research and development" which shall include the following criteria:

This is the very critical point:

> (a) all expenditures made under the requirements for a notice of compliance for phase one and phase two of clinical trials;

The reason for that is obvious. I do not think I need expand on that because I think all Members of Parliament are well versed in phase one and phase two of the various clinical trials. The motion continues:

> (b) all expenditures made for laboratory and preclinical work which lead to a notice of compliance;

Again, I think that is perfectly clear. The motion goes on with the following important element:

> but shall not include
>
> (d) all expenditures associated with the marketing of the medicine including all direct and indirect marketing schemes by patentees."

In other words, if the Government's idea of research is to find new ways and means of packaging prescription drugs, finding new colours for packages and deciding whether to use certain kinds of cellophane for the exterior of packages and so on, that is not what parliamentarians suggest ought to be called research. Yet, there is nothing saying that that will not take place. As a matter of fact, most people knowledgeable about this Bill say that that is exactly the kind of research that the various companies have in mind.

The motion which we are presently discussing is an attempt to express in a clear and concise way that Bill C-22 will support only research that will be defined in this legislation. However, that definition is absent. Perhaps you, Mr. Speaker, would have confidence that the Cabinet would identify research appropriately, but I am not certain that the rest of us have that same confidence. That is not necessarily a reflection on this Cabinet. We have concerns about future Cabinets as well. If we are serious about scientific policy and scientific research, we ought to include a definition in this legislation as is attempted by the motion before the House.

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, I will be very brief. I would like to deal with a couple of issues, one being the definition of research with regard to this Bill. As Members of the House ought to know, the definition of research for income tax purposes is established under regulations pertaining to the Income Tax Act. When a company declares its expenses, research expenditures are defined according to the Income Tax Act. I do not know how any reasonable Member of the House could suggest that a different definition than that in the Income Tax Act could be proposed in a way which would allow meaningful assessment of the amount of research that a company does and aggregates. We have commitments from the industry that 10 per cent of sales will be directed toward research.

Mr. Orlikow: What kind of research?

Mr. Andre: Research as defined by regulations under the Income Tax Act, the same regulations as apply to research in every other area of endeavour. Research has a definition which is established there.

Mr. Blackburn (Brant): What about market research?

Mr. Andre: Market research does not qualify as research under the regulations of the Income Tax Act. That is a bogeyman which has no basis in fact. In fact, none of the hypothetical situations which the Member for Kamloops—Shuswap (Mr. Riis) talked about would be acceptable under the Income Tax Act as research.

Mr. Riis: Why don't you put it in the Act then?

Mr. Andre: To have two different categories of research, one in the Income Tax Act and one in this Act, would make it impossible to make the kinds of comparisons which we all want to make. Once a year we want to have the report of the Drug Prices Review Board showing the amount of research that can be used for comparison purposes. The industry has made the commitment that after four years of application of this Bill it will have reached a certain level. We want to be able to have those figures on a meaningful basis.

In his opening remarks the Member for Kamloops—Shuswap said that thousands of Canadians, the majority, everybody, is opposed to this Bill.

Some Hon. Members: Hear, hear!

Mr. Riis: Tens of thousands.

Mr. Andre: I would like to read—

Mr. Blackburn (Brant): You need a new pollster over there.

Mr. Andre: They do not want me to be heard. I can understand why.

Mr. McCurdy: Tell us about it.

Mr. Andre: In a scientific poll 1,200 Canadians—

Some Hon. Members: Oh, oh!

Mr. McCurdy: Is this research?

Mr. Andre: Mr. Speaker, the NDP is for freedom of speech except if it is a speech from this side of the House.

Mr. Riis: We never hear any.

Some Hon. Members: Oh, oh!

Mr. Blackburn (Brant): That's blarney.

Mr. Nystrom: Read *The Globe and Mail*, Harvey.

Mr. Andre: The question that was asked, Mr. Speaker—

Mr. Dingwall: Mr. Speaker, I rise on a point of order.

Mr. Deputy Speaker: I will recognize the Hon. Member for Cape Breton—East Richmond (Mr. Dingwall) on a point of order at 30 seconds to five o'clock.

Mr. Dingwall: Mr. Speaker, I hope all Members will give the Minister an opportunity to expand upon a poll which was

conducted and paid for by interests in Washington, Philadelphia and New York, so that he can expose to Canadians the real reasons why this legislation is being put forward today when the poll was released yesterday. We will give him an opportunity to explain.

Mr. Deputy Speaker: The Minister has the floor to conclude.

Mr. Andre: Mr. Speaker, the poll was taken by a Canadian company, Decima Research. The question that was asked was—

Some Hon. Members: Oh, oh!

Mr. Gauthier: We heard about it yesterday.

Mr. Andre: They do not want to hear, Mr. Speaker. The House Leader leaves. They do not want to hear. If I had to choose between lower drug prices—

* * *

[*Translation*]

MESSAGE FROM THE SENATE

Mr. Deputy Speaker: I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate has passed Bill C-49, an Act for granting to Her Majesty certain sums of money for the Government of Canada for the financial year ending the 31st March, 1988.

• (1700)

THE ROYAL ASSENT

[*English*]

Mr. Deputy Speaker: I have the honour to inform the House that a communication has been received as follows:

Rideau Hall,
Ottawa

March 31, 1987

Sir,

I have the honour to inform you that the Honourable Antonio Lamer, Judge Puisne of the Supreme Court of Canada, in his capacity as Deputy Governor General, will proceed to the Senate Chamber today, the 31st day of March, 1987, at 5.45 p.m., for the purpose of giving Royal Assent to a Bill.

Yours sincerely,
Anthony P. Smyth,
Deputy Secretary, Policy and Program

It being 5.02 p.m., the House will now proceed to consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS--PUBLIC BILLS

[*English*]

NON-SMOKERS' HEALTH ACT

MEASURE TO ENACT

The House resumed from Thursday, February 12, consideration of the motion of Ms. McDonald that Bill C-204, an Act to regulate smoking in the federal workplace and on common carriers and to amend the Hazardous Products Act in relation to cigarette advertising, be read the second time and referred to a legislative committee.

Mrs. Pauline Browes (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, it is a pleasure to join in today's debate on this very important subject outlined in Bill C-204.

Smoking kills over 300,000 Canadians every year. It is the single most common cause of health problems in our society today, and it is preventable.

Before becoming the Member of Parliament for Scarborough Centre, I had the pleasure of serving as the Chairman of the Public Health Board for the City of Scarborough. During my term of office the board began drafting the by-laws for the City of Scarborough. I am very pleased to say that today those by-laws that were being drafted to promote non-smoking and encourage a healthy life-style are now in effect. The Scarborough Council recently passed a non-smoking by-law that all civic offices are now smoke-free and local establishments are subject to defined non-smoking regulations.

While there has been a recent decrease in smoking, the trend toward increased smoking among young people, especially women, is really quite discouraging. In addition to the two out of five Canadians who are smokers, there are many more involuntary passive smokers.

These people suffer many of the same health effects as smokers. Tobacco smoke irritates eyes, impairs lungs, aggravates the respiratory system, and increases blood pressure. It can also lead passive smokers to greater risk of lung cancer and one recent study showed that non-smoking spouses of heavy smokers had twice the risk of developing lung cancer as spouses of non-smokers.

Cigarette smoke contains over 50 known carcinogenics. In fact, if the toxic chemicals in cigarette smoke were taken out and dumped somewhere, they would be outlawed by the federal Government's new Environmental Protection Act. Two of these chemicals come under the classification of the Dangerous Substances Safety Standards which say: "No exposure or contact by any route, respiratory, skin, or oral, as detected by the most sensitive methods shall be permitted to these chemicals".

Non-smokers exposed to smoke are at as great a risk as smokers. A non-smoker in a smoke-laden room will inhale as

many of these carcinogenics in one hour as a smoker smoking 35 filter tip cigarettes.

Smoking in the workplace not only causes health problems but economic problems as well. Smokers take more sick leave than non-smokers. Smoking affects the morale of workers as well. In a recent survey by the *Canadian Journal of Public Health* eight out of 10 respondents stated that they experience physical discomfort in the presence of second-hand smoke. Lost productivity and wages due to smoking add up to over $5.5 billion every year. That is a drain on our business community and on our economy as a whole.

Comprehensive non-smoking policies which include smoking cessation programs have been implemented by Health and Welfare Canada, the Department of Regional Industrial Expansion, the Auditor General's Office, the National Research Council, the Public Service Commission, and Statistics Canada. These programs provide a model for several other federal Departments that are currently developing a smoke-free work space.

Most provincial Ministries of health have enacted some non-smoking restrictions and several are providing support to community initiatives to reduce smoke in the workplace.

I am very pleased that the Minister of Transport (Mr. Crosbie) has recently proposed a new air regulation to ban smoking in Canadian aircraft for both domestic and transborder flights of two hours or less. The flights between Toronto and Ottawa are certainly much more pleasant.

The Department of National Health and Welfare has done some advertising aimed at discouraging smoking. The most recent is the Break Free campaign which is targeted at young people. This is a component of a federal, provincial and territorial initiative, the national program to reduce smoking. Moreover, there are campaigns sponsored by non-governmental organizations such as the Canadian Cancer Society and the Canadian Lung Association. A number of these organizations receive government funding for their campaigns to promote a smoke-free society.

What is the future? Given current trends, a number of directions are expected. In the matter of claims of non-smokers and smokers' rights, the trend toward according greater attention to the rights of non-smokers can be expected to continue and be extended.

Second, in the aspect of health, enhanced efforts at informing the public about the illnesses attributable to smoking and encouraging the adoption of healthy life-styles can be expected, with children and young people as major target groups.

Third, with respect to safety, it can also be expected that efforts to protect the public from the hazards from involuntary exposure to smoke will be enhanced, especially in the workplace and in public transit vehicles.

Finally, efforts to develop ways to assist those involved in the production and marketing of tobacco to switch to new enterprises in order to offset the economic losses caused by the declining market for their product are expected to continue over the long term.

Although the federal Government has already taken steps in addressing these issues, it plans to do more and is currently studying new initiatives with a view toward adopting a more comprehensive and health-oriented policy on tobacco. That is why it supports the spirit and the essence of this Private Members' Bill which attempts to reduce tobacco consumption and protect the public from involuntary exposure to tobacco.

Mrs. Mary Collins (Capilano): Mr. Speaker, I am pleased to join in the debate on the Private Members' Bill introduced by the Member for Broadview—Greenwood (Ms. McDonald). The legislation proposed in Bill C-204 would regulate smoking in the federal workplace and on common carriers other than in designated smoking rooms. Smokers in contravention of its provisions would be subject to a maximum fine of $50. Employers who failed to provide a smoke-free working environment would be liable to a maximum of $10,000. The employers envisaged by the Bill would include not only the federal Government but also Crown corporations, contractors operating under the Canada Labour Code, the Senate and House of Commons, the Library of Parliament and individual Members of Parliament.

• (1710)

The legislation also attempts specifically to regulate smoking on aircraft, ships, railway cars and motor vehicles which are governed by federal legislation, and it is this aspect of the Bill that I wish to address.

With respect to smoking in the workplace, I know many other Hon. Members have had a chance to speak on the subject, but as a non-smoker myself, I applaud the efforts I know my colleague has been making for so many years to encourage non-smoking throughout Parliament Hill and in our offices. It is happening. I see it around me every day. I go into committee rooms which are non-smoking. I go into conferences which are now non-smoking. The message is certainly getting across.

Before dealing with the issue of smoking on common carriers, I would like to make it clear that I am fully aware of the dangers associated with tobacco smoke to both users and non-users. My colleague, the Parliamentary Secretary to the Minister of the Environment (Mrs. Browes) pointed some of those out in her previous speech.

If I have some concerns with the specific legislation prepared by the Hon. Member for Broadview—Greenwood, it is not because I disagree with her broad objectives, which are admirable, but because I think her strategy for attaining them, particularly with respect to common carriers, is costly, perhaps impractical at this point, and in some cases possibly even counter-productive. The Bill makes smoking, and in the case of an employer the failure to prevent smoking in a non-designated area, a criminal offence.

Ms. McDonald: Not so.

Mrs. Collins: Not so? I appreciate the information. That was the way we read the Bill, but it is certainly an offence for which there are the fines which have been indicated.

I think the problem we would still find in trying to implement this in the case of common carriers is the fact that it would be costly to try to enforce, and in the case of common carriers such as ships, enforcement would be pretty difficult at this point in time. Transport employees who provide direct service to the public often share their workplace with the public, and in large airports, ports, railway and bus stations, with private users of the facility. Those who operate the means of transport, pilots, ships crews and truck drivers, perform most of their duties in quarters which, under Bill C-204, would constitute work spaces. Depending on the particular situation, in some cases they are now indeed separate places. A truck driver usually has a cab and a ship's crew, depending on the kind of ship, will have a separate place. It might or not work out depending on the make-up of the crew in that particular kind of operation.

The Hon. Member for Calgary South (Mrs. Sparrow) spoke recently on this Bill and she had similar concerns. She dealt with some of the details of the problems associated with regulating smoking on common carriers and in transport terminals where the employees share their work space with the public. She also outlined the many voluntary self-regulating initiatives which have been undertaken by employers in the carrier industries. I am sure all Hon. Members present today are aware that the Minister of Transport (Mr. Crosbie) has published in *The Canada Gazette* for public comment before March 3, the regulations he would like to impose on smoking on passenger aircraft. As indicated, this would apply to flights of less than two hours. I think that is certainly a very laudable effort. I know that Air Canada has already initiated this ban on some of the shorter flights. I certainly appreciate that. I hope it is extended and receives public support. I believe from the indications we have received so far that the non-smoking flights have been accepted by the public, but it is being done in a gradual and progressive way.

The problem of regulating smoking in operational work spaces in all aspects of the transport sector would not perhaps be quite as easy to deal with. While the federal employer may reasonably require employees who smoke to be subject to certain restraints during normal working hours in buildings and workshops, since they are free to smoke once they leave and can be provided with designated smoking areas, operational staff do not enjoy the same liberty. I might just say that I support the Hon. Member's initiatives with respect to the concept of having separate smoking areas to which employees can go if they must have a cigarette.

The Coast Guard fleet, for example, spends more time at sea than alongside, and it would not make either legal or common sense to impose unilaterally a ban on smoking aboard Coast Guard vessels. The crew are at home when they are not on duty and should be entitled to the same sort of freedom on their own time as are land-based employees. In circumstances such as these, the only practical approach to resolving conflicts between the wishes of non-smokers and those of smokers is a co-operative one. Differences must be dealt with in a spirit of mutual respect and understanding when people are confined to small areas for lengthy and often stressful periods of duty.

The issue of smoking and non-smoking has a long history which goes back at least to the time of James II. As far as I am aware, it has yet to be resolved. A careful study of that history suggests that persuasion has always worked better than fear or punishment as a modifier of private behaviour and a catalyst for good interpersonal relations.

I agree with my colleague, the Hon. Member for Scarborough Centre, that the major emphasis should be on prevention. As we know, the biggest group which is still attracted to smoking are young teenage women. I am a mother of a teenage girl and we have often talked about this particular issue. As she says, everyone is going to try smoking at some point or another. It is part of growing up and part of experimentation. A lot of it relates to peer pressure and what is acceptable within a group. It seems to me that through advertising on television, through promotion in magazines and books which teenage girls read we can get the message across. I know the kinds of books teenage girls read and the message imparted is that smoking is not the smart thing to do, that we do not need to smoke to be acceptable to our peers or to be grown up. Indeed, it has the potential of a real hazard to your health. I think we could be more creative than we are now in trying to deal with that particular part of the problem.

I would like to see a much more concerted effort with respect to the prevention side of smoking and some reasonable measures with respect to the rights of smokers and non-smokers in public places and private offices, recognizing that harsh penalties are not the way to bring about those changes.

In conclusion, while I agree with the spirit and objectives of the Hon. Member's Bill, I do not support it in all its details. I think it will make an important impact and progress towards the ultimate objective I believe most Hon. Members share, that of diminishing the amount of smoking and the costly impact of smoking on the health of Canadians.

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, I rise happily to participate in the debate on Bill C-204, the legislation introduced by my colleague, the Hon. Member for Broadview—Greenwood (Ms. McDonald). I have listened very carefully to the intervention of the Hon. Member for Scarborough-Centre (Mrs. Browes) and the Hon. Member for Capilano I thought those interventions were thoughtful. I would like to confess that I am perhaps the only smoker who has participated in this debate thus far.

• (1720)

Smoking has a very long tradition, having begun several centuries ago. It is a habit that provided some pleasure to a

population whose life expectancy was somewhat shorter than it is today. In fact, what has happened is the discovery that as conditions of health and the environment have improved in most respects over the years, people have increased their life expectancy. Indeed, people have lived long enough to discover that some of those things that we had become used to can affect our health very seriously.

Up until now the condemnation of smoking that I have experienced has been from my wife who complains about my yellow teeth, and from my barber who tells me that my gray hair is coloured by the smoke of the cigarettes I smoke. But my wife has taken a rather more deliberate and critical examination of my habit, limiting me to certain rooms in the house, conscious that it is not just a question of a filthy habit but a dangerous one, a habit that certainly should not be encouraged. It is an addiction. There can be no doubt about that. It is an addiction that is shared by a great many Canadians. Roughly one-third of Canadians smoke. They spend something in the order of 1.2 per cent of the Gross National Product on their habit. I should say it is we smokers who spend that amount of money. It is an interesting figure because it turns out to be just about the money that we spend on scientific research.

When one considers the over-all cost of the health system and so on I think it can be fairly claimed that with the amount of money that tobacco smoking costs the population, Governments are more than enough compensated for the needed expenditures required by the country in the area of scientific research. Some 30,000 people die—and I note here that my colleague, the Hon. Member for Scarborough Centre, suggested that 300,000 people died per year from smoking. I am not even sure that that many people per annum die; but certainly 30,000 people die as a result of indulging in the habit. Increasingly, evidence demonstrates that approximately 1,000 people become victims of indirect smoking. Thus we are faced with the reality that an increasing proportion of the population which condemns smoking are being affected by it and want to see the habit eliminated. That includes many smokers. I must confess I have a compact with my son that will determine in specific terms when I will have to take hold of the issue and abandon my $3-a-day habit.

When one considers all of the issues involved, when one considers the costs involved, and when one considers the discomfort caused to non-smokers there can be nothing clearer in terms of what should be done if we are to take a significant step forward in improving the state of the health of the people of Canada. Undoubtedly, the single most important step that we can take would be to pass legislation such as that tabled by my colleague. Parenthetically, I say that my colleague has been an effective educator in this respect.

Whatever we may want to consider with respect to caveats, whatever we might want to take into account with respect to the situation of the smoker, the emphasis must be on the non-smoker and the termination of this habit which has the dimensions of a national habit to so many. It may well be that as the Hon. Member for Capilano has indicated, there has to be a great deal of care in drafting the final form of this legislation. I agree that in committee, perhaps, it will be necessary to take into account that if we are to solve this major problem we also have to in some measure take into account the great difficulty involved in imposing sharp and rapid change upon a certain portion of the population which by and large consists of people who have grown up smoking. But these are details. I see no proper place in this debate for examining very closely those details because the principle of this legislation is clear. If we are to change the smoking habits of the nation, if we are to provide the single most important change in respect of improving the health of Canadians, then this legislation should gain the support of the House.

Let us remind ourselves of what it would do. It would have the Government do what it could easily do itself by virtue of introducing legislation. I think it is unfortunate that it was necessary that a Private Member provide the initiative that the Government lacks. Essentially, what this Bill would do is to amend the Hazardous Products Act so that tobacco would be classified under that Act as a hazardous product. This would provide for the regulation of advertisement, importation, sales and so on of tobacco products. It would have the effect of ensuring that tobacco products be clearly labelled to be dangerous to one's health.

I must relate to Hon. Members an experience that I had just recently. I was trying to chose, as a smoker, a package of cigarettes that had a low tar and nicotine content as compared to others. I know that my colleague, the Hon. Member for Broadview—Greenwood, would say that that is a silly exercise. But, after all, I am a victim. I could not read the label. It was not a question of looking at this item, smoker or not, and having provided to me a clear indication that this is a dangerous substance. It was impossible to determine anything that was written on the label. Certainly, if anything, it is elementary. What could be more elementary than making it clearly known to all who would engage in the habit, or might be tempted to engage in the activity, that tobacco, cigarettes, are a dangerous product to one's health?

This Bill would also provide a guarantee to workers that they would be able to work in a smoke-free environment. What could be more elementary than that? Surely, it is necessary to make arrangements to let down softly those who are addicted to nicotine. That is a detail. But there can be no doubt that this House ought to pass a Bill—and I hope the other place will give its consent—that there should be provided to all of those working under federal jurisdiction, whether they are standing still, moving across the sea or through the sky, a smoke-free environment. Travellers on common carriers ought to be provided circumstances in which tobacco smoke will not be either an irritant or a threat.

So this is a Bill that is simple in its premise. It is clear in its purpose. Its justification is abundantly found in the danger that tobacco smoke poses to me, to other smokers and to those

who must breathe the air that I create by virtue of my bad habit.

• (1730)

[*Translation*]

Mr. Nic Leblanc (Longueuil): Mr. Speaker, as a smoker, I welcome this opportunity to speak to the Bill before the House. I admit that smoking can be dangerous. Any sensible person will understand that. For instance, if you eat steak three times a day, it might not be very good for your health either.

Mr. Speaker, cigarette smoke is not only bad for the smoker's health but also for that of non-smokers. More and more Canadians are starting to realize this. Scientific findings on side-stream smoke were recently published in a report by Everett Koop, the U.S. Surgeon General, who discussed the effetcs of side-stream smoke on non-smokers.

Tobacco smoke contains particles and gaseous products which in turn contain more than 60 substances that may cause cancer and other diseases. According to the Surgeon General's report, the smoke from the burning end of a cigarette contains more toxic products and cancer-causing substances than the smoke inhaled and exhaled by the smoker. In fact, many studies have concluded that the risk of lung cancer for the non-smoker is increased by 30 per cent as a result of exposure to side-stream smoke.

The combination of smoke produced by a lighted cigarette and the smoke exhaled by a smoker puts the lives of these involuntary smokers at risk.

When parents smoke, it increases the risk of complications during the pregnancy, including low-birth weight and a higher rate of stillbirths. The children of smokers are also more prone to bronchitis and pneumonia than children of non-smokers. Upper respiratory infections are more frequent and there is also a grater risk that they will get some kind of cancer later on.

Mr. Speaker, in a recent report on the environment on board aircraft, the U.S. National Academy of Science identified the danger of the effects of smoke in aircraft and recommended that the U.S. Congress considerer prohibiting smoking in aircraft and on public transit. In a subsequent report, the Academy also concluded that the risk of lung cancer was increased for non-smokers when they were exposed to tobacco smoke. Similarly, the Academy indicated that children exposed to side-stream smoke were more likely to get upper-respiratory and lung infections.

From scientific research on smoking and the health of non-smokers, we can draw three general conclusions:

"Involuntary smoking is a cause of disease, including lung cancer, among non-smokers.

Children of smokers suffer more frequently from respiratory illnesses and symptoms compared with children of non-smokers. The lung capacity of children of smokers develops at a slower rate.

Separating smokers from non-smokers on the same premises may reduce but does not altogether eliminate the problem of exposure to side-stream smoke."

Now that the Canadian public is becoming informed of the dangers of smoking and the risk incurred by passive smokers, it has been urging many changes with respect to the use of tobacco products in public places.

Across Canada, smoke-free public places, work places and public transit are being designated. Municipal and provincial Governments as well as labour and management are working very hard to change policies on smoking in closed premises.

The smoker's rights are questioned when smoking increases the risk of disease for those occupying the same environment. Today, our Government is subsidizing non-governmental organizations such as the Canadian Lung Association and the Canadian Cancer Society which are actively promoting a smoke-free society. In fact, these medical and public health interest groups play a very important role in changing the attitude of society to smoking, and that is why we intend to continue to support their efforts.

Furthermore, the Minister of Transport (Mr. Crosbie) recently proposed a new regulation prohibiting smoking on domestic and transborder flights of two hours or less on Canadian aircraft. Most major Canadian cities are setting restrictions on smoking in public places and are gradually adopting increasingly stricter bylaws in this respect. For instance, one bylaw put into effect recently in Vancouver has restricted the number of areas where smoking is allowed in most public buildings in that city, including office buildings. If people working in an office are unable to agree on the issue of smoking at work, the office automatically becomes a non-smoking area. Smoking is also prohibited in taxis, retail stores, at service counters and in line-ups.

This year, Quebec also adopted legislation restricting smoking in public places. It is the first provincial legislation of its kind. The Quebec legislation consists of two components: the first prohibits smoking or restricts smoking to certain designated areas in Government buildings, hospitals, educational institutions, public transit and many other public buildings. In the second part, municipalities are empowered to pass additional bylaws in this respect within their respective jurisdictions.

In Canada today, several transportation modes, one province, 40 municipalities and thousands of work places and public places have adopted policies to protect non-smokers from side-stream smoke. This is a social trend that is becoming increasingly widespread and will bring us ever closer to the ultimate objective of a great many Canadians, namely that Canada will be a smoke-free country by the year 2000!

• (1740)

[*English*]

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, I want to join in the debate on Bill C-204, standing in the name of the

Hon. Member for Broadview—Greenwood (Ms. McDonald), and to speak in favour of this Private Members' Bill.

We often hear stories in respect of those who smoke. One time someone said that if God wanted us to smoke, he would have put chimneys where our heads are. I agree with those who say that smoking is not natural to the human species. In fact, when we really think about it and consider the nicotine and charcoal taken into our bodies, we can imagine that they are not very good for our health.

There was a time when we thought that smoking made us more confident. When we were young we put cigarettes in our mouths, lit them up, and thought that it gave us a certain ambiance, confidence, or grown-up approach to life.

We now know differently. All the evidence is in. There is no doubt. It all points to the fact that smoking is a definite health hazard, not only for those who smoke, but for the innocent, those who do not smoke and are in the presence of smokers.

Bill C-204 is an eminently wise Bill. What does it do? First, it bans promotion and advertising of tobacco. Second, it gives Canadian travellers the right to smoke-free air on common carriers. Third, it guarantees in federally regulated operations that workers have the right to smoke-free work sites.

Bill C-204 has support. The list of its supporters is indeed very impressive; very impressive groups and individuals support the enactment of the Bill. The Canadian Cancer Society supports it. The Lung Association supports it. The Canadian Medical Association supports it. Other regional health groups support it, such as the Manitoba Medical Association and the Medical Society of Nova Scotia.

Many Hon. Members who have spoken so far support the Bill. Previously we heard a colleague who is a smoker support the Bill. Unions representing workers support the Bill. I have in my hand a letter dated March 25, 1987, and directed to the Hon. Member for Broadview—Greenwood. It reads:

> Dear Ms. McDonald:
>
> You can count on the support of the Airline Division of CUPE for Bill C-204.
>
> I will be in Ottawa on April 9 and could meet with you to discuss how the Airline Division of CUPE may contribute further to help Bill C-204 become law.

It is signed by Richard Nowlan, Division President of Local 4004 of CUPE. I recall sitting many times in the Standing Committee on Labour, Employment and Immigration when it considered amendments to Part IV of the Canada Labour Code concerning occupational health and safety. When we considered changes to that part of the Canada Labour Code, we gave workers the right to refuse work in conditions which they considered injurious to their health.

There is a grave concern in the workplace in respect of all the new untested chemicals which come on the market. Workers may not know the contents of the chemicals or what their effects will be on their health. There is a consciousness now, and efforts are being made to ensure that the contents are clearly identified. In fact, workers can obtain from computer systems instant information about chemicals in the workplace and their health implications. That information is available to them.

All the evidence is clear on this one particular substance. It is a killer. However, we have not moved to ensure that workers can work in an environment free of second-hand smoke or the effects of smoking themselves.

We have not had the courage to follow up on what we now know is a danger to human health. We have not moved on it. The Bill would move us in that direction. No reasonable worker who would say that cigarettes are a dangerous substance would say that the Government should not ensure the health of workers on the job. It is something for which workers and their representatives have been fighting in provincial and federal labour legislation to ensure a healthy working environment.

I should now like to deal with tobacco advertising because the Bill would in fact ban it. I suspect that the Government from time to time has shown a reluctance to move on banning tobacco advertising and to encourage Canadians to give up smoking or not start it. It is a trend today that Canadians at a younger and younger age are developing the habit of smoking. I think the Government has become dependent upon tobacco usage, upon smoking. It has been reluctant to give up the smoking habit because it sees it as generating tax revenues. In every Budget since I have been around the House cigarettes have always been the favourite target. With every penny increase in the tax on cigarettes, the Government becomes more and more dependent upon income from tobacco.

As a matter of fact, the revenues collected by federal, provincial, and territorial Governments from tobacco sales amount to $3.03 billion per year. Of course the Government does not recognize that it is offset by costs in health care services.

The matter was brought home to me when I took a heart attack last summer. When I arrived at emergency in the hospital, the first question asked was: "Do you smoke?" When I said "no", there was relief on the face of those attending me.

We must think of the health care costs, the costs in absenteeism, and the costs in fire damage. They are estimated at $8 billion. The Government should recognize the false economy—approximately $3 billion are collected in taxes but over $8 billion are paid out in costs. The Government has everything to gain by phasing out and trying to encourage Canadians to quit the smoking habit.

The third area in the Bill concerns the right to travel in a smoke-free environment. I can only come to Ottawa by air, train, or bus, and I must be here. When I do so, I am trusting that the bus, plane, or train will be driven safely. My health is in the hands of those conducting the system. Yet, Mr. Speaker, I have no protection from second-hand smoke. As a matter of fact, you can smoke in the rear seats of buses but the air gets circulated to the front of the bus.

• (1750)

I think it makes a lot of sense for travellers on common carriers that airplanes, trains, and buses be smoke-free. I want to urge Members of this House with all the vigour that I can to support Bill C-204 because it is wise and healthy to do so.

Mr. Joe Price (Parliamentary Secretary to Minister of Labour): Mr. Speaker, one of the purposes of Bill C-204 is to regulate smoking in federal workplaces. The employees in these buildings and facilities are or will soon be subject to the Canada Labour Code which is administered by Labour Canada. Therefore, I want to take a few moments of the time of the House to elaborate on the provisions found in the code relating to occupational health and safety.

The Canada Labour Code consists of a number of parts of which Part IV is of interest to the House at this time. Part IV of the Canada Labour Code applies to federal works, undertakings and businesses and certain Crown corporations, and provides for the occupational safety and health of the employees of these establishments. Specific examples of federal works, undertakings and businesses include the federal Public Service, banks, radio and television stations, railway shops and grain elevators. When the code is extended to apply to operation of trains, aircraft and ships in the near future, it will apply to the employees in almost all the workplaces where the proposed Act should and would apply.

The purpose of the code is to prevent accidents and injury arising out of or occurring in the course of employment to which the code applies. It achieves this by requiring the employer to ensure that the safety and health of every person employed by the employer is protected while at work.

The Canada occupational safety and health regulation issued pursuant to the code prescribes the minimum standards that the employer must meet in order to comply with the code. Part X of the regulations addresses dangerous substances. A dangerous substance is defined as a hazardous substance or a chemical, physical or biological agent that because of a property it possesses is hazardous to the safety or health of a person exposed to it. Part X requires that when there is a likelihood that an employee may be exposed to a dangerous substance, the substance must be identified and its exposure quantified and compared to a permissible limit. Tobacco smoke contains literally thousands of potentially dangerous substances. They range from simple substances such as carbon dioxide to the more dangerous poisons such as carbon monoxide. Packages of American cigarettes specifically warn the smoker of the carbon monoxide hazard.

Under the Canada Labour Code, if a non-smoker were to complain about being exposed to the tobacco smoke from a colleague, the exposure of the non-smoker to specific constituents of the smoke would have to exceed the established permissible limits before it could be determined if the employer is in violation of the code. If the worker were exposed to more than the allowable concentration of a specific compound, the employer would be required to reduce the exposure to acceptable values or face a fine or even imprisonment. The fines under the code vary depending upon the severity of the contravention and range up to $100,000 where the contravention results in the death or serious injury of an employee. The maximum prison term is two years for a wilful contravention which results in a death or serious injury.

The code also permits employees to refuse to work if they have reasonable cause to believe—

Mr. Deputy Speaker: I regret to interrupt the Hon. Member but we have someone from the other place.

THE ROYAL ASSENT

[*English*]

A message was delivered by the Gentleman Usher of the Black Rod as follows:

> Mr. Speaker, the Hon. Deputy to the Governor General desires the immediate attendance of this honourable House in the Chamber of the honourable The Senate.

Accordingly, Mr. Speaker with the House went up to the Senate Chamber.

[*Translation*]

And being returned:

Mr. Deputy Speaker: I have the honour to inform the House that when the House did attend His Honour the Deputy to Her Excellency the Governor General in the Senate Chamber, His Honour was pleased to give, in Her Majesty's name, the Royal Assent to the following Bill:

> Bill C-49, an Act for granting to Her Majesty certain sums of money for the Government of Canada for the financial year ending the 31st of March, 1988—Chapter No. 11.

• (1805)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 66 deemed to have been moved.

ENVIRONMENTAL AFFAIRS—CLEAN-UP OF NIAGARA RIVER AND LAKE ONTARIO

Mr. Alan Redway (York East): Mr. Speaker, today is a very special day. It is March 31, 1987. That may not mean an awful lot to you, Mr. Speaker. In fact, as you think about it, perhaps all it means is that it is the end of the month of March. Perhaps you are thinking that it is pay-day. I suspect there might be a ray of light which brightens you at that thought.

However, while it may not mean an awful lot to you, to the five million or more people who inhabit the area around the Niagara River, Lake Ontario and the St. Lawrence River, it is a red-letter day because today and from now on there should be less toxic chemicals going into the water they drink than there has ever been before. Today marks the end of one year of sampling. From April 1, 1986, until March 31, 1987, there was sampling of the water in the Niagara River for the purpose of establishing a base point over which we hope the quality of the water which people drink from the Niagara River, Lake Ontario and the St. Lawrence River will improve.

This is in accordance with a declaration of intent which was signed by four parties: Environment Canada, the Environmental Protection Agency, the Ontario Ministry of the Environment, and the New York State Department of Environmental Conservation. It was signed a short time ago with the purpose and intent of ensuring that from now on the toxic pollutants which are going into the Niagara River will be reduced by 50 per cent by the year 1996. In order to monitor that and ensure that it does happen, that declaration of intent calls for reports to be issued to the public every six months.

That is extremely important because it appears that real progress has been made at last in cleaning up the drinking water in Lake Ontario, the Niagara River and the St. Lawrence River. It is important because Canada and the United States have been talking about doing this since 1919. It is important because the chemical dumps on the American side of the Niagara River—particularly those infamous four, Love Canal, Hyde Park, S area dump, and the 102nd Street dump—have been described as the world's largest storehouse of deadly dioxin. It has been leaking into the Niagara River for some time.

• (1810)

This agreement is important because just one two-hundredth of a drop of the worst dioxin, which is 2,3,7,8,-TCDD, can kill a person. Only a shovelful of that dioxin dropped into Lake Ontario could destroy the drinking water of Lake Ontario for all time.

It is also important because we know that the deadly dioxin is leaking out of the dumps along the Niagara River, particularly the Hyde Park dump, where it has been identified as seeping down the face of the gorge right into the river. There are some 900 kilograms, almost a tonne, of that kind of deadly dioxin in the Hyde Park dump alone.

This agreement is important because we know that there are some 70,000 tonnes of other chemical wastes, most of which we have identified as cancer-causing wastes, in that Hyde Park dump alone. It is important because recently, near the mouth of the Petit Flume storm sewer located in Tonawanda, New York, they have identified that deadly dioxin in clams. We know that in this sewer alone is a chemical-laden sediment that would cover a football field to a depth of one metre.

This is an important step and that is why it is such a red-letter day for the people who live around Lake Ontario, the Niagara River and the St. Lawrence River. In spite of all this good news, there are some questions still to be answered. That is why I am delighted to have the Parliamentary Secretary here tonight to answer some of those questions that people have been asking.

For instance, why has the Environmental Protection Agency in the United States not designated these dumps under the American Super Fund legislation? Why has the Occidental Chemical Company that controls and owns these dumps on the American side of the Niagara River spent money to help clean up the Chernobyl accident in the Soviet Union but is not spending money to clean up the chemicals which they themselves own in our own backyard?

Will those chemicals be excavated and the toxic material removed and destroyed, or will there only be some containment plan to try to keep it there on site? Why, in spite of this declaration of intent and the target of reducing by 50 per cent the flow of toxic chemicals into the river, will 4.5 tonnes of pollution still be going into the river every day, even with these clean-up targets?

When will the 45 Ontario industries and the 53 United States industries that are currently polluting the Great Lakes be cleaned up? When will the 10 Ontario hazardous waste sites and the 105 U.S. hazardous waste sites around the Great Lakes be cleaned up? When will the 32 Ontario municipalities and the 81 American municipalities that are still dumping sewage and polluting the Great Lakes be cleaned up?

• (1815)

Those are answers the people of Canada want to know and I am looking forward to getting those answers from the Parliamentary Secretary tonight.

Mrs. Pauline Browes (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, I am very pleased to respond to the Hon. Member for York East (Mr. Redway) and to acknowledge his enthusiasm for environmental issues, his search for answers and the need for certain measures to be taken. Tonight I will be elaborating on the question brought to the attention of this House by the Hon. Member on February 3. That was in relation to the international declaration of intent relating to the Niagara River Toxic Management Plan.

On behalf of the Minister of the Environment (Mr. McMillan), I am pleased to provide the Hon. Member with details of that declaration, signed with Mr. Lee Thomas, administrator of the United States Environmental Protection Agency, Mr. Jim Bradley, the Minister of the Environment for Ontario and Mr. Henry Williams of the New York State Department of Environmental Conservation. The occasion of this signing, I might add, was a very successful three day international symposium on toxics in the Niagara, jointly sponsored by these four environmental agencies and held in Toronto.

This declaration of intent, which was toasted at the time of signing with pure water, is a statement of political will and commitment of the four jurisdictions to reduce the loadings of toxic chemicals entering the Niagara River by 50 per cent over the coming decade. In order to accomplish this goal, the four governments are committed to undertake and complete all the activities defined in an all-party Niagara River Toxic Management Plan which was released on October 30, 1986.

This plan is a technical document which describes specific work activities and schedules for completing these activities which we agreed to undertake jointly and individually. The plan will be updated and a revised version will be released in July, 1987. In addition, the declaration of intent also requires the four jurisdictions to review and publicly report on the state of new and emerging technologies to protect the environment from threats of hazardous waste landfill sites. The emphasis will be on such techniques as excavation, removal and on-site destruction of contaminated materials. At all chemical dump sites, excavation, removal and destruction will be considered an option.

The signing of this declaration constitutes the result of fruitful negotiations between the four governments and marks our will to offer a healthy and clean environment to every Canadian.

• (1820)

[*Translation*]

REFUGEES—IMMINENT DEATH OF HUNGER STRIKER—(A) GOVERNMENT POSITION. (B) PROCESSING OF REFUGEE CLAIMS

Mr. David Berger (Laurier): Mr. Speaker, two weeks ago when the Minister of Employment and Immigration (Mr. Bouchard) announced that the Chileans blocked by him in Argentina were not refugees, that none of those people were refugees, my reaction was not to believe him. I did not believe him because I had personally spoken to a number of Chileans in Montreal who had arrived recently and who were seeking refugee status. They were people I would consider to be refugees. For instance, there was a lawyer who had worked for the Church in Chile and had been arrested several times. He finally decided to leave his country because he feared for his life.

There was a truck driver whose friends had taken part in demonstrations and who was therefore implicated through his association with these people. He too feared for his life and decided to leave his country. In the group in Montreal, at least among those I spoke to, there are people I consider to be refugees because I felt their stories had the ring of truth.

When the Minister of Employment and Immigration (Mr. Bouchard) said a few weeks ago that no one in Argentina was a refugee, I reached the conclusion that his assessment was not credible and that at least some of these people had a legitimate claim.

If the Minister had said that 20 or 25 were refugees, maybe half, I would have thought his assessment was credible. But when he says that no one is a refugee, I protest.

Since that time the facts have confirmed my feeling. Last week, the Quebec Minister of Immigration, after evaluating about 50 people, reached the conclusion that at least 10 of the people in question were in sufficiently precarious circumstances to be admitted to Quebec on humanitarian grounds. The Minister asked the Minister of Employment and Immigration to review those cases. I would like to point out that only those who asked to be allowed to settle in Quebec were evaluated by the Government of Quebec.

Then, Mr. Speaker, what has been the response of the Minister of Employment and Immigration? He says he is puzzled about the various assessments. You will admit Mr. Speaker that the Minister is disarming by naïve. This confusing situation would justify a form decision on his part. He may have 56,000 assessments, Mr. Speaker, but the only one which really matters is his own, because he is the one who may admit these refugees in Canada. He is the only one who decides whether or not they have the right to enter this country.

Such a decision being so crucial and final—for this people it is a matter of life and death—it is imperative to ensure that those who are seeking refugee status may do so with a minimum of legal protection.

This is why recommendations made to the Government in recent years have been unanimous. People are asking for an independent, neutral and impartial procedure. Department of Immigration officials should not be expected to decide the fate of refugees because their responsibility is to administer the Immigration Act. These applications should be examined by people who are expert in refugee matters, and the Department of Immigration should not have anything to do with the whole process.

When applications are filed abroad . . . For example, the Chileans who have made headlines in recent weeks, who have been detained in Argentina, left stranded in Argentina by the Minister, these people in foreign countries are often in a predicament, separated from their families, facing an official who may not feel much sympathy for refugees, they have no access to legal advice, they have absolutely no right to appeal, they are at the mercy of the Minister of Immigration and his officials.

I therefore urge the Minister to admit that the refugee determination process in foreign lands has serious drawbacks. The Government should repeal the shameful measures imposed last February 20 and set up a compassionate and fair treatment system for refugees.

• (1825)

[*English*]

Mr. Gordon Towers (Parliamentary Secretary to Minister of State for Science and Technology): Mr. Speaker, I welcome the opportunity to expand upon the reply given by the Hon.

Minister of State for Immigration (Mr. Weiner) to the Hon. Member for Laurier (Mr. Berger) on March 4, 1987.

On March 12, 1987, the Government decided, for humanitarian and compassionate reasons, to bring three wives and their children to Canada to join their husbands. The Minister's permits were issued, and they arrived at Mirabel on Saturday, March 14, 1987.

As for the remainder of the group, each has been interviewed by our officers at the Canadian Embassy in Buenos Aires. They have also been seen by a Quebec immigration officer.

On the basis of their interviews, our foreign service officers had initially concluded that none of the group fled Chile for reasons of persecution; rather, they were coming to Canada for economic reasons. However, we have received additional information from the United Nations High Commissioner for Refugees' representative in Argentina, and it is the conclusion of the Canadian officials that two persons have valid claims to be Convention Refugees.

The United Nations High Commissioner for Refugees provides information and advice, but it is only the Canadian Government which can decide the validity of a refugee claim from someone seeking to enter Canada.

Under the Cullen-Couture Agreement with the Quebec Government, the Quebec Immigration Minister, Louise Robic, has the legal means to bring to Canada, as independent immigrants, any of the Chileans in the group remaining in Argentina.

Mme. Robic announced on March 30, 1987, that the nine Chileans granted permission to enter Quebec shall be processed as independent immigrants, including standard medical and background checks, before they can be brought forward. The remaining Chileans can, should they wish to do so, apply to the Canadian Embassy to determine whether they can meet the selection standards for immigrants other than Convention refugees.

Canada remains open to genuine refugees from Chile. However, many of the people coming from that country recently using the in-transit route have in fact been economic migrants or family class applicants joining relatives here. These people must be dealt with in the normal way and must not be allowed to short-circuit the immigration system, or jump the queue.

Canada has an ongoing immigration program from Chile. Last year, 453 Chileans entered the country under regular immigration programs. Canada has an outstanding record with respect to receiving refugees from Chile. Since the fall of the Allende regime in September, 1973, Canada has admitted 16,735 people from that country.

Adjournment Debate

FINANCE—SALES TAX CREDIT PROGRAM—REQUEST FOR GREATER PUBLICITY

Mrs. Mary Collins (Capilano): Mr. Speaker, a few moments ago the Member for York East (Mr. Redway) reminded us that it was March 31, and he did so because he had a particular interest in that date. What I want to speak about today also reminds me that it is March 31, which means that tomorrow we are into the month of April, by the end of which we must have our income tax returns filed. Now is the time to be thinking about preparing our income tax returns.

Last week, Mr. Speaker, I asked the Minister of National Revenue (Mr. MacKay) about the federal sales tax credit that was introduced in the February 1986 Budget. This is a terrific program. Its purpose is to take into account the increase in federal sales tax while making sure that lower income Canadians are not penalized.

Because it is a new program, I have found that a lot of people who are eligible for it do not know about it. For that reason, I should like to take a few minutes to explain what the program is.

It is a tax credit program, and under it those with an income of less than $15,000 would be eligible for a tax credit of $50. For a family whose combined income is less than $15,000, a husband and wife who were living together as of the end of last year would be eligible for a tax credit of $100, plus $25 for each child.

This is a significant amount of money for lower income families, and we want to make sure that those who are eligible receive it. The point is, in order to get the credit, one has to file an income tax return. There are a number of people in this category whose incomes are such that they do not ordinarily pay any income tax and therefore do not file an income tax return.

• (1830)

I should like to refer to what was brought to my attention in my riding of Capilano. Senior citizens whose incomes were basically their old age pension, and perhaps the GIS, who do not ordinarily file income tax returns may not know that this year they should do so because they are probably eligible for the $50 credit. We want to make sure that people know about it.

Another category which has been brought to my attention is that of students. Every Canadian 18 years of age and over who is eligible and has an income of less than $15,000 should be filing an income tax form this year in order to obtain the particular credit.

I asked my question on March 25. I was pleased that the Minister of National Revenue in his usual way immediately issued a press release the next day—and I hope it has been well covered in the media—reminding people to claim their tax credit.

As he said in the particular press release: "This tax credit is of particular importance to low-income Canadians, many of whom would not normally have to file a tax return". He emphasized that in order to claim the sales tax credit, a tax return must be filed.

That is the message we want to ensure that we get across. I hope all Hon. Members of the House will make the effort, through press releases and householders to their constituents, to ensure that the message gets out.

There is another point I want to raise because it was brought to my attention. There is some concern about people who have never filed tax returns. They are not used to it, they might be scared about it, and they do not know where to go for help. First I would advise them not to go to tax discounters. I was very pleased with the legislation we brought in last year to limit the role of tax discounters. It is not worth it, because there is help out there.

In my own riding of Capilano, British Columbia, I have worked with north shore seniors' groups and the information centre. In particular, the north shore health and information service provides volunteers to help seniors fill out their income tax returns. This is probably true across the country. There are many volunteers who will go to the homes of senior citizens and be in community centres to help with tax returns.

I was delighted by an article which was brought to my attention. It indicated that this kind of service was being offered by the Department of National Revenue. The particular project in Sydney, Nova Scotia seems to be an ideal one. I hope it is done right across the country. In the article Mr. Ross Crewe, Public Relations Manager for the Sydney District Office of Revenue Canada, talked about a program where Revenue Canada recruited all sorts of volunteers in the community to help people prepare their tax returns. If someone phones up, they will send a volunteer to the homes of seniors to help them. It does not have to be a scary kind of situation. It has some 70 volunteers in Sydney working out of a store-front office, so it is accessible. People do not have to climb a lot of stairs or go into a government office, which might be a little scary.

I should like to refer to some of the comments of people who have used the service. A gentleman, Mr. John Briand, said:

> They say filling out the form is simple but it can be complicated . . . The volunteers know just how to fill it out, and it's a lot easier for them to figure—

Kristene Brown, a University College of Cape Breton student is not taking any chances. She said:

> I wanted to make sure I'd get it done right.

She had gone for that kind of help too. That kind of help is available.

I urge low-income Canadians—and we expect that 75,000 Canadian families will be eligible for the federal sales tax credit—to make sure that they get their forms in. If by chance they miss out or know of someone who has missed out, they will have a chance even after the end of April this year. They will have three years within which to claim the credit. Of course, $50 in the hand is better than $50 waiting out there.

I encourage the Minister, his Department, and all colleagues to make extra special efforts this year to ensure that Canadians are aware of this excellent program which the Government has put in place. It shows our care and compassion for Canadians who are having to make do on lower incomes.

• (1835)

Mrs. Jennifer Cossitt (Parliamentary Secretary to Minister of National Revenue): Mr. Speaker, it is with pleasure that I respond to my colleague's question of March 25 regarding the public awareness of the federal sales tax credit. I commend her for her ongoing concern and compassion on behalf of all Canadians.

As you are no doubt aware, some four million Canadians can benefit from this Government initiative. I would like to assure all Members that the Minister of National Revenue (Mr. MacKay) is energetic in promoting and informing Canadians how to claim this valuable credit.

The federal tax credit is progressive. It permits eligible Canadians to receive a fully refundable credit of $50 for themselves, an additional $50 for their spouse and $25 per qualified relative. Not only is this a progressive measure by virtue of the fact that it is refundable, this credit is sensitive to the needs of low-income Canadians and gradually diminishes as a taxpayer's income increases. This credit is designed to help achieve the Government's objective of tax equity.

Department personnel have been mobilized across Canada to promote the availability of this credit through the Department's volunteer program, a program that assisted some 85,000 low-income tax filers last year. Positive results of their efforts are recorded in numerous news articles, articles which themselves stress the importance of filing a tax return in order to claim the federal sales tax credit.

The Minister of National Revenue recently issued a news release reminding Canadians of the eligibility criteria for this credit. In addition, the Minister will shortly be issuing a letter to all Members of Parliament and Senators urging them to publicize this credit in their constituencies. An article explaining the credit and how it is to be claimed will be enclosed with the letters so that Members of Parliament and Senators can provide copies to community papers and community groups right across Canada. I urge all members to use this opportunity to reach out to their constituents.

Not only has this Government introduced a progressive tax measure with this credit, we are conscientiously promoting the credit with those very Canadians for whom it was introduced. I would stress, Mr. Speaker, that throughout the remainder of the tax filing system, the Department will continue to explore all available channels for publicizing this important new credit.

The Minister believes that most Canadians who are eligible for the federal sales tax credit are aware of how to claim for it in their tax return. But, I want to remind my colleagues that

there are provisions in the Income Tax Act for claiming this and other credits in future years should an individual overlook the availability of a credit this year. This provision gives tax filers up to three years to make claims that they may have missed.

I appreciate this opportunity to bring to the attention of Hon. Members the steps being taken by Revenue Canada, Taxation, to ensure that Canadians take full advantage of this new refundable credit.

[*Translation*]

Mr. Deputy Speaker: The motion to adjourn the House is now deemed to have been adopted. Accordingly this House stands adjourned until tomorrow at 2 p.m., pursuant to Standing Order 3(1).

The House adjourned at 6.39 p.m.

HOUSE OF COMMONS

Wednesday, April 1, 1987

The House met at 2 p.m.

Prayers

STATEMENTS PURSUANT TO S. O. 21

[*Translation*]

PHARMACEUTICAL PRODUCTS

OPPOSITION TO AMENDMENT OF PATENT ACT

Mr. Sergio Marchi (York West): Mr. Speaker, the Conservative Government legislation on prescription drug patent is a good example of the definition of Canada's Conservatives.

The only consequence this policy can have is higher drug prices. It is a policy which compromises the access to and availability of prescription drugs. It is a policy which helps the major American multinationals. It is a policy which flies in the face of the Canadian progressive health care system established by Liberal Governments. It is a policy which Canadians reject outright.

I urge the Government to stop forcing Canadians to pay higher drug prices, to withdraw the Bill, and to be sensitive and fair to Canadians who need these drugs. We must make every effort to improve their standard of living instead of debasing their integrity and their existence.

* * *

[*English*]

HUMAN RIGHTS

U.S.S.R.—JEWISH CITIZENS—PROMISE OF PERMISSION TO EMIGRATE

Mr. Bill Attewell (Don Valley East): Mr. Speaker, a new but significant promise from the Kremlin to permit 11,000 Jewish refusniks to emigrate to Israel this year was reported yesterday. They are all on a long standing list of cases presented to the Soviets at the Reykjavik summit.

All of these people have been denied for a very long time the most basic human right, freedom to choose to leave the Soviet Union. We applaud Mr. Edward Bronfman and Mr. Abram of the United States for their efforts in negotiating this promise of the release of 11,000 people. I cannot applaud the U.S.S.R. for a promise, but we are encouraged. We will applaud the U.S.S.R. when they grant all the basic human rights to their citizens, including the right to pursue their religious convictions in the Soviet Union.

This latest promise is a perfect occasion to put the alleged policy of openness, or "glasnost", to the litmus test.

* * *

• (1405)

CANADIAN NATIONAL RAILWAYS

PROPERTY DAMAGE CAUSED BY TWIN TRACKING PROJECT IN BRITISH COLUMBIA

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, it has now been many weeks since the National Research Council submitted its report on the damage done to private property as the result of the Canadian National twin tracking project in Kamloops and Rayleigh, British Columbia. The Minister of Transport (Mr. Crosbie) waited for the receipt of this report before taking action with CN with respect to compensating those whose homes and businesses have experienced structural damage, and before requiring CN to take corrective action to eliminate future damage.

The people of Kamloops and Rayleigh have been very patient. They have waited for months as studies have been conducted while watching cracks in their walls widen, foundations crumbling, and water lines break. CN has not been especially co-operative in recognizing the problem, and providing compensation or taking any corrective action.

Leadership by the Minister of Transport and the federal Government is now necessary. I urge the Minister to take action now to ensure that those who suffered, through no fault of their own, as a result of CN's twin tracking program through residential areas, are treated fairly by the railway which is itself the ultimate responsibility of the federal Government.

S. O. 21

[*Translation*]

ENERGY

GOVERNMENT ASSISTANCE TO SMALL OIL PRODUCING COMPANIES—IMPACT ON ECONOMY OF ALBERTA

Mr. Guy St. Julien (Abitibi): Mr. Speaker, Ottawa's $350 million a year offer to the oil industry might signal the beginning of annual investments of $1 billion in exploration for and development of untapped reserves in Alberta and Saskatchewan.

The National Energy Program had seriously distorted the industry, and it was up to the Government to make sure that small companies, one of the most important elements of the industry, would survive.

As a matter of fact, small companies had not been on the receiving end of the NEP bonanza to the same extent as major concerns, and their efforts to develop traditional western reserves had even been thwarted. Such assistance to small oil producers will boost the Albertan economy at a time when future prospects do not look very promising. It is aimed at a sector from which Alberta's economy draws its strength and on which rests the future of the province.

The help offered by the Government of Ottawa to small producers will enable that industry to rally and survive while waiting for renewed wider scale exploration boosted by higher world prices.

Mr. Speaker, the Minister of Energy, Mines and Resources (Mr. Masse) was right, and Ottawa makes it possible for Alberta to get through the doldrums and save the jobs of skilled workers.

* * *

[*English*]

HUMAN RIGHTS

CHILE—POLITICAL PRISONERS' HUNGER STRIKE

Mr. Roland de Corneille (Eglinton—Lawrence): Mr. Speaker, 300 political prisoners in Chile have been on a hunger strike since February 25, 1987, in protest against unfair trials and treatment. The hunger strike started in connection with two trials involving members of an armed opposition group who are accused of smuggling arms into the country, and persons accused of attempting to kill General Pinochet. In both of these cases prisoners were badly tortured, a fact which has been documented by America's Watch, an American human rights organization.

This organization has interviewed 17 people who are detained. The interviews include reports that rats were let loose on victims' faces. Prisoners also received the normal application of electric shock to the most sensitive parts of the body. Some of the prisoners were also submerged in water to the point of losing consciousness, badly beaten, and sexually abused.

The hunger strikers are demanding the release of all political prisoners through an amnesty or else be allowed to exchange their sentence for exile, and the end to political appointments of special military prosecutors to deal with particular cases and the transfer of judicial proceedings from military to civilian courts.

Amnesty International has asked that urgent action be taken. I ask the Secretary of State for External Affairs to condemn the Chilean Government for its gross indecent violation of human rights and to urge that Government to meet the requests of the political prisoners.

* * *

TOURISM

INCREASE IN GOVERNMENT SPONSORED ADVERTISING CAMPAIGN

Mr. William G. Lesick (Edmonton East): Mr. Speaker, tourism is the fifth largest industry in Canada and is growing every year. Our Government has recently increased its tourism advertising by $5.5 million to attract more visitors from the United States. This will help Canada maintain its momentum of last year when a record number of Americans spent their vacations in Canada. The additional funding will be spent on expanded television and magazine advertising under the award winning theme of "Canada: The World Next Door".

The tourism industry is vital to Canada. It employs more than 600,000 Canadians and generates $20 billion in receipts. In Alberta tourism is the third largest industry and we are working hard to ensure that it continues its strong and healthy growth. It is a key factor in our desire to diversify our economy, and is an integral part of our future. Tourism is vital to our Government's economical renewal and we should all make an effort to ensure that Canada is indeed "the world next door".

* * *

• (1410)

INCOME TAX

AMOUNT PAID BY LOW-INCOME TAXPAYERS

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, seniors, single parents and other Canadians with low incomes are fuming at the Tory Government for the amount of personal income tax they are having to pay for 1986. I would like to read one of several letters from my constituents on this matter.

Dear Mr. Parry:

My mother had a total income of $9,885.60 last year. I calculated her income tax for her and she owes $236.20.

Mr. Parry, my mother is in her 70s, her only income is through pensions. It does not seem right that she should have to pay tax at all. Also, her taxes to the Town are due this month, she has no idea where to get the money from ... Why are the poor being penalized again?

I should cite the figures calculated by Mr. Murray Kelso of Fort Frances. Someone who paid no federal tax in 1985 on $1,430 of taxable income has to pay $99 in 1986; and on $3,000 someone who had to pay $254 of federal tax in 1985 has to pay $352 in 1986.

A single parent writes me:

Financially, I would have been better to have stayed home with my children; between saving child care expenses and having a larger income return. My situation is not uncommon.

Indeed, these impositions on low-income Canadians cry out for a remedy.

* * *

[*Translation*]

NEW DEMOCRATIC PARTY

LEADER'S ATTITUDE

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, yesterday this Government and the Government of Quebec decided to invest $220 million, that is $110 million each, in the General Motors factory at Sainte-Thérèse. At stake are 5,500 jobs in Quebec and 5,400 jobs in Ontario, especially in Oshawa. The Leader of the NDP, the Hon. Member for Oshawa (Mr. Broadbent), did nothing in this respect to help his constituents. He was and still is against helping the private sector.

Although the Leader of the NDP accepts source deductions from Canadian workers and also benefits from our job creating activities, as the Member for Oshawa he has remained silent and very negative about an issue that involves Quebec and his own riding. Workers in Oshawa know this and will not forget! When will the Leader of the NDP show his true colours, Mr. Speaker?

* * *

MAPLE SYRUP INDUSTRY

DECAY OF MAPLE TREES—REQUEST FOR CONCERTED CANADA-UNITED STATES ACTION

Mr. Alain Tardif (Richmond—Wolfe): Mr. Speaker, not long ago, the President of the UPA wrote a letter to the Prime Minister (Mr. Mulroney) in which he said, and I quote: Our maples, the symbol of Canada, are dying.

Mr. Speaker, the UPA wanted to make the leader of this Government aware of the fact that one of the worst disasters in the history of Canadian agriculture may compromise the growth and survival of the maple syrup industry. The deterioration of our maple trees has been increasing and spreading ever since the first cases were identified in 1979-80. According to the findings of recent studies carried out by the Quebec Department of Energy and Resources, 85 per cent of Quebec maple stands are now showing signs of deterioration, varying from slight to very serious.

It is imperative that the Canadian Government put pressure on the Americans to agree to a definite program, so that we can stop the deterioration process, stop pollution and get rid of the sources of pollution.

* * *

[*English*]

ETHNIC AFFAIRS

BALTIC EVENING ON PARLIAMENT HILL

Mr. Andrew Witer (Parkdale—High Park): Mr. Speaker, tonight Canadians of Estonian, Latvian, and Lithuanian origin, as well as their friends and supporters, will gather on Parliament Hill to celebrate the fifteenth annual Baltic Evening. Baltic Canadians have a special understanding and appreciation of the good fortune Canadians enjoy living in a free and democratic nation. Baltic independence was lost when the Soviet Union forcibly occupied the Baltic States. This occasion serves as a reminder of the need to protect and encourage the spirit of freedom wherever it is found.

The Baltic culture has flourished in Canada, and Canadians of Estonian, Latvian, and Lithuanian heritage have proudly contributed their strengths and perseverance to Canada, and the cause of freedom. I call on all Members of the House to join Canada's Baltic community in celebrating this special occasion, and by their participation and presence to recognize the tremendous contribution the Baltic communities have made to the growth and development of Canada, and to demonstrate that Canada does not and will not accept the forcible and illegal occupation of the Baltic States by the Soviet Union.

* * *

FINANCE

TAX ON SNACK FOODS—SCHOOLCHILDREN'S APPEAL

Mr. Ernie Epp (Thunder Bay—Nipigon): Mr. Speaker, an 11-year-old constituent of mine wrote the Prime Minister (Mr. Mulroney) last week as follows:

We, the students of Claude E. Garton School, Thunder Bay, Ontario, feel that charging taxes on popsicles, ice cream and other snacks is unfair to the children. We work hard selling newspapers, babysitting, shovelling snow, household chores, etc. This money pays for snacks, fads and fashions, etc. that we want, but if you take more money from us there will be no reason to work since you will be taking money from our pockets too.

We appeal to you to kindly change this law.

• (1415)

This letter was supported by several hundred of her classmates and friends.

This letter, Mr. Speaker, makes a very important point about the effect that excessive taxation has on Canadians. The Conference Board of Canada made a further point about high taxation last week when it pointed out that the economy is slowing down because the federal Government is taking too much in taxes. Disposable income is stagnating, rather than rising.

I join, Mr. Speaker, with the children of Claude E. Garton School in calling on the Prime Minister and the Minister of Finance (Mr. Wilson) not to tax the snacks that the children want to enjoy.

* * *

CHILD CARE

OTTAWA CITIZEN'S EDITORIAL MATHEMATICS

Mrs. Barbara Sparrow (Calgary South): Mr. Speaker, I should like to draw the attention of the House to an editorial in today's *Ottawa Citizen* regarding the report of the Special Committee on Child Care. In that editorial the statement is made, and I quote:

A good day-care centre can cost $10,000 a year or more for each child.

We have all heard the claim, Mr. Speaker, that day care workers are underpaid and that wages account for 80 per cent of child care costs.

I have been informed that the accepted care-giver to child ratio for preschool children—and by that I mean children ages three to five—is one care-giver to eight children.

Using simple arithmetic, if the cost per child is $10,000 a year and 80 per cent of that $10,000 goes to wages, as is claimed, the care-givers should each be receiving $64,000 a year in wages.

Today is April Fool's Day, Mr. Speaker, but in the important matter of dealing with the future of our children I believe we should stop fooling around and start providing the Canadian people with the facts, the facts that add up.

Some Hon. Members: Hear, hear!

* * *

[*Translation*]

SHIPYARDS

SITUATION OF SHIPYARD WORKERS IN LÉVIS, QUE.

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, Canadian shipyards especially in Quebec are in a major crisis situation. When I saw the Hon. Member for Lévis (Mr. Fontaine) rising a while ago, I thought that he was going to stand up and fight for the workers in his riding, more specifically the 2,300 Lévis shipyard workers who were counting on him for help.

Last Friday, Mr. Speaker, when I was in the Quebec area I took pictures of the shipyard to show just how idle and empty it is. There is not a single ship nor a single worker in the shipyard. On three different occasions, the Minister of Regional Industrial Expansion (Mr. Côté) did promise to build the *Caribou* there. Well, once again he has misled the Lévis people, the Quebec people, for the *Caribou* venture has been delayed.

I dare hope that the next time the Hon. Member for Lévis rises in the House, it will be to stand up for his constituents.

* * *

[*English*]

HUMAN RIGHTS

UKRAINE—HARASSMENT OF CHRISTIAN BELIEVERS BY SOVIET AUTHORITIES

Mr. John Oostrom (Willowdale): Mr. Speaker, once again I stand before this House to speak out on behalf of victims of religious repression by Soviet authorities, and specifically the continued harassment and imprisonment of individuals seeking to keep alive the spirit of Christianity in Ukraine.

In 1975 Vasyl Kobryn was dismissed from his job for refusing to work on Easter Sunday, which had been declared a workday in order to harass Christian believers working at the factory. Kobryn lodged complaints and signed statements regarding his treatment, eventually becoming an active member of the Group for the Defence of Believer's Rights and the Rights of the Church in Ukraine, rising to the position of chairman in 1983.

As a result of his activities Kobryn was arrested as a criminal, tried and convicted of spreading so-called lies against the Soviet system.

The Soviet Government continues to take direct action against individuals whose faith and belief in Christianity have led them to take a stand against those forces who would deny them the basic right to practise their religious beliefs openly.

Once more I must urge the Canadian Government to seek effective means to impress upon the Soviet Government our strong and united opposition to this continued persecution.

ORAL QUESTION PERIOD

[*Translation*]

BILINGUALISM

INQUIRY WHETHER LINGUISTIC DUALITY IS PROTECTED IN FREE TRADE NEGOTIATIONS WITH UNITED STATES

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, in his report tabled yesterday, the Commissioner of Official Languages criticized the Government for its inertia and made it abundantly clear that in this area as in so many others, the Conservative Government is serving up a lot of promises and hollow phrases but very little action.

We all know that bilingualism is one of the vital elements that distinguishes Canadians from Americans. Could the Prime Minister give the House the assurance he will protect our linguistic duality in his free trade negotiations with the United States?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I believe the Commissioner commented favourably on several federal initiatives with respect to bilingualism. For all of us it is the cornerstone of our life as a nation and as a people, and there will be new projects that will provide even more support for this Canadian reality.

As far as linguistic duality is concerned, I think I mentioned the subject in my speech on September 25, 1985, here in the House, and during the debate where we said quite clearly that this language dimension was not only enriching but indispensable for Canada's future and that our cultural and linguistic life was not on the table in negotiations that were strictly concerned with trade.

• (1420)

[*English*]

COMMISSIONER'S REFERENCE TO CANADA-UNITED STATES TRADE NEGOTIATIONS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, it may be that the Prime Minister has not been specific enough in his indications to Canadians because the Official Languages Commissioner, right at the beginning of his report, under the heading "Megatrends in Bilingualism", expresses concern that we are going to sell out our two official languages in our negotiations with the United States on free trade.

Some Hon. Members: Oh, oh!

Mr. Turner (Vancouver Quadra): That appears right at the beginning of his report, so I say—

Some Hon. Members: Oh, oh!

Mr. Speaker: Perhaps Hon. Members would allow the question to be put.

Mr. Turner (Vancouver Quadra): Mr. Speaker, if it were only my words that were disturbing Hon. Members opposite, I might understand, but this is an officer of Parliament, the Official Languages Commissioner, who is blaming the Government.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): What concrete steps is the Prime Minister taking in supervising our negotiations with the United States on free trade to ensure that our bilingualism and our policy of multiculturalism are not being endangered by the style of those negotiations?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I noted—and I will wait for the "blues"—that the Leader of the Opposition says that in this report the Commissioner of Official Languages expresses concern that we are going "to sell out our two official languages" in free trade negotiations. I am going to read the report again very carefully, because that strikes me as being a very grave distortion of what the Commissioner for Official Languages said. I will read it carefully, and I urge the Right Hon. Leader of the Opposition to do the same.

The Commissioner expresses concerns to which he is entitled. It is his job to protect official languages in the country, and we give him every support and every encouragement in that endeavour. However, I think I made very clear on behalf of the Government on September 25 at the University of Chicago, in a major speech on behalf of the Government of Canada, and here in the House of Commons during the debate on free trade, that culture and language were very much cornerstones of our national identity, that they were not at any time or in any circumstance in jeopardy or part of the negotiation process. That has been accepted by all sides. That has been accepted by the Americans. That has been accepted by all reasonable Canadians, and I hope eventually to persuade the Leader of the Opposition.

Mr. Turner (Vancouver Quadra): I think the Prime Minister ought to begin by attempting to persuade the Commissioner of Official Languages.

[*Translation*]

PRIVATIZATION OF CROWN CORPORATIONS—BILINGUAL SAFEGUARDS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my last question is directed to the Minister of State (Privatization).

In his report, the Commissioner of Official Languages says, and I quote, that "the privatization of federal agencies should be carefully scrutinised from the language angle to forestall any slippage in bilingual performance. As this subject is becoming more and more topical, we badly need a legal guideline to protect service to the public."

Could the Minister inform the House today what steps she has taken to guarantee that in selling our Crown corporations, we are not selling out bilingualism?

[*English*]

Hon. Barbara McDougall (Minister of State (Privatization)): Mr. Speaker, I have made it very clear privately, as has the Prime Minister publicly, to all Crown corporations whether or not they are being privatized that the Government has a very strong commitment to bilingualism. In the Teleglobe case, the headquarters of the company will remain in Montreal. In all our companies which are under review, this is an issue we are addressing very carefully.

• (1425)

PUBLIC SERVICE—COMPLIANCE WITH LINGUISTIC REQUIREMENTS BY DEPUTY MINISTERS

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, last October 23 the President of the Treasury Board stated in this House:

> There has been no Government decision which could weaken the efforts of this Government as concerns official languages.

In light of this assurance, can the Minister confirm a report carried by the Official Language Commissioner's report yesterday, which is in *The Globe and Mail* this morning, that a recent government decision has made it easier for Deputy Ministers and senior managers to avoid complying with the linguistic requirements for their positions?

[*Translation*]

Hon. Robert de Cotret (President of the Treasury Board): In response to my colleague from Ottawa—Vanier, Mr. Speaker, I can say that the Government is as committed as ever in its pursuit of linguistic duality in Canada, as it has always been. Mr. Speaker, I can also say that ours is the Government which, under the leadership of our Prime Minister of course, has formally promised to introduce the first and greatly overdue amendments to a statute which has been on the books for 16 or 17 years already. These amendments will be introduced in the House in the next few weeks or months so that the legislation be more attuned to the current needs of the Canadian people.

POLICY ENUNCIATION—EFFECT ON PUBLIC SERVICE

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, this Minister issued the guidelines I have here—I can send him a copy if he does not have one—to reduce the linguistic requirements for appointments of deputy ministers in the national capital regional and to the EX management group bilingual positions in a bilingual region.

Knowing the impact and influence which a unilingual superior may have on employees, on his own staff, when it comes to the language of work, how can the Minister explain that these policy statements which originate from his Department, such retrograde statements of management policy coming from him and his officials, indicate obvious and terribly retrograde laxity with respect to leadership within the Public Service of Canada?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, with respect to the languages of work, the only laxity to which we can indeed point a finger is the laxity of the former Government. The new Government has taken and is taking steps to review the legislation and regulations as a whole to make sure that the public is getting better services in both official languages, and that the language of work is improved in both official languages. This is what we are doing, Mr. Speaker.

* * *

CHILD CARE

REQUEST FOR MORE FUNDS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. In the area of child care, the greatest need now, all experts agree, is for increased services. But in the Minister's Budget, $300 million have not yet been allocated. Why does not the Minister use this money to increase these services right away?

[*English*]

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, this question has been answered before, namely, when the Minister of Finance came forward with his Budget in February. A direct decision was taken that decisions such as child care would be made and announced by the Government as an individual policy item. The Minister of Finance also indicated in his Budget that there were designated figures in it. Perhaps the Hon. Member could read them. As I pointed out before, that was the approach we took. Nothing has changed from when I gave him the answer the last time.

COMMITTEE RECOMMENDATIONS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, what has changed is that we have had a report brought in by a committee of this House supported only by a majority of Conservative Members on the problem of day care. Recommendations have been made that are absolutely disastrous in terms of meeting the need for services. The Government of Prince Edward Island joined this morning with the Government of the Province of Ontario, the Government of Nova Scotia, the Government of Manitoba, all other experts in the field and church leaders in saying that the priority recommendations of the Conservative committee were wrong. As well, they have called for an immediate increase in services in terms of day-care places for the children of Canada. Will the Minister now make a decision, change those priorities and use the $300 million to provide the badly needed services for children?

• (1430)

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I do not accept the premise of the Hon. Member's question. It is not supported by a vast number of parents in Canada today. The vast majority of parents want to have a choice. The Government has clearly said that that will happen in child care. We have also said that there will be additional services.

The Hon. Member has said that this is only supported by the Conservative majority. I would point out that there happens to be a majority of Conservatives in the House who received a very strong mandate back in September, 1984, and that should be considered by the Hon. Member. Additionally, I find it rather strange that the member of his Party on the committee mentioned native care yesterday when it is a recommendation which she herself supported in the committee. Then she came here to the House and put a different face on it.

REQUEST FOR INCREASE IN SERVICES

Hon. Edward Broadbent (Oshawa): Mr. Speaker, if he decides to be frank with the House some time, the Minister will know why our member of the committee took the position she did. She, along with other Members of the House and members of my Party, has called consistently for increased services for the native people of Canada. It is wrong for the Minister to suggest the contrary.

The Minister has talked about choice. As far as I understand it, one thing all Parties agree on is that there should be a great choice for families in day-care services. Considering that some 75 per cent of Canadians say that the immediate priority is to have an increase in services, why does the Government not do something about that and allocate money that would increase services for the children of Canada who need them?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I am pleased to note that the Leader of the NDP has finally started to come around. Up until now, he has always said that it should be one way only and that is universal day care—

Mr. Broadbent: That's a lie; that's a lie.

Mr. Speaker: Order. The Hon. Minister.

Mr. Epp (Provencher): Mr. Speaker, the NDP position has been one way only. It has been for universal publicly-funded day care and everyone is supposed to fit the pattern. Today he says the family is important.

Mr. Riis: It's a lie and you know it. Liar.

Mr. Broadbent: Go back to church, Jake, and learn the truth.

Mr. Riis: Tell the truth for once.

Mr. Epp (Provencher): So I am saying—

Mr. Speaker: I am afraid that this has gotten into debate. The Hon. Member for York South—Weston.

* * *

BILINGUALISM

ROYAL CANADIAN MOUNTED POLICE—PARTICIPATION OF FRANCOPHONES

Mr. John Nunziata (York South—Weston): Mr. Speaker, my question is directed to the Prime Minister and concerns the Government's apparent lack of commitment to bilingualism. As the Prime Minister knows, there is a proposal before the Treasury Board which would reduce Francophone participation objectives in the RCMP. The Official Languages Commissioner was extremely critical of this action, stating that it would dangerously compromise the force's ability to meet the requirements of the Official Languages Act and the Charter of Rights and Freedoms. If the Prime Minister is as committed as he says he is to bilingualism in Canada, will he instruct the RCMP that this Parliament will not tolerate reductions in Francophone participation levels in the RCMP?

Hon. James Kelleher (Solicitor General of Canada): Mr. Speaker, I can advise the Hon. Member and the House that the Government is committed to bilingualism. We are committed to it in the RCMP and there is an amended Article now before the Treasury Board with respect to this matter. I have had a number of discussions with the Commissioner and I am satisfied that a resolution satisfactory to all parties and to the country will be forthcoming very shortly.

[*Translation*]

REQUEST THAT CLEAR INSTRUCTIONS ON LINGUISTIC DUALITY BE GIVEN TO NEW RCMP COMMISSIONER

Mr. John Nunziata (York South—Weston): Mr. Speaker, my supplementary is for the Prime Minister. He is well aware that in its recruiting process and its language policies, the RCMP is undermining the Official Languages Act. Could the Prime Minister assure us that he will give the new RCMP Commissioner clear instructions emphasizing that Parliament expects him to strongly promote the linguistic duality within our national police force? Will he do that?

[*English*]

Will he do that?

Hon. James Kelleher (Solicitor General of Canada): Mr. Speaker, I am sure the Hon. Member is well aware that the new Commissioner-designate is fluently bilingual. I had the opportunity to be with him for 10 days during an inspection trip in Europe and I had an excellent opportunity to discuss these problems and matters with him. I can assure the Hon. Member that he is committed to bilingualism. Frankly, I look forward to working with a man who has already devoted 30

years of service to the RCMP. I would also like to take this opportunity to commend the retiring Commissioner who has done an excellent job for this country.

Some Hon. Members: Hear, hear!

* * *

[*Translation*]

OFFICIAL LANGUAGES

INQUIRY WHEN GOVERNMENT WILL RESPECT AND REINFORCE ACT

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, my question is for the Prime Minister. Francophones both in and outside Quebec have a right to obtain government services in their own language. This Government has now shown its "outrage" towards the basic principles of the Official Languages Act. Considering that the Official Languages Commissioner has often reiterated in the past his criticism of the Government, when will the Government finally abide by and enhance the Official Languages Act?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I do not know what the Hon. Member is talking about. Explicit mention was made at times in the House of the fact that the Government of Canada would amend the Official Languages Act.

Mr. Gauthier: For the past two and a half years.

Mr. Mulroney: The Liberal Whip says: For the past two years. The fact is that this Act, which has been in the books for the past 17 years, has never been amended; at last, a Government is going to do it, a Conservative Government which is correcting the mistakes and blunders of the Liberal Government.

CANADIAN SECURITY INTELLIGENCE SERVICE—LACK OF RESPECT FOR OFFICIAL LANGUAGES ACT—GOVERNMENT POSITION

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, the Government had already promised these amendments two years ago, and we are still waiting for this legislation to be duly enforced.

My supplementary question is directed to the Solicitor General. Mr. Speaker, is he aware that some 1,800 grievances have been made against the Canadian Security Intelligence Service for its failure to comply with this legislation. When is he going to insist that they abide by the basic principles of the Official Languages Act. When is it going to show consideration for Francophones in this Service?

[*English*]

Hon. James Kelleher (Solicitor General of Canada): Mr. Speaker, I am very pleased to have this opportunity to answer the Hon. Member's specific complaint about the 1,700 telexes sent to the Quebec region in English only in the first 10 months. The Commissioner of Official Languages has said that "very firm directives and stricter controls were subsequently introduced by CSIS and the number of such incidents declined considerably". As well, he said that "the service began to improve considerably in the closing months of 1986".

* * *

[*Translation*]

FINANCE

CREDIT CARD INTEREST RATES—GOVERNMENT POSITION

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, I have a question for the Minister of State for Finance. Following the unanimous report of this House on credit cards that was tabled in this House, the Minister of State said that if rates did not come down, Parliament would act.

Mr. Speaker, the Minister also stated that the Government policy would be to have credit card interest rates that would not be higher than 5 per cent over prime. My question to the Minister of State for Finance is this: Is it still this Government's policy to have credit card interest rates that are no higher than 5 per cent over prime?

[*English*]

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, I am glad the Hon. Member asked that question. It allows me to clarify two important mistakes made in his question. First, I made it very clear that, in my mind, interest rates are too high. The way to bring those rates down is to have the market-place do it. Parliament's action in this realm does not necessarily have to be action on rates. It can be on disclosure. It can be on all sorts of dimensions of the problem, perhaps including rates.

• (1440)

Second, the committee report and the research that went into it mentioned the 4 per cent or 5 per cent above prime rate profit margin. I have said that I am looking at that as perhaps a guideline. Whether that is the proper profit or not would depend on the type of card and the type of enterprise.

Mr. Garneau: In a press conference the Minister suggested that card issuers should charge 4 per cent or 5 per cent above the prime rate. I was just quoting his own words.

[*Translation*]

CREDIT CARD INTEREST RATES—INQUIRY WHY DIRECTIVE NOT OBSERVED

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, the report has been tabled 13 days ago. I checked this morning, there are one, two, three, four, five, six banks whose interest rates on credit cards are higher than the 5 per cent above prime suggested by the Minister. I would ask the

Minister of State for Finance when he intends to move in? Has he already taken action? Why has his directive not been followed?

[*English*]

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, the Hon. Member for Scarborough West has been on top of this problem for two years. The Hon. Member for Laval-des-Rapides has suddenly woken up to the problem. The Government's response to the report was almost instantaneous, and that is on the record.

* * *

ENVIRONMENTAL AFFAIRS

ACID RAIN—POSSIBILITY OF UNANIMOUS HOUSE RESOLUTION

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, my question is directed to the Right Hon. Prime Minister. Yesterday I asked the Minister of the Environment what he thought of the idea of this House unanimously passing a resolution calling on the U.S. Congress to enact acid rain abatement legislation. The Minister did not close off that possibility. He indicated he was open to something like that. Has the Prime Minister had an opportunity to think about it and will he indicate on behalf of the Government whether or not there is a willingness to sit down with Members from all sides and craft a resolution which could be passed quickly and unanimously to indicate to the U.S. public, Congress, and indeed the President, just how seriously Canadians take the issue of acid rain?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I can assure my hon. friend, who has a very significant interest in this matter, that I have, as has the Secretary of State for External Affairs, conveyed the firm and I think unanimous view of this House regarding acid rain. We have made the point repeatedly, and I was pleased to note that the Leader of the NDP indicated a few days ago he had noticed progress on the acid rain issue as a result of persistence by the Government of Canada. It is encouraging for us to realize that other Parties recognize this improvement.

I have conveyed many times the view of the Hon. Member, and I shall be doing it again because his view is shared by all Members of this House. I thank him for his enthusiasm and ardent support of the Government on this initiative and assure him that I will be reporting back to the House, and to him specifically.

NEED FOR ACID RAIN ABATEMENT LEGISLATION IN UNITED STATES

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, the Prime Minister ought not to interpret my suggestion as casting any doubt on the forcefulness with which he has put Canada's case. That is not in question. What is in question is the value of a unanimous resolution of this House. I know it is possible if there is the political will, and I cannot see what could possibly be wrong with the House expressing in this symbolic and highly political way the unanimity with which Canadians regard the urgent need for acid rain abatement legislation in the U.S. Would the Government be prepared to sit down with Members from all sides and see what we can come up with?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, as I understand it, this is normally a matter to be discussed among House Leaders. I would be happy to ensure that the Government House Leader is available for discussions on this matter.

May I tell my hon. friend, with respect to parliamentary expression and going back to an exchange just a few days ago, a Democratic Congressman came up here and delivered himself of an opinion as to what the Government of Canada should do and how we should conduct ourselves. I noticed yesterday that his distinguished Leader in the U.S. Senate issued a statement which would have the effect of diminishing the impact of what President Reagan has been trying to do.

Mr. Blaikie: That is why we need the resolution.

Mr. Mulroney: I know the American administration and President Reagan in particular have come in for some strong denunciation by some Members of the House. In point of fact he has moved very substantially and I will need the Hon. Member's help in getting Congress to move, including those members of it who take the liberty of coming up here and lecturing us but who should be persuading their own leadership to act, because without congressional action a solution is impossible.

* * *

TRADE

IMPORT QUOTAS—MEETING OF PROGRESSIVE CONSERVATIVE CAUCUS MEMBERS

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, in the absence of the Minister for International Trade I will direct my question to the Prime Minister. I have in hand a copy of a memo sent yesterday by the Parliamentary Secretary to the Minister advising PC caucus members of a meeting to be held yesterday to discuss the redistribution of import quotas on chicken, cheese, and footwear. Can the Prime Minister tell us if the Government called this meeting to inform Tory MPs of a new patronage tool for the distribution of import quotas, or is it simply an attempt to tone down dissent in a Tory caucus upset with the potential loss of import quotas in the free trade negotiations? Which is it?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, as usual with regard to the Hon. Member's questions, neither.

[*Translation*]

Mr. Boudria: Mr. Speaker, there is nothing funny for people in farming and elsewhere to lose quotas. I am saying this to the Secretary of State for External Affairs.

REQUEST THAT MINUTES BE TABLED

Mr. Don Boudria (Glengarry—Prescott—Russell): Since that meeting was sponsored by the Hon. Member for Brampton—Georgetown, in his Government capacity as Parliamentary Secretary to the Minister of International Trade, is the Prime Minister prepared to table in this House the minutes of that meeting if the Government has nothing to hide, and to consult the Opposition in matters of such significance? Is he prepared to do that?

[*English*]

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the Hon. Member becomes more and more ludicrous in his—

An Hon. Member: Ravings.

Mr. Clark (Yellowhead): —in his assertions in this House. Thank you. I had to look to one of my colleagues for a calm enough word to describe the Hon. Member's activities.

What occurred here was a discussion between a Parliamentary Secretary and interested members of the government caucus. That normally happens. It happened when the other Party was in office. What is absolutely unforgivable is for the Hon. Member to use his position in this House to try to create false fears among Canadians, as he regularly does.

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FISHERIES

PLANNED REOPENING OF STAR-KIST PLANT IN NEW BRUNSWICK

Mr. Bob Corbett (Fundy—Royal): Mr. Speaker, in the unavoidable absence of the Hon. Member for Carleton—Charlotte, who has been at the front and centre on this critical issue, I would like to direct this question to the Minister of Fisheries and Oceans. It has been reported that Star-Kist Limited announced today it is prepared to accept the Government's proposed new quality testing techniques and that, as a result, it plans to reopen its Bayside, Charlotte County, New Brunswick plant within the very near future. Can the Minister confirm if he has received such a statement from Star-Kist?

Hon. Thomas Siddon (Minister of Fisheries and Oceans): Mr. Speaker, yes, indeed, I received a letter of proposal late this morning from the principals of Star-Kist Incorporated. This is the result of many weeks and months of negotiations and a number of fairly generous offers this Government made with a view to securing the reopening of that tuna processing plant in New Brunswick. If I might just read two sentences from this letter: "With the implementation of this scientific testing as outlined by your experts . . . we intend to begin making improvements to our plant as indicated in the Morrison report. We estimate these improvements will take approximately 120 days to accomplish. We then intend to reopen the plant."

This is not only good news to all Members of this House, if all the necessary conditions can be met, but it will be particularly good news to the unfortunate workers in St. Andrews and St. Stephen, New Brunswick.

Some Hon. Members: Hear, hear!

* * *

• (1450)

VISIBLE MINORITIES

EMPLOYMENT IN PUBLIC SERVICE

Mr. Ernie Epp (Thunder Bay—Nipigon): Mr. Speaker, my question is directed to the President of the Treasury Board. The Minister is well aware of the special program to increase employment in the Public Service for members of the visible minority communities, which began in the past fiscal year. Will he confirm that only six of the 50 positions promised for the first year of this three-year program have been filled during this year?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, we have been making every possible effort to improve the access to employment in the Public Service by visible minorities, as we have with the disabled, Francophones, and women. We have consultative committees that are set up and meet regularly to make recommendations which are being followed up by the Treasury Board on a very regular basis to ensure that the greatest access possible is available.

I will have to defer to the Hon. Member as to the exact number. I will be happy to give him the numbers, but I can assure the Hon. Member that we are making every effort possible to give all these groups the greatest access possible to Public Service employment.

REQUEST THAT ALLOTTED POSITIONS BE FILLED

Mr. Ernie Epp (Thunder Bay—Nipigon): Mr. Speaker, the Minister is well aware that action is wanted and consultation is the merest beginning for it. Will the Minister assure us that the 44 positions that I understand have not been filled will be rolled over into the present fiscal year and not simply cancelled, thereby breaking a promise from the Government to members of the visible minority communities to see some real advance during this three-year period?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, we will not break any promises. We made a formal promise that we would help these groups that were underprivileged in seeking employment in the Public Service of

this country. We are acting on that promise. Those positions will not be cancelled. We will uphold those promises for those to whom they are directed.

* * *

SHIPBUILDING

CONSTRUCTION OF FISHING TRAWLERS

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, my question is directed to the Right Hon. Prime Minister. Yesterday the Council of Maritime Premiers issued a statement calling upon the federal Government to provide financial assistance to the beleaguered shipbuilding industry in order that a contract for the construction of seven fishing trawlers be carried out in Canada and not lost to subsidized yards such as are in Argentina. Will the Prime Minister undertake to the House and Atlantic Canadians to promise financial assistance to those shipbuilding yards to ensure that Canadian ships will be built in Canada, thereby increasing employment opportunities for Canadians?

[*Translation*]

Hon. Bernard Valcourt (Minister of State (Small Businesses and Tourism)): Mr. Speaker, indeed the Department of Regional Industrial Expansion has received a request from Prince Edward Island concerning the said program. We are now assessing that request and as it has been done everywhere else in the country, our decision will be aimed specifically at strengthening the shipbuilding industry in the Atlantic provinces.

[*English*]

GOVERNMENT POLICY

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, my supplementary question is for the Right Hon. Prime Minister. Canadians, particularly Atlantic Canadians in Pictou, Nova Scotia, and Georgetown, Prince Edward Island, have been waiting since 1984 for the Government to introduce a shipbuilding policy. Will the Prime Minister not now take positive action such as providing concessionary financing to domestic shipbuilding yards in order to provide jobs here in Canada? Why are you selling out our shipbuilding workers?

[*Translation*]

Hon. Bernard Valcourt (Minister of State (Small Businesses and Tourism)): Mr. Speaker, I do not think that the Hon. Member can thus describe the federal policy on the shipbuilding industry. Such were not the conditions elsewhere in the country and such they will not be in the Atlantic provinces. Steps taken or to be taken by the Governement in the Atlantic provinces are specifically aimed at strengthening that industry and we will be continuing in this direction.

[*English*]

FILM INDUSTRY

TELEFILM CANADA'S FINANCES

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, my question is directed to the President of the Treasury Board. It concerns the decision not to allow Telefilm Canada to keep $18.5 million and let it be rolled over into the next fiscal year from the past year's funding. It effectively means a loss of that amount of money to independent film producers for this year. Will the Minister show some sensitivity to independent film producers and an understanding that the organization of funding for films takes a long time? The rule that money not spent immediately within the funding period is simply lost to the industry is very strict. Should there not be some sensitivity to make the rules suit the needs of the film production community?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, I believe that is exactly the kind of policy we are pursuing. If the Hon. Member had cared to look at the record she would have seen that initially Telefilm Canada was funded under a long-term program which was converted to meet the actual annual cash flow needs of Telefilm Canada. There is no reduction of any kind in that budget. There is no cash need. There are no producers in this country who are not able at the moment to access the funds that are available. As a matter of fact, the budget was set at a level that will allow Telefilm Canada not only to continue its very worthwhile work but to have an assured base of support financially for years and years to come.

Ms. McDonald: I think the picture is not quite as rosy as the Minister would have us believe.

FUNDING PROVIDED BY TREASURY BOARD

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, will the Minister consider whether Telefilm Canada should be funded on a revolving fund basis like the Canada Council? This is what Telefilm has asked for, what independent producers are seeking and what the community says it needs. Of course, anyone who knows the film industry is aware that the funding takes time to organize and the rules should be made to suit the needs of the community. It should not be some arbitrary rule of the Treasury Board.

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, the member said a number of times that I know certain things. One thing I do know is that in the years of operation so far Telefilm Canada, while meeting all the needs of the community, has not been able to spend the money that was at its disposal. We are meeting all the needs that are presented to us and we have put the funding of that organization on a sound basis for years to come. The Treasury Board is very responsive to that community and will continue to be responsive. The Government is committed to that community and will continue to be committed.

[*Translation*]

CHILD CARE

DAY CARE CENTRES IN SCHOOLS—REQUEST FOR FUNDS

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, my question is directed to the Right Hon. Prime Minister. Mrs. Stella Guay, President of the Quebec Bureau of Day Care Services and Mrs. Gagnon-Tremblay, Quebec Minister for the Status of Women, said it was unfortunate the Parliamentary Committee failed to consider Quebec's recommendations for more flexible funding criteria for day care programs. The federal Government does not recognize day care centres located in schools, and it is a fact that in 1986-87, the Quebec Government lost $15 million in this way. Would the Prime Minister be prepared to make some changes in day care funding to ensure that day care centres in schools, and there are 528 in Quebec, be considered on a par with other day care centres and thus entitled to full refund of costs?

[*English*]

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, obviously at the last meeting of the Social Affairs Ministers we looked at the child care issue and some of the conditions that had to be considered. We also looked at the Canada Assistance Plan. We mentioned at that time that the federal Government's exposure was about $105 million annually and that it could be higher if the provinces in fact triggered the expenditure. The Hon. Member may know that the money is there if it is triggered by the provinces, and 50 per cent is then returned from the federal Government. I have no doubt that as we go through the child care reports, make recommendations, and have discussions with the provinces, some of these questions about what new flexibility should be arranged with respect to any child care financing will arise.

[*Translation*]

QUALITY OF SERVICES—NEED FOR ADDITIONAL FUNDING

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, everyone admits, and the experts agree, that we need to improve the quality of the service provided by day care centres. The Minister will recall that in 1985, the Conservative Government robbed Canadian families of $1.2 billion by de-indexing family allowances. You deceived our families. To correct this injustice, is the Minister, and now the Prime Minister, prepared to commit these $1.2 billion as funding for day care centres so that we can have quality day care in this country?

[*English*]

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, the Member has mixed up two things again, as he does so often. He said that there was a partial deindexation of family allowance so that families have less. Let me repeat what I have said so many times. If he considers low-income families and examines the Canada Assistance Plan and the increase in the Child Tax Credit for those families, he will see that they are getting more than the reduction if the full indexing had been there.

* * *

• (1500)

FINANCE

CREDIT CARD INTEREST RATES—VISA REDUCTION

Mr. Reginald Stackhouse (Scarborough West): Mr. Speaker, supplementary to other questions on credit cards, I have been informed that the Canadian Imperial Bank of Commerce has just announced it is lowering the rate on its Visa card from 18.6 per cent to 15.9 per cent. The bank is quoted as saying the impact of the parliamentary committee was a factor in the decision. Is the Minister of State for Finance prepared to monitor the other banks along the same lines?

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, I am delighted to hear this news. I am very pleased that the Bank of Commerce made it clear that the House of Commons committee report was a factor in its decision. I commend that bank and those banks which have already lowered their interest rates. They are responding not simply to the House of Commons committee report but, of course, to the market. I would hope that retail stores and other financial institutions will look to their rates as well.

* * *

TRADE

CANADA-UNITED STATES NEGOTIATIONS—DAIRY PRODUCTS INQUIRY

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. The other day in the House the Minister of Agriculture made the statement, with regard to free trade negotiations, that the Government will negotiate the import of supply managed farm products in the same way production levels were agreed to in the Auto Pact. Does the Secretary of State for External Affairs agree with the Minister of Agriculture that Canada should allow the Americans a say in how many dairy products, poultry, and other supply managed products Canadian farmers will be allowed to produce?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, neither the Minister of Agriculture nor I agree with that unusual NDP position.

GOVERNMENT POSITION

Mr. Stan J. Hovdebo (Prince Albert): The Secretary of State for External Affairs has only to read the record to find

out exactly what the Minister of Agriculture said. Would he agree that allowing the Americans to have an input into Canadian supply management decisions would diminish our farmers' role in Canadian agricultural decisions and that this would be bad for agriculture in Canada?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, for some time now the Government has made it clear that we were discussing neither supply management nor the Auto Pact. The NDP and the Liberal Party apparently want us to discuss the Auto Pact, but we are not going to. The NDP has suggested in this House of Commons that we should be giving away the Canadian Wheat Board. That was its suggestion the other day. Now it is suggesting we should allow the United States to discuss our supply management programs. That might be the position of the New Democratic Party; it is not ours.

* * *

UNEMPLOYMENT INSURANCE

FORGET REPORT—ANNUALIZATION PROPOSAL

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. Yesterday the Minister met with his provincial counterparts to discuss the Forget Report and reform of the unemployment insurance system. Considering the known views of several provinces, is the Minister now ready to reject clearly Forget's annualization proposal which would substantially reduce unemployment insurance benefits?

[*Translation*]

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, the purpose of yesterday's meeting with the provincial Ministers of Employment was to seek their proposals concerning the unemployment insurance reform. As a matter of fact, the provinces did suggest that the annualization principle be rejected. It had been agreed before the propositions were heard that I would not make an announcement at the time. I think it would not be proper to make one today. The answer will be given around May 15.

[*English*]

EARLY RETIREES' ELIGIBILITY FOR BENEFITS

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Mr. Speaker, considering the Minister's meeting with the provinces yesterday, will the Minister now abandon his unfair proposal that early retired Canadians must be laid off from a second job before they can collect unemployment insurance? Will he not recognize that that proposal is unworkable and inequitable?

[*Translation*]

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, that is entirely out of the question.

* * *

[*English*]

EXTERNAL AFFAIRS

REQUEST FOR LISTING OF HONORARY BALTIC CONSULS

Mr. Andrew Witer (Parkdale—High Park): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. The Minister will know that the Baltic Federation of Canada has for some 15 years been urging the federal Government to list honorary Baltic consuls in the External Affairs directory of diplomatic, consular and other representatives in Canada.

The Minister will also know that Canada does not recognize "*de jure*" the illegal annexation of the Baltic States to the Soviet Union. Will the Minister reaffirm his commitment to this policy by undertaking to list the Baltic consuls in the next edition of the External Affairs directory?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I think the Hon. Member knows that that question is under review in my Department.

Mr. Speaker: I would ask Hon. Members if they are leaving the Chamber not to interfere with the proceedings.

* * *

PRIVILEGE

ALLEGED USE OF UNPARLIAMENTARY LANGUAGE

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I rise on a question of privilege. Today there was an exchange between myself and the Leader of the New Democratic Party, with an interjection by the House Leader for the NDP, regarding child care. We can disagree in terms of what is best with respect to child care. However, what we cannot accept in the House is the Leader of the New Democratic Party and his House Leader calling an Hon. Member a liar. That is unparliamentary. The Leader of the New Democratic Party called me a liar today. I ask him to withdraw it. The House Leader of the NDP did the same thing. If they are honourable Members, I would ask both of them to withdraw that word.

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, I do not believe, and I think the record will indicate, that that word was actually recorded.

Some Hon. Members: It was used.

Mr. Riis: Yes, we all heard it because I did call the Minister of National Health and Welfare (Mr. Epp) a liar. There is no question about that. I did it, in fact, on a number of occasions during the interchange because what he did say was untrue. However, because our position has always been consistent—

Some Hon. Members: No, no.

Mr. Riis: When it comes to day care, we have always supported a variety of programs. When the Minister of National Health and Welfare said that was not the case then I did call him a liar.

Mr. de Cotret: Withdraw.

Some Hon. Members: Withdraw.

Mr. Riis: However, being a parliamentarian, I will withdraw the use of—

Some Hon. Members: Sit down.

Mr. Andre: You are out of order and you know it.

Mr. Riis: Just relax, Harvie.

Mr. Speaker: I would remind Hon. Members that it is the Chair's duty to decide on these matters, and that the Chair is helped in that not always easy task by the respect which Hon. Members ought to pay to each other and to this place. I would ask that Hon. Members keep their comments to themselves.

Mr. Riis: Mr. Speaker, as a parliamentarian, I certainly will withdraw the accusation I levied at the Minister for National Health and Welfare.

Mr. Hees: What about you, Ed?

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I, too, join the House Leader of my Party in withdrawing any term which is deemed by all Members of this House to be unacceptable. I will not comment at length about the reality which lay behind it.

Mr. Speaker: I think this is an indication to Hon. Members that there are many ways of viewing the same set of facts. I want to thank both the Hon. Member for Kamloops-Shuswap (Mr. Riis) and the Hon. Member from Oshawa (Mr. Broadbent) for their withdrawals.

ROUTINE PROCEEDINGS

[*English*]

GOVERNMENT OPERATIONS

GOVERNMENT RESPONSE TO REPORT OF STANDING COMMITTEE

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, in accordance with the provisions of Standing Order 99(2), I am pleased to respond to the report of the Standing Committee on Government Operations tabled in the House of Commons on March 23, 1987, and would do so by tabling these letters, in both official languages, to the Chairman of the Committee.

* * *

[*Translation*]

INTERPARLIAMENTARY DELEGATIONS

PRESENTATION OF FIFTH REPORT OF ASSOCIATION OF FRENCH SPEAKING PARLIAMENTARIANS

Mr. Marcel Danis (Verchères): Mr. Speaker, pursuant to Standing Order 101, I have the honour to table the Fifth Report of the International Association of French Speaking Parliamentarians, in both official languages.

* * *

• (1510)

[*English*]

CRIMINAL CODE AND CANADA EVIDENCE ACT

PRESENTATION OF REPORT OF LEGISLATIVE COMMITTEE

Mr. Marcel Danis (Verchères): Mr. Speaker, as Chairman of the Legislative Committee on Bill C-15, an Act to amend the Criminal Code and the Canada Evidence Act, I have the honour to present the Bill to the House, with amendments.

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

* * *

PETITIONS

OPPOSITION TO PROPOSED CHANGES TO PATENT ACT

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, it is an honour and a privilege to present, pursuant to Standing Order 106, a petition signed by a number of Canadians who are concerned about the Government's intentions to proceed with changes to the Patent Act relating to prescription drugs which they believe will increase drug prices for average consumers and severely restrict the ability of average Canadians to buy necessary prescription drugs. They believe that the proposed changes by the Government represents simply another example of the Government's concessions to the United States at the expense of average Canadians in the free trade negotiations. They call upon the Government of Canada to withdraw this legislation which will be considered by the House later today.

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I have the honour to table three petitions from residents of the Province of Ontario. They wish to exercise their right to submit their petitions to the House. They state that the proposed changes to the Patent Act will directly affect all Canadians who are not protected by private or government medicare programs; that the federal Government's proposal will raise the costs, which are already high, of provincial health care programs; and that the monopoly granted to innovative pharmaceutical companies will prevent competition from generic companies and will result in an increase in drug costs and prices and severely restrict the ability of average Canadians to buy necessary prescription drugs. They state that the proposed changes to the Patent Act represents another example of Canadian government concessions, in the free trade negotiations with the United States, at the expense of everyday Canadians. The petitioners humbly pray and call upon Parliament to reject this proposal to increase prescription drug prices for Canadians.

RIGHT TO LIFE OF UNBORN BABIES—PROTECTION OF CHARTER OF RIGHTS AND FREEDOMS

Mr. Gus Mitges (Grey—Simcoe): Mr. Speaker, it is a pleasure indeed for me to present a petition on behalf of 337 residents of Grande Prairie, Alberta, who unanimously believe in the right to life of the child in its mother's womb and who vigorously oppose the killing of such innocent human life. Therefore they call upon the Government and Parliament to take the necessary steps to legally recognize the child in the womb as a human being with the same rights and privileges under the law as other human beings.

Mr. Ross Belsher (Fraser Valley East): Mr. Speaker, I have the honour to present to the House petitions from over 130 people in the Chilliwack-Sardis area of British Columbia. By the way, Mr. Speaker, that is in Fraser Valley East. These concerned people call upon Parliament to support Motion M-37 and allow unborn babies the protection of the Charter of Rights.

Mr. Blaine A. Thacker (Lethbridge—Foothills): Mr. Speaker, I have the privilege to rise today to present a petition on behalf of some 2,300 constituents of Lethbridge—Foothills. The petition, organized by a volunteer of the Lethbridge and District Pro-life Association Resource Centre, protests the killing of thousands of unborn Canadian babies each year for reasons of convenience. The petitioners humbly pray and call upon Parliament to support Motion M-37 and allow unborn babies the protection of the Charter of Rights.

OPPOSITION TO PROPOSED CHANGES TO PATENT ACT

Mr. George Henderson (Egmont): Mr. Speaker, I have a petition signed by a number of Canadians from White Rock, and Vancouver, B.C., Brampton, Ontario, and New Carlisle, Bonaventure, and Gaspé in the Province of Quebec. The petitioners protest the monopoly granted to innovative pharmaceutical companies which will prevent competition from generic companies and which will result in an increase in drug costs and prices and severely restrict the ability of average Canadians to buy necessary prescription drugs. They state that the proposed changes to the Patent Act represent another example of Canadian government concessions in the free trade negotiations with the United States at the expense of ordinary Canadians.

I also have another petition from people in British Columbia and Caplan, Quebec. They also ask that this legislation be withdrawn and that the proposed changes to the Patent Act be dropped. They say that they will directly affect Canadians who are not protected by private or governmental medicare programs and that they will raise the costs which are already high of provincial health care programs.

I humbly present these petitions on the behalf of these petitioners.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I have the honour to present two petitions. One is from residents of Clearwater and Dauphin, Manitoba. The other is from residents of Winnipeg. The petitioners have asked me to present their petitions with regard to Bill C-22. They say, in part, that the proposed measures will unfairly hurt those Canadians whose health needs require the purchase of prescription drugs on an ongoing basis; and that the proposals of the federal Government will result in higher costs to provincial government drug plans. Therefore, they humbly pray and call upon Parliament to reject these proposals which will increase prescription drug prices for Canadians.

SMOKING—HEALTH HAZARD

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I have another petition which I would like to present which is signed by residents of Clearwater, Manitoba. In part, they say that cigarette smoking is Canada's major preventable health hazard and is responsible for 35,000 Canadian deaths each year; and that secondary smoke is implicated in the deaths of 500 involuntary smokers each year. They humbly pray and call upon Parliament to enact the proposed Non-Smokers' Health Act, Bill C-204.

OPPOSITION TO PROPOSED CHANGES TO PATENT ACT

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, I have the privilege and honour to present a petition signed by many residents of Levack, North Bay, Powassan, Sturgeon Falls, Dowling, Skead, Copper Cliff, Sudbury, Lively, Chelmsford, and Azilda. These citizens point out that the Government's changes to the Patent Act will increase drug prices for

Canadian consumers, will severely restrict the ability of average Canadians to buy necessary prescription drugs and that they will unfairly hurt Canadians whose health needs require the purchase of prescription drugs on an ongoing basis. They say that, in fact, these changes will result in higher costs to provincial government drug plans and, furthermore, that they are just another example of the Canadian Government knuckling under to the United States at the expense of average Canadians in its mad dash to reach a free trade agreement. Therefore, these petitioners call upon Parliament to reject these proposals which will only increase prescription drug prices to Canadians.

UNIVERSAL ACCESS TO FAIR ORAL HEARINGS BEFORE REFUGEE BOARD

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, I have a petition signed by many residents of Toronto who point out that troubles in many parts of the world are causing people to seek safety in Canada. They point out that, in fact, a standing committee of Parliament has proposed new procedures for refugee determination which are quicker and fairer than the ones which are now in force. They also point out that the proposals of the standing committee have the support of all Parties, as well as the Canadian Council of Churches, the Canadian Bar Association and the Canadian Jewish Congress, other groups and individuals. Therefore, they call upon Parliament to enact legislation that will embody the principles of fair and complete oral hearings of claimants before a refugee board, independent of the Immigration Commission; universal access to such hearings for every claimant in Canada; and a fair chance for claimants to arrive in Canada to present their claims.

SMOKING—HEALTH HAZARD

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, I have a different petition signed by many residents of the Toronto area. These particular petitioners point out that cigarette smoking is Canada's major preventable health hazard and is responsible for 35,000 Canadian deaths each year. They also point out that secondary smoke is implicated in the deaths of 500 involuntary smokers each year. The petitioners point out that Bill C-204 seeks to protect the health of Canadians by restricting the promotion of tobacco, guaranteeing smoke-free air to Canadian workers and travellers. They therefore call upon Parliament to enact, speedily, the Non-Smokers' Health Act, Bill C-204.

• (1520)

OPPOSITION TO PROPOSED CHANGES TO PATENT ACT

Mr. Simon de Jong (Regina East): Mr. Speaker, I, too, have the privilege of presenting to the House a petition signed by hundreds of petitioners, from places like Brampton, Toronto, Fort Erie, Kingston, Azilda; as well as White Rock, British Columbia; Strathcona, Manitoba; Port Coquitlam, British Columbia; Winnipeg, Manitoba; and numerous other communities across the country.

These Canadians, Mr. Speaker, are petitioning Parliament to rescind the efforts by the Government, in Bill C-22, to increase the cost of prescription drugs to Canadians. These petitioners feel that the elderly and the young will be particularly hurt by this legislation. They are hoping, Mr. Speaker, that their names on these petitions, as well as the names of thousands of others of their fellow Canadians, will somehow convince this Government and the Members of Parliament belonging to the government Party to heed their call and not proceed with this legislation.

Mr. Neil Young (Beaches): Mr. Speaker, I, too, have a number of petitions to present, on a number of subjects. All of these petitions have been certified correct as to form and content.

The first petition I wish to present, Mr. Speaker, is one signed by a number of residents of the great Province of New Brunswick, who not only signed the petition but personally presented it to me when I visited New Brunswick last month. These petitioners state that the federal Government's proposal to change the Patent Act as it relates to prescription drugs will increase drug prices for Canadian consumers and severely restrict the ability of average Canadians to buy necessary prescription drugs. They also feel that this measure will hurt those Canadians whose health needs require the purchase of prescription drugs on an ongoing basis. They also express concern about the higher costs to provincial government drug plans. They call upon Parliament to reject these proposals, proposals which will increase prescription drug prices for Canadians.

SMOKING—HEALTH HAZARD

Mr. Neil Young (Beaches): Mr. Speaker, the next petition is from residents of such places as Edmonton, Alberta and Calgary, Alberta. In this case, the petitioners state that cigarette smoking is Canada's major preventable health hazard and is responsible for 35,000 Canadian deaths each year, and that secondary smoke is implicated in the deaths of 500 involuntary smokers each year. As Bill C-204, the Non-Smokers' Health Act, seeks to protect the health of Canadians by restricting the promotion of tobacco and guaranteeing smoke-free air to Canadian workers and travellers, the petitioners call upon Parliament to enact the Bill.

UNIVERSAL ACCESS TO FAIR ORAL HEARINGS BEFORE REFUGEE BOARD

Mr. Neil Young (Beaches): The next petition I have, Mr. Speaker, on a different subject, has also been certified correct as to form and content. It is a petition from residents of my own City of Toronto.

Some Hon. Members: Hear, hear!

Mr. Dingwall: Could you just elaborate further on where that is?

Mr. Young: The petitioners are from the east end of Toronto, which is a city south of here. The petitioners point out that troubles in many parts of the world are causing people to seek safety in Canada, and it goes on to point out that while Canada has established good standards insofar as refugee status determination is concerned, the procedures have broken down under the unexpected strains placed upon them. The petition goes on to point out that the standing committee of Parliament has proposed a procedure for refugee determination, a procedure which is quicker and indeed fairer than those now in force, and that those proposals are supported by the Canadian Council of Churches, the Canadian Bar Association, the Canadian Jewish Congress, and other groups and individuals. Therefore, the petitioners call upon Parliament to enact legislation that will embody the principles of fair and complete oral hearings of claimants before a refugee board, independent of the Immigration Commission; universal access to such hearings for every claimant in Canada; and a fair chance to arrive in Canada to present their claim.

Those are all of the petitions I have to present today, Mr. Speaker.

OPPOSITION TO PROPOSED CHANGES TO PATENT ACT

Mr. Dave Dingwall (Cape Breton—East Richmond): Thank you, Mr. Speaker. I have eight petitions that I wish to present to the House today.

The first petition is signed by residents from Saskatchewan to Lunenburg, Nova Scotia, to such places as Ottawa, Nepean and Vanier in the Province of Ontario. These petitioners state that the monopoly granted to the innovative pharmaceutical companies will prevent competition from generic companies and thus result in an increase in drug costs, severely restricting the ability of the average Canadian to buy necessary prescription drugs. The petitioners, Mr. Speaker, humbly pray and call upon the Parliament of Canada to reject the proposals contained in Bill C-22.

The second petition is signed by residents of the Province of Quebec, *La Belle Province*. They, too, are opposed to the amendments to the Patent Act. They call upon the Government to withdraw this particular piece of legislation, for they, too, believe it will negatively affect the average Canadian, and particularly the disabled and senior citizens, insofar as the cost of prescription drugs is concerned. They, too, wish to have Bill C-22 withdrawn.

The third petition is signed by residents who hail from the great constituency of Cape Breton Highlands—Canso, from places like Judique, Nova Scotia; Dunvegan, Mabou, Creignish, Inverness—and other such distinguished communities of Cape Breton Highlands—Canso.

The petition states that whereas the monopoly granted to the innovative pharmaceutical companies will prevent competition from generic companies and will result in an increase in drug costs and prices, and will severely restrict the ability of average Canadians to buy necessary prescription drugs, we hereby call upon our Member of Parliament to ensure that Bill C-22 is defeated, if not withdrawn.

Mr. Deputy Speaker: Order, please. I do not know the subject matter of the remaining five petitions the member has, but if they are on the same topic, I would ask the Hon. Member to summarize the topic for all of the petitions. Certainly, the Chair will not object to his naming the place of residence of the petitioners. So, if the remaining petitions are on the same subject matter, I would ask the Hon. Member to summarize the purpose of the petitions.

Mr. Dingwall: Mr. Speaker, I would certainly want to comply with your wishes in respect of the assertion you have just made. If you wish me to name all of the various places, I will try to do so in summary fashion; but I have to remind you, Mr. Speaker, that my speed reading is not up to par, with the result that it may take me some time to list all of the place names set out on the petitions.

An Hon. Member: Just give us some examples.

Mr. Dingwall: Well, I have Sussex Drive here; I have Maple Street; I have Russell, Ontario.

An Hon. Member: Give us the provinces.

Mr. Dingwall: The provinces. All right, Mr. Speaker. I shall gladly do that. We have residents of the Province of Ontario who have signed a petition; we have residents of Russell, Ontario. They state in their petition that whereas the monopoly granted to innovative pharmaceutical companies will prevent competition from generic companies and will result in an increase in drug costs and prices and severely restrict the ability of average Canadians to buy necessary prescription drugs, we hereby request that Bill C-22 be withdrawn.

We have another petition, Mr. Speaker, from a great constituency, a constituency which has seen fit, on two occasions, to re-elect their Member of Parliament, the constituency of Cape Breton—East Richmond. They call upon the Government to withdraw Bill C-22 which will have negative effects for some four million Canadians including those not covered by drug programs, the disabled, senior citizens, and the poor. They, too, wish to have Bill C-22 withdrawn.

• (1530)

I also have another petition signed by individuals in the City of Ottawa which is, as you know, Mr. Speaker, the city in which the Chamber is located at the present time. I am not sure whether it will change after the next Government is elected. However, these petitioners are opposed to Bill C-22. They hope that the Government will withdraw this very regressive piece of legislation which will have negative effects upon the people of that particular area.

I have another petition signed by residents of the Province of New Brunswick. In fact, these individuals from Saint John,

New Brunswick are opposed to this particular piece of legislation which they believe will grant an extended monopoly to multinational corporations. They call upon the Government to withdraw Bill C-22, which they believe will have negative effects.

I have a final petition which I should like to present to the House.

Some Hon. Members: Name them.

Mr. Dingwall: Perhaps, with the consent of the House, I could name all the streets and communities if they so wish.

An Hon. Member: Go ahead.

Mr. Dingwall: Since there is a consensus, there are several names from Sturgeon Falls, Ontario and from Whitehorse Bay. Like the previous petitioners, they call upon the Government to withdraw Bill C-22 and the amendments thereto which will have negative effects upon senior citizens, the disabled, the poor, and other Canadians. They hope that the Government of the day will see its way clear to withdrawing Bill C-22 in order to protect the system in place which has served Canadians very well.

I thank you, Mr. Speaker, for your patience. As you can see, a great number of Canadians are opposed to Bill C-22. As a result, they have written to me with various petitions and have asked me to present them to the House. Again I thank you for your co-operation. In the future I will try to summarize, as briefly as possible, the names, the places, and the provinces, so that I will not have to take up the time of the House dealing with petitions opposing a very important piece of legislation.

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, I have a petition which is signed by people from various locations on Cape Breton Island—Sydney, North Sydney, New Waterford, and Louisbourg. They all state their disapproval and concern about the proposed changes to the Patent Act, which they feel will give rise to additional costs for drugs. They also feel that the Government is putting through these changes to try to buy, through the back door, a free trade agreement with the United States at the expense of the people of Canada. The people in my area of Cape Breton—The Sydneys and in other areas ask the Government to withdraw the proposed legislation in the interests of all Canadians.

UNIVERSAL ACCESS TO FAIR ORAL HEARINGS BEFORE REFUGEE BOARD

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, I have a number of petitions to present from Canadians who are availing themselves of their right to petition Parliament.

The first one relates to the situation faced by refugees. It points out that trouble spots in many parts of the world cause people to seek safety from persecution in Canada, and that Canada has established standards of refugee determination which have broken down under strain. They also point out that the standing committee on Parliament proposed a new procedure which is quicker and fairer than the one now in force. It has not yet been put in place, even though it has support from a wide cross-section of Canadian organizations. The procedures which have been put in place turn away refugee status claimants from ports of entry before their claims are examined, which puts real refugees at risk. Therefore, the petitioners call upon Parliament to ensure that the Government and Parliament enact legislation which will embody the principles of fair and quick oral hearings of refugee claimants before a refugee board independent of the Immigration Commission, universal access to such hearings for every claimant in Canada, and adequate opportunity to arrive in Canada to make this claim.

OPPOSITION TO PROPOSED CHANGES TO PATENT ACT

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, the second petition relates to changes to the Patent Act which will affect prescription drugs. It points out that the changes will increase drug prices and restrict the ability of average Canadians to buy necessary drugs. It also points out that this will have an adverse effect upon provincial prescription drug plans and is another example of Canada caving in to the United States. Therefore, the petitioners call upon Parliament to reject the proposals which will increase prescription drug prices for Canadians.

SMOKING—HEALTH HAZARD

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, the third petition points out that cigarette smoking is Canada's major preventable health hazard and is responsible for 35,000 deaths each year, as well as 500 involuntary deaths from secondary smoke. It points out that Bill C-204 seeks to protect the health of Canadians by restricting the promotion of tobacco and guaranteeing smoke-free air to Canadian workers and travellers. It calls upon Parliament to enact Bill C-204, the Non-smokers' Health Act.

Mr. Dan Heap (Spadina): Mr. Speaker, I have a petition, which has been duly certified by the Clerk of Petitions, from Canadian residents in Calgary, Vancouver, Lions Bay, and many other points in the West, and from New Brunswick residents in Casey Cape, Grande Digue, Cocagne, Shediac Bridge, and such places in that province. The petition points out that cigarette smoke has been the cause of the death of 35,000 Canadians each year and that even secondary smoke is involved in the deaths of 500 Canadians who did not want to smoke. It also points out that Bill C-204 would protect the health of Canadians by restricting the promotion of tobacco and by guaranteeing smoke-free air to Canadian workers and travellers. Therefore, it requests Parliament to enact Bill C-204, respecting the Non-smokers' Health Act and, as in duty bound, your petitioners will ever pray.

UNIVERSAL ACCESS TO FAIR ORAL HEARINGS BEFORE REFUGEE BOARD

Mr. Dan Heap (Spadina): Mr. Speaker, I also have a petition from a number of Canadians living in Toronto, Ontario; Montreal, Quebec; Minnedosa, Manitoba; Wingard, Saskatchewan; Gravelbourg, Saskatchewan; Brockville, Ontario; Lakefield, Peterborough, Maidstone, Biggar and Rosetown; and in other parts of Ontario. The petitioners are concerned that many are driven by troubles in the world to seek safety in Canada where we have had good refugee status determination procedures and standards which have broken down under unexpected strains. Therefore, the standing committee on Parliament proposed a new procedure which would be quicker and fairer than the present one. It has support from all Parties and from major groups within the Canadian public. Present procedures are unsatisfactory because they turn away refugee status claimants from ports of entry before their claims are examined which puts real refugees at risk. They call upon Parliament to enact legislation which will embody the principles of fair and quick oral hearings of refugee claimants before a refugee board which is independent of the Immigration Commission, universal access to such hearings for every claimant in Canada, and adequate opportunity to arrive in Canada to make this claim. As in duty bound, your petitioners will every pray.

SMOKING—HEALTH HAZARD

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, it is my honour to present a petition which is one of many thousands from people across Canada who are petitioning Parliament in support of my Private Member's Bill, Bill C-204. These petitioners in particular are from the Toronto area; some from Scarborough. They point out that Bill C-204 seeks to protect the health of Canadians by restricting the promotion of tobacco and by guaranteeing smoke-free air to Canadian workers and travellers. Therefore, they petition Parliament to enact Bill C-204, the Non-smokers' Health Act.

• (1540)

UNIVERSAL ACCESS TO FAIR ORAL HEARINGS BEFORE REFUGEE BOARD

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, the second petition I have is signed by a large number of Canadians from a variety of locations. They point out that Canada has established good standards of refugee status determination but that procedures have broken down under unexpected strains. They point out that the standing committee of Parliament has proposed a new procedure for refugee determination that is quicker and faster than the present one in force. Whereas this proposal has support from all Parties as well as from the Canadian Council of Churches, the Canadian Bar Association, the Canadian Jewish Congress and other groups and individuals; and whereas recent regulations turning away refugee status claimants from ports of entry before claims are examined puts real refugees at risk, therefore, these petitioners call upon Parliament to enact legislation that will embody the principles of fair and complete oral hearings of claimants before a refugee board, independent of the immigration commission, universal access to such hearings for every claimant to Canada and a fair chance to arrive in order to present this claim.

LOW-LEVEL FLIGHTS AT ARMED FORCES BASE AT GOOSE BAY

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, the third petition I have the honour to present again represents the views of a sizable number of Canadians mainly from the Toronto area. These petitioners point out that low-level flight training of pilots of NATO countries at Canadian Forces base in Goose Bay, Labrador, disrupts the way of life of many of the native people there and that hunting, fishing, tourism and mining can provide more stable, healthy and peaceful employment than the Goose Bay Canadian Forces base. Whereas the training of pilots at Goose Bay to fly under radar into eastern Europe is a provocative and an aggressive action that tends to endanger world peace, these petitioners call upon Parliament to ensure that the Prime Minister (Mr. Mulroney) end all low-level flight training at the Goose Bay Canadian Forces Base and cease negotiation with NATO for the establishment of a larger base there.

OPPOSITION TO CANADA POST CORPORATE PLAN

Mr. Maurice Foster (Algoma): Mr. Speaker, I have the honour to present a number of petitions concerning the plans of the Government to privatize the rural post offices and to close other ones and provide superboxes. Most of these representations come from the towns of Echo Bay, Bruce Mines, Desbarats, Ophir, Richards Landing, Batchawana, Sault Ste. Marie, literally hundreds of names from Nairn Centre, Garden River, Wawa, Montreal River and Iron Bridge. In my constituency we have some 42 rural post offices so it is natural that these communities and the people living there are petitioning the Government not to implement this program to close rural post offices.

OPPOSITION TO PROPOSED CHANGES TO PATENT ACT

Mr. Maurice Foster (Algoma): Mr. Speaker, I have some six or seven petitions, concerning plans to change the Patent Act which would increase the price of drugs to Canadians, especially older Canadians, those who do not have proper drug plans and those who are sick and weak. Those petitions come from the communities of Webbwood, Bruce Mines, Thessalon, Spanish, Killarney, Iron Bridge and especially a poignant one from the residents of Algoma Manor in Thessalon, Ontario. It is my pleasure to present these and I hope the Government will respond in a positive way to these representations.

OPPOSITION TO EXODUS LINK CONTRACT

Mr. Andrew Witer (Parkdale—High Park): Mr. Speaker, it is my privilege to present to the House a petition on behalf of residents of Parkdale—High Park. The petition states their opposition to the Exodus Link parole privatization contract

which would locate dangerous ex-convicts in Parkdale—High Park. The petition calls on the Solicitor General (Mr. Kelleher) to terminate funding immediately to Exodus Link until an alternative location outside the boundaries of Parkdale—High Park has been found, and I want to add my full and complete support to this petition.

REQUEST FOR RETURN OF POSTAL BOXES TO TORONTO STREETS

Mr. Andrew Witer (Parkdale—High Park): Mr. Speaker, I have another petition also from the residents of Parkdale—High Park who have requested that I present this petition to the House of Commons on their behalf calling for the return of the mail postal boxes which were arbitrarily removed from the streets of Toronto without consultation. These signatures represent residents of Springhurst and Tyndall Avenues who have been greatly inconvenienced by the decision. I am pleased to add my strong support to their demand that Canada Post restore the mail boxes and ensure the level of efficient and convenient postal service that Canadians have every right to expect.

OPPOSITION TO PROPOSED CHANGES TO PATENT ACT

Mr. Sergio Marchi (York West): Mr. Speaker, I have the pleasure and responsibility of presenting to this House of Commons and to the Government a number of petitions collected from across the country, including Sydney, Nova Scotia, Westmount, Montreal, and from other parts of New Brunswick and Nova Scotia. They all concern themselves with Bill C-22. The petitioners petition the Government of Canada, the Conservative Party of Canada, to pull back a piece of legislation that will undermine the health care system that we have worked so long and hard to preserve.

[*Translation*]

Mr. Speaker, these people believe that the proposed amendments to the Patent Act will have a direct impact on all Canadians not covered by public or private health insurance plans. The Government's proposals will increase the already high costs of provincial health insurance plans.

Wherefore, the undersigned, your petitioners humbly pray and call upon Parliament to reject these proposals which will increase prescription drug prices for Canadians across Canada.

[*English*]

UNIVERSAL ACCESS TO FAIR ORAL HEARINGS BEFORE REFUGEE BOARD

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, one of the pleasures of being a Member of Parliament is to have the privilege of submitting petitions on behalf of citizens of Canada through which citizens avail themselves of their ancient and undoubted right to present grievances which are common to the petitioners in the certain assurance that this honourable House will provide a remedy. Once more, I have an opportunity to present a petition which has been properly certified under Standing Order 106.

The first petition I would like to table is one which deals with troubling situations in many parts of the world causing people to seek safety in Canada from persecution. They recognize that while Canada has established standards for refugee status determination, these existing procedures have broken down under unexpected strains. While the standing Committee on Parliament has proposed a new procedure for refugee determination, which is quicker and fairer than the one now in force and which has gained the support among all Parties in Parliament as well as the Canadian Council of Churches, the Canadian Bar Association, the Canadian Jewish Congress and other groups and individuals, procedures have been recently adopted that turn away refugee status claimants from ports of entry before the claims are examined and thereby put real refugees at risk. Therefore, the undersigned, and the undersigned are a large number of citizens of Ontario, humbly pray and call upon Parliament to ensure that the Government and Parliament will enact legislation that will embody the principles of fair and quick oral hearings of refugee claimants before a refugee board which is independent of the Immigration Commission, with universal access to such hearings for every claimant in Canada and an adequate opportunity to arrive in Canada to make this claim, and as in duty bound, your petitioners ever pray.

OPPOSITION TO PROPOSED CHANGES TO PATENT ACT

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, I have a second set of petitions which I can assure you have been found in conformity with Standing Order 106. These are additional signatures added to the thousands already entered on the record protesting the Patent Act changes. They petition as follows. They object to the Government's proposals to change the Patent Act relating to prescription drugs which will increase drug prices for Canadian consumers and will severely restrict the ability of average Canadians to buy necessary prescription drugs. They note that the proposed measure will not only hurt those Canadians whose health needs require the purchase of prescription drugs on an ongoing basis by virtue of the increased costs that will result from this legislation, but they note as well that higher costs will be incurred by provincial government drug plans as well. They note with regret, sorrow and indeed embarrassment that this legislation is the result, not of priority being given to the needs of Canadians but of pressure imposed on the Government by the United States. The undersigned, our petitioners, humbly pray and call upon Parliament to reject these proposals which will increase prescription drug prices for Canadians. And as in duty bound, your petitioners will ever pray.

• (1550)

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, today I shall try to be slightly more rapid than my colleague, if that is possible. I too have a petition to present which has been certified correct under Standing Order 106. It is a petition which, like so many thousands, came to the House from those who are concerned with changes to the Patent Act which are

being debated by the House. This particular set of petitions comes from Halifax, Dartmouth, South Hampton and Bedford in Nova Scotia. It indicates very strongly the opposition of the petitioners to the Patent Act changes which, they feel, will definitely increase drug prices to Canadian consumers and will restrict the ability of average Canadians to purchase drugs. They feel as well that it reflects not the priorities of this country but very much an attempt on the part of the Government to satisfy the United States in order to initiate free trade arrangements with that country. I present this petition with my full support and in the hope that the Government will finally begin to listen to the many Canadians who are petitioning it.

* * *

[*Translation*]

UNEMPLOYMENT INSURANCE BENEFIT ENTITLEMENT ADJUSTMENT (PENSION PAYMENTS) ACT

MEASURE TO ENACT

Hon. Benoît Bouchard (Minister of Employment and Immigration) moved for leave to introduce Bill C-50, an Act respecting the treatment of pension payments in determining certain unemployment insurance benefit entitlements and to amend the Unemployment Insurance Act, 1971.

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

Some Hon. Members: Agreed.

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

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

Some Hon. Members: Agreed.

* * *

[*English*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

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

Mr. Deputy Speaker: Shall all the Questions on the Order Paper be allowed to stand?

Some Hon. Members: Agreed.

MOTIONS FOR PAPERS

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

Mr. Deputy Speaker: Shall all Notices of Motions for the Production of Papers stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

PATENT ACT

MEASURE TO AMEND

The House resumed from Tuesday, March 31, consideration of Bill C-22, an Act to amend the Patent Act and to provide for certain matters in relation thereto, as reported (with amendments) from a legislative committee, and Motion No. 2 (Mr. Dingwall, p. 4745).

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, yesterday I was shouted down by members of the New Democratic Party as I tried to put some facts on record regarding how Canadians feel about Bill C-22 and its intent and purpose which is to restore patent protection for creators of new drugs and to promote research and development in Canada along with better health care.

A public opinion survey was undertaken and the following statement was put to the people of Canada for response: "If I have to choose between lower prices for today's drugs or higher prices with more research money spent to speed up the development of new treatments, I would rather pay higher prices". In other words, people were asked if they would rather pay higher prices in order to have more research and development. It was a very loaded question. The choice is higher prices or lower prices but with higher prices there will be research and development and a search for new treatments. Twenty-eight per cent of the respondents disagreed with that statement. They said that they did not want higher prices, they wanted lower prices.

Mr. de Jong: Amazing on such a loaded question.

Mr. Andre: A loaded question? We are asking people if they want higher prices and the Hon. Member is asking if that is a loaded question in favour of the NDP argument. Sixty-four per cent of Canadians who responded to the survey agree with that position. They agree that what we are doing is right. Sixty-four per cent agree that research and development is the most important question.

Another statement made by the survey for response was: "I would support the Bill if the Government put in place a way of

making sure that drug price increases would not be higher than the rate of inflation". That is precisely what is contained in the Bill. Increases in drug prices will not be higher than the rate of inflation. What did Canadians think of that statement? Eighty-two per cent of them agreed with that provision in this Bill. Six per cent said that it would depend, and those must be the Liberals. Twelve per cent disagreed, and those must be the New Democrats.

For days on end we have heard petitions and claims of outrage around the country about the provisions of Bill C-22. We can see now from these questions asked of Canadians that in fact all of those charges and claims are nonsense. If the opposition Parties believe, as they seem to believe because of statements they have made, that the will of the people is what should drive us, they should support this Bill. If they believe that more research and development in this important area is important, they should support it. If they believe that the inventor who has created something of value deserves patent protection, just as any creator, they should support it. If they think Canada has a responsibility in the world to do its share of research and development in the search for cures for Alzheimer's, for cancer, for multiple sclerosis and for other afflictions, and if they think Canada should be a first-rate country participating in this important area as a first-rate country, they should support this legislation. If they believe that they have a responsibility to do what is best for Canada, they should support this legislation.

It is only small minds and narrow partisan purposes that keep opposition Members resorting to cheap parliamentary devices to delay even a discussion in the House of this legislation. It is a pathetic Opposition. I hope they will soon come to their senses. I hope we can pass this Bill so that Canadian scientists and university graduates will know that they will have an opportunity to work in Canada in the search for cures for these diseases and will not have to continue to go to the United States or Europe to pursue their careers. I think the public has spoken, and it is about time the House listened and acted.

• (1600)

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, the poll the Minister had conducted is very interesting. To say it is slanted would be putting it mildly. I cannot imagine any poll with results like that unless the test group were known supporters of the legislation. Even 20 per cent of those initially in favour of the legislation would have changed their mind by the time they were called. The poll runs directly contrary to one published in the Reid report of January 1, 1987. It said that 58 per cent of Canadians oppose the Bill and only 30 per cent support it. Some 12 per cent are unsure. There is a significant level of opposition among Canadians from all walks of life. It is not just one particular group.

Information released with the poll states that most Canadians expect the proposed legislation will result in increased profits for the drug companies rather than more research and development activity in Canada. It says that perception is very widespread across various population groupings, including current federal Conservative supporters. Even the Government's own supporters are opposed to the legislation. We have stated in this House that all Canadians are opposed to this legislation and accentuated the opposition of the young, the sick and the elderly. However, the poll indicates all Canadians oppose the legislation.

The information supplied with the poll goes on to say most consumers expect drug prices will increase as a result of the legislation. Even supporters of the initiative expect it to result in increased prices. Who is left? I suggest it is the Minister and maybe two or three members of his caucus who may really believe this legislation will do some good.

It is incredible that we are even debating legislation which is so harmful to the people of this country. It is incredible that the Government has not woken up to the fact that Canadians are opposed to the Bill. Everyone knows the Government has been solicited by the U.S. drug lobby. They have gone to members of the Government and people in our embassy in the U.S. They have used every possible trick in the book. They have used influential lobbyists with connections to the Government. It is rank, to say the least, that the people who elected the Government with an overwhelming majority now find that support thrown back in their face. Their feelings concerning drug prices are being completely ignored.

I want to compliment my colleague, the Hon. Member for Cape Breton—East Richmond (Mr. Dingwall), for the job he has done in putting forward the position of this Party on the legislation. Having done that, I would like to deal particularly with the proposed amendment which relates to inserting in the legislation a definition of research.

We have been told that if this Bill is passed the drug companies will invest $1.4 billion in research and development in Canada. The Minister has gone across the country telling everyone that they are in line for research and development money. He has been like a Tory Johnny Appleseed going from region to region telling people that their ship has come in. Those areas are experiencing regional disparity, they need industry, and he has held out the hope to them that he has the answer. All they have to do is have faith in the legislation and they will be the beneficiaries of a brand new industry employing numerous people. That is a fallacy, to put it mildly. It has built up the hopes of a great many people, but the people are not taken in. They do not believe for one minute that this legislation will mean additional jobs. The Government says that 3,000 good high-paying jobs will be created. The facts tell us differently.

Before 1969, when the former Liberal Government brought in legislation to reduce the rampant rip-off of consumers by the major drug companies, there was no investment in research and development in Canada. In fact, there has been considerable investment since that time and it has nothing to do with this legislation. Where in the legislation are we shown what will happen if the drug companies do not give us the research

and development they say they will? What are we going to do? We have a parliamentary review but there is no linkage. Who in the heck do we expect will believe what the Government is saying? It is incredible. Not only will it increase drug prices but it insults the intelligence of Canadians.

The legislation would require the multinationals to make or buy their basic ingredients in Canada if they want full patent protection. The new legislation removes that requirement. We are regressing. There is nothing here for the people to believe in. When the Government, through its own ineptitude, was unable to introduce the Bill in June, instead of apologizing or feeling embarrassed it punished Canadians by making the Bill even more ridiculous than it was then.

The Government says that over the next 10 years we are going to get $1.4 billion in research and development. That is absolutely incredible. Multinationals will have their profits rise by $3.5 billion over the next five years. The problem is that even if they did invest $1.4 billion in R and D, that is considerably less than the $4 billion to $5 billion it will cost Canadians through increased drug prices. There is no way the people of this country can win. The question really comes down to what will be the most damaging medicine to Canadians, and excuse the pun. We know that regardless of what happens it will not be in the interests of the people of this country.

I hope, I think in vain, that the Government will withdraw this Draconian legislation. The rest of the western countries look upon what Canada has done concerning competition in the distribution of drugs as a model. We are now going in reverse by throwing this model legislation and an enviable position away, and with it the price stability of drugs in Canada.

• (1610)

Mr. Simon de Jong (Regina East): Mr. Speaker, I wish to join in the debate on this amendment to Bill C-22. The Opposition is asking the Government to include a definition of research and development in its legislation because we do not trust the multinational drug companies, we do not trust the Government, and we do not trust the Minister.

This legislation will result in a substantial increase in price for new drugs. It is estimated that Canadians saved over $200 million in 1983 because of the existing restriction in the amount of time the multinationals could have a monopoly in marketing their drugs. The Government has told us that this legislation is necessary in order to encourage more research and development in this country. In fact, the Minister stated that it will create over 3,000 new high-tech research jobs in Canada. Documents obtained through access to information show that the Minister's Department has other figures. While the Minister claims that 3,000 new high-quality research jobs will be created, his departmental document shows that in the best case scenario there will only be 1,148 new jobs. The document also shows that another 652 jobs are classified as technical, meaning lab technician jobs which could be filled by those with an undergraduate or community college standing. According to the Department of Consumer and Corporate Affairs, another 620 jobs would be for managers, cleaners, animal keepers, statisticians and clerks.

Instead of the 3,000 high-quality research jobs for Canadian scientists and biochemists in the next 10 years, as the Minister has claimed, his Department shows in its study that there will only be 1,148 jobs. That is why we do not trust the Government, the Minister and certainly not the multinational corporations. We are asking for a definition of research in the legislation to which the drug companies would have to adhere. Why is the Government opposed to including such a definition in the legislation? Why does it want the Cabinet and the bureaucrats to decide what research means? It is not even willing to include the definition of research as it is found in the Income Tax Act. The broad term of research can include many things.

When the committee of the House was dealing with this legislation it heard testimony that the type of research that occurs in this country is often low-grade research, done to ensure that the product the multinational is developing in this country meets the standards of the Department of Health and Welfare. It is also research conducted to develop variations of existing drugs due to the high profit margin on these drugs; the drug companies are attempting to develop variations of those drugs.

For example, Doctor Lexchin, who is a leading authority in this country on the economics of the drug industry and the type of research it does, has stated:

> So the pattern of drug company reinvestment in research and development worldwide tends to be that they go for the bucks; they do not go for the health needs.

Later in his comments he stated:

> Without specifying what kind of research the government wants these multinationals to engage in, it is our feeling that the pattern of investment here in Canada, whatever new money we get, will be the same as the pattern of investment worldwide. In other words, most of the products that are researched here will have no major therapeutic value.

Yet the Minister stood in the House recently to insinuate that without this type of legislation we will not see the cures for Alzheimer's disease or cancer or other diseases for which men and women throughout the world are trying to find cures. The Minister is suggesting that this Bill is necessary because the drug companies need the money to develop cures that we all hope will be found. However, we do not know that this Bill will be of any assistance in developing cures to these ailments because there is no guarantee that the billions of dollars the multinational companies will derive as a result of the Bill will be spent in developing cures for such diseases as Alzheimer's and cancer. We do not trust the Government. That is why we ask that it include a definition of research in the legislation.

During his remarks this afternoon the Minister commented on the poll results. I have the results of two independent polls that were conducted by Angus Reid and Gallup. Both polls show that an overwhelming majority of Canadians are opposed to this legislation. The drug industry, ever mindful of its image

and always having the resources to work on it, bought its own poll. It is not surprising that the results seem to show that the majority of Canadians are behind the Government's legislation in Bill C-22. It is very interesting that two independent polls—Gallup and Reid—show one thing while the one commissioned by the multinational drug companies seems to show something else. I will leave it to the Canadian people to determine which of these polls they should believe.

The Government, the drug industry, and the Minister in particular have a credibility problem. They are not believed by the people of this country. The people of this country do not believe that that Minister is acting in the interests of the Canadian people. They believe, and I support them in their belief, that the Minister and the Government are acting in the interests of the multinational corporations. Our Prime Minister (Mr. Mulroney) is a branch plant manager and that is all he is. He is attempting to run this country as a branch plant. I think the Canadian people feel enough is enough and are just hoping for an election which will turf this Government out so we can have a Government by Canadians and for Canadians.

• (1620)

Mr. Maurice Foster (Algoma): Mr. Speaker, the amendment to Bill C-22 which is before the House today is, I think, completely agreeable to the Government. The Government has not bothered to have the Minister in the House for the debate, but since the Minister is basing his reason for this legislation on the fact that he is going to gain a lot of extra research and development—he talks about $1.4 billion of research and development—he would want to identify what "research" means. The motion before us defines research in the following way:

> ""research is exploratory and innovative work undertaken on a systematic basis towards the acquisition of new knowledge in new ways. New knowledge involves the integration of newly acquired information into existing hypothesis, the formulation and testing of new hypothesis or the re-evaluation of existing observations;".

That is not something the Hon. Member for Cape Breton—East Richmond (Mr. Dingwall) dreamed up on his own, although he is certainly capable of developing a definition, having a legal mind and an excellent legal background. He has taken this definition directly from Regulation 2900 of the Income Tax Act, which defines research and development. Therefore, I think this is a valid description.

The Government does not want to say it is bringing in this legislation to pay billions of dollars back to the multinational corporations in the United States because the President of the United States twisted the Prime Minister's arm. But there has to be some reason for the Government bringing forward this legislation, and that is, we will gain research and development and $1.4 billion of investment.

It is well documented that for every $1 billion of R and D the Government gains, Canadians will have to pay $3 billion $4 billion in additional drug costs. So who wins? The multinationals win. Canadians will not win because they must pay. Members of the House of Commons will not pay because they have a drug plan. It is not 100 per cent but it covers most of their drugs. It will not be the people in executive positions or civil servants who will pay. It will be the four million or five million Canadians who do not have drug plans, those who are self-employed and those generally in lower income brackets. Instead of paying $2 for a prescription drug, they will pay perhaps $10 or $12. Of course that has been well documented by CBC and other groups.

I do not agree with the legislation. I think if the Government had come forward with the kind of legislation the Eastman report recommended, it would have received a lot of support. I am not sure the New Democratic Party would have supported it, but the Government certainly would have received support from our caucus.

The Eastman report stayed on middle ground. It costs about $100 million to create a new pharmaceutical drug. There is a reasonable argument for, say, a four year exclusive patent right and perhaps a special fund for R and D. If the Government had brought forward that kind of legislation, we would have supported it. However, this is just a locked in patent legislation. There is certainly no evidence that the R and D commitment will be kept. Over a 17 year period of exclusive patent rights, the benefits to Canadians compared to the costs are simply not there.

I hope the Government will support this amendment which simply gives a definition of "research" under the Act. I mentioned the importance of the excellent Eastman report which looked at the whole industry. As I indicated, the report stayed in the middle in providing adequate benefit to the drug companies if they actually do original research which creates new drugs which are beneficial to Canadians.

The Minister spent a considerable time justifying his legislation by quoting a poll, which I suppose his caucus paid for and therefore received the answers they wanted. I would point out to Hon. Members of the House the results of the Reid poll taken in January 1987. It asked the question:

> As you may know, the Government recently presented legislation which will give drug companies exclusive patent rights to manufacture and sell the drugs they invented for a longer period of time than they have now. Other companies will not be allowed to produce or sell less expensive copies of most drugs for 10 years. Do you yourself support or oppose this proposed legislation?

This survey was conducted on a 1666 sample base across the country. Only 30 per cent supported the position of the Government. 58 per cent opposed it. Twelve per cent were unsure. In Ontario, 54 per cent were opposed and 32 per cent were in favour. In Quebec, 35 per cent supported the legislation and 54 per cent were opposed. However, across the entire country, there was an almost two to one opposition to the legislation.

The amendment put forward by the Hon. Member Cape Breton—East Richmond is important. We are trying to pin down exactly what it is the Government requires in this legislation, so it can provide some written commitment.

This legislation does not even mention R and D. This amendment attempts to identify what R and D is, using an existing definition. If we are going to give this exclusive right for 10 or 17 years, and Canadians are going to have to pay $3 or $4 billion in return for only $1.4 billion in R and D, surely we should have a definition included in the legislation so we know where we are going, what the trade off is, and what the benefit is. At least, in our amendment, we have identified exactly what "research and development" is.

• (1630)

[*Translation*]

Mrs. Thérèse Killens (Saint-Michel—Ahuntsic): Mr. Speaker, I welcome this opportunity to take part in the debate on Bill C-22, and more specifically on the amending motion presented by the Hon. Member for Cape Breton—Richmond East (Mr. Dingwall).

Mr. Speaker, your decision to let the House debate this motion separately is an indication of its importance. You could have decided to regroup the motion with others as you did for a number of other amendments, but I believe your decision was the right one. I shall, if I may, read the amendment presented by the Liberals, motion No. 2, dated March 5, 1987. The definition of "research"is as follows:

> ""research" is exploratory and innovative work undertaken on a systematic basis towards the acquisition of new knowledge in new ways.
>
> New knowledge involves the integration of newly acquired information into existing hypothesis, the formulation and testing of new hypothesis or the re-evaluation of existing observations."

What does that mean, Mr. Speaker? How discoveries are made has always been a subject of debate within the scientific community. Pemac told us that clinical research produces new pharmaceutical products. That is true. However, we must make a distinction between research on changing the colour of pills and research on a new drug that might, for instance, cure AIDS.

In our amendment, "research" is defined partly as "exploratory and innovative work undertaken on a systematic basis towards the acquisition of new knowledge and new ways". If that definition is not clearly indicated in the Act, the multinationals are going to set up their own. And I can guarantee they will not benefit Canadians or job creation in the high technology sector.

Blinded by the promises of the U.S. multinationals, the Minister told us the Bill would create 3,000 jobs. To hear the Minister, one would think all these jobs would be created in the research sector. I suggest we look at the straight facts. As we all know, to do research, scientists first have to do their experiments and testing on animals. That means people to clean the cages, people to take care of the animals at night and adminstrators to run the offices. Do people in the scientific communauty want to do that kind of work? Of course not. Do young graduates fresh out of university want to do that work? Certainly not! What we finally have is not 3,000 jobs in the research sector. If 3,000 jobs are created, nearly a third of those jobs, 600 or more, will be cage cleaner, janitor and administrator jobs.

Mr. Speaker, it is no surprise the multinational corporations did not convince this Conservative Government to insert into the Act the definition of the term "research". The reason is that those corporations did not want one. It was in their interest not to leave one. Because they succeeded in having the legislation amended between June, 1986 and November, 1986. After failing to have a Bill passed in 1986, the Government came back in November 1986 with a much weaker legislation. Clearly, the Prime Minister (Mr. Mulroney) bowed to pressures from President Reagan, the American Congress and the multinational corporations. One of the amendments made to the legislation between June and November dealt with manufacturing of basic ingredients. The June bill would have forced multinationals to manufacture basic ingredients in Canada, or else they were to lose their licenses. The November Bill has completely left out that clause, which means multinationals can go on, and I repeat go on importing ingredients from Puerto Rico or any other Third World nation. Worse still, they will be able to go on overstating the costs of their imports in order to avoid paying taxes.

I sincerely believe that if the term "research" is not defined in the Bill, the multinationals will have a free hand. As an example, some people say that discoveries happen by chance. Others in the scientific community believe that new discoveries stem from clinical manipulation, and others still, because of structured methods.

For all those reasons, the multinationals will have a free hand not to do any scientific research. They could for instance decide to have their significant research done in Switzerland, France, Belgium, England or, worse still, the United States, next door. And those same multinationals could make it a game of changing the colour of their pills in Canada. All this may happen in Canada if the bill includes no definition of the term "research".

I have two reasons to believe that very little research will be done in Canada. First, when the Government dropped the requirement for multinationals to manufacture basic ingredients in Canada, it thereby gave them an opportunity to paralyse all scientific development in that area. Why for example should generic drug manufacturers have to manufacture basic ingredients in Canada if the multinationals can go and buy their stocks in Puerto Rico?

As you see, Mr. Speaker, if the multinationals had been required to manufacture in Canada, we could have developed that side of research and I am convinced that the generic companies would have been more willing to invest.

But the problem is this: Why should generic companies bother investing in and developing a new basic ingredient research industry even if they could reduce by as many as three years the 10 year protection period to the patentee, when major multinationals will continue buying abroad their ingredients? Even if they decided to develop a basic ingredient

research industry, generic companies would find the market closed, because they would be the only users of their own products.

The other reason that leads me to believe that very little medical research will be carried out in Canada stems from the high priority the Americans are giving defence research. My rationale is this. In May and June 1985, I sat on the Liberal Committee which dealt with Star Wars. We travelled everywhere in Canada. We received and heard several briefs. Several scientists and academics explained to us that it is often quite by accident if discoveries made by NASA and other branches of the US Defence Department end up in medical research sections. When asked if they could estimate the cost for defence research and for medical research, they could not give us a clear answer.

To conclude, Mr. Speaker, how can anyone imagine that the Americans are going to transfer their medical research to Canada, when we know how closely connected it is to Defence Department research? As I said, they will come to Canada only to change the colour and shape of their pills.

Finally, Mr. Speaker, I want to say that we, as Liberals, are not against the ten year protection, when the research is fully carried out in Canada with funds such as those from the Terry Fox and Steve Fonyo Foundations. The Ottawa—Carleton Chapter of the Multiple Sclerosis Society also share this view.

In other words, we are prepared to accept changes, but not at any cost. If the Government were serious, it would accept our amendment.

* * *

MESSAGE FROM THE SENATE

Mr. Deputy Speaker: I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate has passed Bill C-38, an Act respecting the reorganization and divestiture of Teleglobe Canada.

• (1640)

THE ROYAL ASSENT

[*English*]

Mr. Deputy Speaker: I have the Honour to inform the House that a communication has been received as follows:

Rideau Hall
Ottawa

1 April 1987

Sir,

I have the honour to inform you that the Honourable Antonio Lamer, Judge Puisne of the Supreme Court of Canada, in his capacity as Deputy Governor General, will proceed to the Senate Chamber today, the 1st day of April, 1987, at 5.00 p.m., for the purpose of giving the Royal Assent to a Bill.

Yours sincerely,
Anthony P. Smyth
Deputy Secretary, Policy and Program

GOVERNMENT ORDERS

[*English*]

PATENT ACT

MEASURE TO AMEND

The House resumed consideration of Bill C-22, an Act to amend the Patent Act and to provide for certain matters in relation thereto, as reported (with amendments) from a legislative committee; and Motion No. 2 (Mr. Dingwall, p.4745).

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, this time it is not, I must say, a pleasure to take part in this debate. It is unfortunate, it is sad, it is a commentary on the unwillingness of the Progressive Conservative Government to listen to the people of Canada that we are still faced with this Bill, despite the thousands of petitions, the many public protests, and the widespread public opposition that has manifested itself in respect of the proposed changes to the Patent Act over the months since this Bill was first introduced in this House.

An Hon. Member: You are exaggerating.

Mr. Langdon: I very much hoped, Mr. Speaker, that this Bill would have been withdrawn by this point.

Some Hon. Members: Hear, hear!

Mr. Langdon: Frankly, I can think of no more appropriate welcome for the President of the United States than the withdrawal of this Bill. The President of the United States should be led to recognize that this country is an independent self-directing country, a country which will take its own course with respect to the pharmaceutical industry, with respect to patent legislation, and not be put into the position where it has to accept certain demands from the United States, as has clearly happened in this case, in order to get some kind of free trade arrangement with that country.

Despite my disappointment, Mr. Speaker, I wish to talk this afternoon about the amendment that is before us, an amendment which attempts to do what is surely very basic to any effort to pass legislation of this kind, that amendment being to define "research".

If, as the Minister suggests, there is going to be this tremendous increase, this upsurge of research that will take place in Canada with respect to pharmaceuticals, surely it is possible, in the Bill which is going to make this happen, to define what "research" will be, thus enabling us to measure it

and to assess whether the Minister, in his claims, turns out to be correct or incorrect.

This afternoon, Mr. Speaker, I want to talk a little bit about research. I wish to quote from a book entitled *The Economics of Industrial Innovation* some of the lessons which that book should have brought to this Government in its thinking about patents and in its thinking about research in pharmaceuticals.

Certainly, pharmaceuticals, as this book points out, represent a research-intensive part of the industrial structure. The figures from the United Kingdom, for instance, indicate that pharmaceuticals, in that country, contribute something in the order of 7 per cent of the net output of firms to research. That compares to a figure of 1.3 per cent for the iron and steel industry, a figure of only 2.1 per cent for machine tools, and a figure of 2.3 per cent for general mechanical engineering.

So certainly we are talking about a research-intensive industry. But the question which must face us is: Is this an industry which this Bill is going to make research-intensive here in Canada?

In the past in Canada, it has not had that reputation. If we take, for instance, the assessment of Dr. Joel Lexchin, a Toronto doctor who has investigated what research has actually been undertaken by the Canadian drug industry, he makes the following point: The little research money that is spent in Canada is divided into three areas. Only 8 per cent goes to basic research, which seeks to discover new concepts of drug therapy or totally new drug products; 36 per cent is used for applied research, which consists of testing potential drugs; and 56 per cent is applied to product development, which effectively is the small changes in dosage or in the reformulation of drugs, creams, or solutions.

So in the past we have not had a drug industry in this country which has given us the kind of research-intensive industry on which we could build exports, jobs, and growth.

Bill C-22 has fallen into the myth of accepting that the research which will give us that new approach, that new thrust toward innovation, will be research which will come from foreign companies being given their way here in our country.

I wish government Members had looked carefully at this book before drafting this legislation. Had they done so, they would have seen the results of Project Sappho in the United Kingdom, a project which attempted to investigate, scientifically, what it was that encouraged success in industry, success in firms with respect to innovation. They would have become aware of the conclusion that there is no systematic evidence that indicates that larger or smaller firms are more or less successful in research and development.

The myth that suggests that it is the large foreign firm that is going to give us our research success is simply not backed up by the research which has been undertaken. In fact, if one goes on from what was not a factor in shaping success or failure to what was a factor, the key points made in this Project Sappho study indicate clearly that what makes for success is direct knowledge of the market and an understanding of user requirements.

That, Mr. Speaker, is what we are going to get, not from the foreign pharmaceutical multinationals, which simply transfer their drugs to this country, but from building up in this country itself, on the basis of the generic industry, an indigenous powerful and successful Canadian drug industry, an industry which would know the market, which would know user requirements, and which, therefore, would be successful in research and development.

That, Mr. Speaker, is what we are in favour of; that is why we are so strongly opposed to this Bill which has been brought before us.

• (1650)

Mr. Neil Young (Beaches): Mr. Speaker, I am pleased to have the opportunity today to say a few words on the proposed legislation and, in particular, on the amendment which is before the House.

I listened very carefully to what the Government has said over the last several months in defence of the legislation to amend Canada's Patent Act insofar as pharmaceutical products are concerned. I think I am fairly accurate in saying that its major defence seems to be, first, the creation of jobs in Canada and, second, the creation of Canadian based research and development on new pharmaceutical products.

In response to statements by the Government, some multinational corporations indicated publicly that they were prepared to make a fairly substantial commitment to research and development in Canada if the legislation were indeed passed.

A couple of things must be said about the legislation. There is nothing in it which requires multinational corporations to follow through with their commitment to increase research and development in Canada. Also, I find it extremely confusing to hear the Government talk about the need to increase research and development expenditures when in fact it has been cutting back on funding for research activity across the country.

Let us look at what multinational corporations have been talking about. The press releases indicate that they are not really talking about increasing expenditures for research and development. They are talking about perhaps putting more money into clinical research in Canada. Anyone who has looked carefully at the difference between the two knows that there is a significant difference. In the research and development activity money is used to develop and find new drugs, whereas clinical research is simply the process of looking at drugs coming on the market as they go through the approval process at the Department of National Health and Welfare.

For example, when Parke-Davis announced increased funding in a press release, it indicated that the money would be used for plant expansion, development of pharmaceutical firms, and the basic study of new drugs. It did not talk about research and development; it talked about clinical research.

When the Upjohn company made its announcement of new investment, it spoke about phase two clinical research, establishing a quality control laboratory, expanded office space, and manufacturing facilities.

Before the Minister or any other person in the House starts jumping on the bandwagon and talking about how there will be increased research in Canada, we should start looking closely at what the corporations are talking about. What they are talking about is attempting to pull the wool over the eyes of Canadians on these promises.

A few months ago I was in Cape Breton, Nova Scotia when an announcement was made about a new commitment from multinational companies in respect of additional funds for research and development on Cape Breton Island. The Minister of Health for Nova Scotia had an interesting response to the announcement. He asked, even if the money were made available—and he doubted it very much—under the most charitable circumstances, and even if the legislation went through the House of Commons and the investment was actually made on Cape Breton Island, what would it mean for the people in Cape Breton? It would mean very little, because what they would propose to do is to educate students on Cape Breton Island in certain research and development skills. However, after they had received those skills, they could not apply them in Cape Breton because there are no manufacturing facilities for pharmaceutical products in Cape Breton or in Nova Scotia.

That Minister pointed out quite correctly that the kids would have to leave their communities, families, friends, and close associates and move to either Quebec or Ontario in order to obtain employment in the industry. He said that if the Government were interested in creating jobs in the Atlantic provinces, it should get those companies to invest dollars in creating direct jobs in Nova Scotia where they are badly needed. He did not say that idly.

Professor Eastman, in my view and in the view of many others, has probably conducted the most extensive examination of how multinational corporations work in the pharmaceutical industry, not only in Canada but world-wide. I should like to quote what Professor Eastman said on page 423 of his report:

> Canada does not now possess either the scientific manpower or the physical infrastructure that would make it a major world centre for basic pharmaceutical research. Nor in the opinion of the Commission would it be wise for Governments to seek to create such an environment in competition with heavily supported, long established centres in other countries.

That was Professor Eastman's conclusion. What have we heard from generic manufacturers in Canada, those companies which have become quite sophisticated in copying brand name drugs over the years? They have now become so sophisticated that they are at the point where they can now begin their own research and development activity in Canada. However, the legislation will put the brakes on that because it will make it extremely difficult for those wholly owned Canadian companies, which provide jobs for Canadians, to reinvest any profits back into the Canadian economy or to expand job creation in Canada. Also the legislation will make it very difficult for them to continue to operate in the Canadian interest. Frankly, I find the legislation to be peculiar, to say the least.

The Conservative Government was elected on the promise of jobs, jobs, jobs. However, in the case of an industry which is doing its best in the Canadian corporate sector to create jobs, the Government is introducing legislation which will put that industry's back to the wall. It just does not make sense, any way one looks at it.

Canada's legislation, as it was passed in 1969 and as it has been reviewed by no less than seven commissions, including an all-party House of Commons committee, Professor Eastman, and internal studies by the Department of Consumer and Corporate Affairs, has been a good policy for Canadians. As we all know, Professor Eastman pointed out that in 1983 alone Canadian consumers saved something in the area of $211 million as a result of that policy. It is a "made-in-Canada" policy. It is good for Canada and good for Canadians. Quite frankly, the only reason it is being changed is that President Ronald Reagan in the United States does not like it and is demanding on behalf of the multinational industry that it be changed.

I see that my time is up. Thank you very much.

• (1700)

Mr. George Baker (Gander—Twillingate): Mr. Speaker, perhaps I can continue for a few moments where the Hon. Member for Beaches (Mr. Young) left off. He made the point that the Bill presently before this Chamber was requested by the President of the United States. The Hon. Member was absolutely correct. The President of the United States did request the Prime Minister of Canada (Mr. Mulroney) to bring in this Bill. It was in all of the newspapers, it was on television and on the radio. There was no mistake at all. The President of the United States made a special request to the Prime Minister of Canada, and that was followed up by various negotiations. Another element was involved, apart from the President of the United States. Action was taken directly by the multinational drug companies, which stand to gain millions upon millions upon millions of dollars from this move, to hire various lobbying firms in the United States and in Canada. In fact, they hired the most influential lobbyists in the United States—

Mr. Rodriguez: And in Canada.

Mr. Baker: —to convince the U.S. Government through the President to ask the Prime Minister of Canada—somebody is at the door, Mr. Speaker. You do not have to let him in. I will not be able to finish my remarks. Are you saying I just have a moment?

Mr. Deputy Speaker: If the Hon. Member wishes, he can certainly continue his remarks after we come back from the other place. I thank the Hon. Member for his courtesy.

THE ROYAL ASSENT

[*English*]

A message was delivered by the Gentleman Usher of the Black Rod as follows:

Mr. Speaker, the Honourable Deputy to the Governor General desires the immediate attendance of this honourable House in the Chamber of the honourable the Senate.

Accordingly, Mr. Speaker with the House went up to the Senate Chamber.

[*Translation*]

And being returned:

Mr. Deputy Speaker: I have the honour to inform the House that when the House did attend His Honour the Deputy to Her Excellency the Governor General in the Senate Chamber, His Honour was pleased to give, in Her Majesty's name, the Royal Assent to the following Bill:

Bill C-38, an Act respecting the reorganization and divestiture of Teleglobe Canada—Chapter No. 12.

• (1710)

GOVERNMENT ORDERS

[*English*]

PATENT ACT

MEASURE TO AMEND

The House resumed consideration of the Bill C-22, an Act to amend the Patent Act and to provide for certain matters in relation thereto, as reported (with amendments) from a legislative committee, and Motion No. 2 (Mr. Dingwall, p. 4745).

Mr. George Baker (Gander—Twillingate): Mr. Speaker, the reason this Bill exists is that the multinational drug companies wanted it. They lobbied the Governments in the United States and lobbying firms in Canada lobbied the Canadian federal Government. Then the President of the United States, as he admitted publicly, asked the Prime Minister of Canada (Mr. Mulroney) to make sure that the Bill was brought into the House.

When the Prime Minister of Canada is lobbied by the President of the United States and that is admitted on television, on radio and in the newspapers, then we know that something will happen. Lo and behold, something happened. The Bill was brought into this Chamber by the Government. One can then say that the reason the Bill is before us is that the President of the United States asked the Prime Minister of Canada for the Bill backed by the lobbying firms in the United States and here in Canada.

Mr. Mitges: Can't hear you.

Mr. Baker: The hon. gentleman says that he cannot hear me. He will hear me in a moment when I get to the point of my argument. I have a point to make and I will get right to it.

There are in Canada today several groups composed of people who can just barely make ends meet. These people are the elderly, people who have just recently married and have a family and people who live close to or under the poverty line. These people think twice about sending their children to get tested for glasses. Why is this? It is because they do not know if they can afford to buy glasses for their children.

In Canada today, there are thousands upon thousands of parents who think twice about sending their children to the dentist or to the optometrist because they cannot afford to pay the bill. The situation varies from province to province depending on what type of programs exist. Once upon a time a few short years ago, some provinces had programs that allowed children to go to the dentist up to age 11. However, generally speaking, right across Canada, there are thousands upon thousands of parents who think twice about sending their children to the dentist and the optometrist.

Then there is another group composed of people who hesitate to go to the doctor because they cannot afford the pills the doctor would prescribe. That is the reality in Canada today right from British Columbia to Newfoundland. It is also the reality that even under federal jurisdiction, there are institutions like senior citizens' homes which are government-built and government-subsidized, and the senior citizens who live in these homes receive only a certain amount from their cheques every month. Perhaps they receive $100 per month in some provinces or $120 or $150 per month in other provinces to pay for all their personal expenses.

Let me be perfectly clear that there are in our society massive numbers of people who can just barely make ends meet. On the lower end of the scale, there are those people who at times qualify for welfare because their expenses are so high. Because of the Bill that is before the House today, the prices of drugs in Canada may rise to the level at which they are in the United States. Several groups of people will then qualify for welfare. One might say that that is a fine thing. If they qualify for welfare, then they can live. A person on minimum wage making $400 a month may have to pay up to $250 a month for his pills. Some Hon. Members on the government side may scoff at that and say that people do not have bills for pills amounting to $250 a month, but of course they do.

You are saying that I have two minutes left, Mr. Speaker. I believe you agreed to give me a full 10 minutes after we came back from the Senate.

This is what it boils down to: in some provinces, people who make the minimum wage will be left with a choice. If they buy the pills the doctor advises them to buy, they will have to do without everything else. The only guarantee that people from coast to coast have is the guarantee of social assistance. The means test is $74 a month in Newfoundland for single people between the ages of 18 and 50. In Ontario, it is about $120.

The point is that that is all people will be guaranteed. Any action by a Government to take away the disposable income of large numbers of people will be frowned upon by Canadians.

If the reason for this Bill is research, then let us have the Government of Canada define research and put up the money for it. Some people say that if this Bill passes, we will find cures for this, that and the other thing. Cures have not been found to this time in the United States or in any other nation with a system like the one required by this Bill. There is no logic to that argument.

The reason for the Bill is that the President of the United States asked the Prime Minister of Canada to present it, and the reason he did that is that the lobbying firms in the United States paid by the multinational drugs companies lobbied the President and the Prime Minister of Canada. That is why this Bill is before the Chamber today. This is not a good Bill for the majority of Canadians. Therefore, speaking on their behalf, the Official Opposition will vote against the Bill.

* * *

• (1720)

BUSINESS OF THE HOUSE

ADDRESS OF PRESIDENT REAGAN TO BOTH HOUSES OF PARLIAMENT

Mr. Doug Lewis (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Point of order, Mr. Speaker. There have been discussions among the Parties and I think you will find there is agreement to the following motion:

[*Translation*]

I move:

That, notwithstanding any Standing or Special Order of this House, when the House adjourns on Friday, April 3, 1987, it shall stand adjourned until 11.00 o'clock a.m., on Tuesday, April 7, 1987;

That the Address of Mr. Ronald Reagan, President of the United States of America, to be delivered in the House Chamber on Monday, April 6, 1987, at 2.30 o'clock p.m., before Members of the Senate and Members of the House of Commons, together with all introductory and related remarks, be printed as an appendix to the *House of Commons Debates* of Tuesday, April 7, 1987, and form part of the records of this House; and

That media recording and transmission of such Address, introductory and related remarks be authorized pursuant to guidelines for this occasion issued by the Speaker of this House pursuant to consultation with the parties' House leaders, dated March 31, 1987.

Mr. Deputy Speaker: The Hon. Member for Ottawa—Vanier on the same point of order.

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I must commend the Hon. Member for Simcoe North (Mr. Lewis) for his very enlightening reading and tell him that indeed we were consulted. We agree with the arrangements he has just proposed to the House.

[*English*]

Mr. Riis: Mr. Speaker, I want to confirm that the negotiations have taken place and we concur and give unanimous consent to changing the Standing Orders for Monday. I would like to add that this is the kind of thorough and complete consultation we ought to have on a continuing basis, not simply at these rather unique moments.

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

Some Hon. Members: Agreed.

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

Some Hon. Members: Agreed.

Motion agreed to.

GOVERNMENT ORDERS

[*English*]

PATENT ACT

MEASURE TO AMEND

The House resumed consideration of Bill C-22, an Act to amend the Patent Act and to provide for certain matters in relation thereto, as reported (with amendments) from a legislative committee; and Motion No. 2 (Mr. Dingwall, p.4745).

Mr. Deputy Speaker: The Hon. Member for York South—Weston (Mr. Nunziata) rises on a point of order.

Mr. Nunziata: Mr. Speaker, as you know the Hon. Member for Gander—Twillingate (Mr. Baker) is one of the finest orators, if not the finest, in the House of Commons. I am certain, in view of the fact that his submission was cut off in midstream, that if you canvass the House you will find unanimous consent to have the Hon. Member continue with his comments.

Some Hon. Members: No!

Mr. Deputy Speaker: I heard someone say no.

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, I feel moved to participate in this extremely historical debate.

Mr. Blaikie: Just don't wave your hands around too much, okay?

Mr. Rodriguez: Why do I say it is a historical debate?

Some Hon. Members: Why?

Mr. Rodriguez: I am glad you asked. It is because this move to free up the Patent Act in this country began with the

Liberals and is now seeing its conclusion with the Conservatives. I want to tell you that the Minister of Consumer and Corporate Affairs (Mr. Andre) is responsible for this Bill. I want to ask these Members around me, as impartial observers, if they would say this Bill strikes them as really protecting the interests of consumers. Does it do so?

Some Hon. Members: No!

Mr. Rodriguez: Absolutely not. The Minister is not the Minister of Consumer and Corporate Affairs, he is the Minister of Corporate Affairs. Do you know who held that portfolio in the previous Government?

Some Hon. Members: Who?

Mr. Rodriguez: She was a very powerful Minister in the Liberal Government. The former Hon. Member for Nickel Belt.

Ms. Jewett: Where is she now?

Mr. Rodriguez: Where is she now?

Mr. Blaikie: Working for the multinational drug companies?

Mr. Rodriguez: You got it! That is where she is. She has now been embraced by PMAC.

Mr. Blaikie: Like a true Liberal.

Mr. Rodriguez: Just a minute! She is not the only one in the embrace of PMAC.

Mr. Riis: There are others?

Mr. Rodriguez: Oh, yes. You know who they have? Frankie Moores.

Some Hon. Members: No!

Mr. Rodriguez: Yes, Sir.

Mr. de Jong: He is a Conservative.

Mr. Rodriguez: You know who Doucet is?

Mr. Blaikie: He is in the PMO.

Mr. Rodriguez: Oh, we have to be careful. He has a brother in the PMO. These lobbyists for the multinational companies, they have connections. Do you remember Willie Loman in *Death of a Salesman*? He says:"He's got connections". Well, these drug companies have got connections. They reach right into the highest councils of the land. For $100,000 the former Liberal Minister of Consumer and Corporate Affairs is now lobbying for the drug companies. She has joined Frankie Moores. The odd couple! When a Liberal and a Tory get together—

Mr. Blaikie: Don't describe it, it's too awful.

Mr. Gauthier: Don't forget Ian Deans.

Mr. Rodriguez: We are talking about a drug Bill that affects millions of ordinary Canadians. This Bill affects millions of ordinary, average Canadians.

One of the glaring omissions in this Bill has to do with the question of research and development. What does the Bill say about research and development? It says—

Some Hon. Members: Nothing!

Mr. Rodriguez: Oh, yes, it does.

Mr. Mayer: Point of order, Mr. Speaker. I notice the Hon. Member is spending a lot of time with his back to the cameras. I want him to know I think that is a definite improvement in his speaking style.

Mr. Nystrom: That is a backhanded compliment, John.

Mr. Rodriguez: Mr. Speaker, I did not want to turn my back to the Government.

This is a very important point. The Bill has a glaring omission. In fact, it deliberately says that R and D will be defined by Cabinet.

Mr. de Jong: The fix again!

Mr. Rodriguez: How many times in legislation in this country have we had examples of that? Leave it to the boys in the Cabinet.

Mr. Nystrom: And the girls.

Mr. Rodriguez: Who has the greatest influence with the gang in the Cabinet?

Mr. Nystrom: Charlie Mayer.

Mr. Rodriguez: We know how the Cabinet lets the Government down. After all, the Deputy Prime Minister (Mr. Mazankowski) said last weekend that the reason the Tories are so low in the polls is not because of government back-benchers, but because of the Cabinet. He says the Cabinet has let him down. He is asking the people of Canada to put their trust in a Cabinet that has let their own Prime Minister (Mr. Mulroney) down. How is this possible?

• (1730)

I do not believe that the people of Canada trust the Cabinet and the Government as far as they can throw them. We will find out how far they can throw them in the next election. Having no definition of research in the legislation is a glaring omission. The lobbyists will have a heyday with the Government as they had with the previous Government. John Sawatsky and Harvey Cashore in an article in *This Magazine* entitled "Inside Dope" talked about the fact that the former health critic for the Liberal Party got together with the prior Minister of Consumer and Corporate Affairs behind the

Speaker's chair and agreed that the Liberals and the Conservatives would let the Bill go. As a matter of fact, the quote is that: "Only the NDP will bitch". The Member for Sudbury (Mr. Frith) said that. He said: "That is all right, it is only the NDP who will bitch".

Let me suggest that not only the NDP will do that, but the Canadian people will do so as well.

Canadians know that the lobbyists have a friendly ear in the Minister of Consumer and Corporate Affairs. He said that we should not worry because the definition of research and development will be the same as that which appears in the Income Tax Act. Why does the Minister not simply put that definition in this Bill? All those watching this debate will suggest the same thing to the Minister, but he only listens to one group in this country. It is the group that is friendly to the Conservative Party.

An Hon. Member: Which group is that?

Mr. Rodriguez: Frank Moores and company is the group.

Why is the Government bringing in this Bill? Prior to 1969 we probably had the highest prescription drug prices in the world, second only to the United States. The present Act was proclaimed in 1969 and we now enjoy probably the lowest prescription drug prices in the industrialized world. However, the friends of the Government, the multinational corporations from whom the Tories raise the contributions for their election campaigns, have influenced the Government.

The fix was in because President Reagan probably persuaded the Government that it should change the Act so that the multinationals could have a heyday with Canadians. As a result of the Bill which the Minister and the Government is ramming through the House, the multinationals will pick the pockets of every Canadian. You can be sure that they are shaking hands in our pockets.

The New Democratic party has been fighting this Bill and we will continue to fight it with all the strength we have because we believe it is unfair. I only hope that the Liberal Party will find the courage to stand with us to fight this Bill to the bitter end.

[*Translation*]

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, I am pleased to rise to speak to this Bill which happens to be the best example of what makes the three Canadian federal Parties so different. First the position of the Conservative Party Members who are on all fours, yielding to the ransom demands of the multinationals; that is one extreme position where the rich have the upper hand. Then the other opposite extreme position of the NDP, as set forth by the Hon. Member for Nickel Belt (Mr. Rodriguez). Finally, the realistic, honest, central and logical position of the Liberals.

Some Hon. Members: Hear, hear.

Mr. Malépart: We have just heard . . . First I must say I am sad because I used to hold the Hon. Member for Nickel Belt in high esteem. But his speech has just shown that he is afraid of the former member who defeated him, and afraid of being defeated again by the former member and Minister. A courageous man does not refer to somebody he has defeated in the past. It just proved how insecure he is about his own views.

Mr. Speaker, I would like to explain the consequences. I would like to ask my colleagues . . . The position of the NDP proves that they know precious little about Quebecers, that they are not prepared to defend them. That is proof positive of the hypocrisy of that Party and their leader who came to Montreal and his Member from Terrebonne (Mr. Toupin) . . . Mr. Speaker, I was at the economic summit in Montreal where there were people from the Civic Party, people from the MCM, the new administration in Montreal, people from the Parti Québécois, people from the Liberal Party, people from the three labour unions—QFL, CNTU and CEQ—the *Fédération de l'âge d'or du Québec*, people from all political parties. And unlike Shirley Carr and the NDP, these people were unanimous in seeking, in the best interests of Quebecers and Canadians, a form of protection for patents and research because Quebecers would be likely to benefit. The position of the NDP and the Hon. Member for Nickel Belt is a clear indication that all this flirting with Quebec is nothing but hypocrisy.

Some Hon. Members: Right on!

Mr. Malépart: Mr. Speaker, there is only one man in this House . . . We have the hypocrisy of the Leader of the NDP. We have the obsequious attitude of the Prime Minister (Mr. Mulroney), and then we have the Leader of the Liberal Opposition who, when the time came to abolish protective measures, did so to safeguard the interests of Canadians. Now that the situation has changed and that we should continue to protect people and their health and research and ensure—not just so companies can make a profit—that for certain products, products that are expensive and are used to cure people, the multinationals, the generic companies . . . We are not here to defend either one but to defend the interests . . . And the only man who had the courage to propose amendments was the Hon. Leader of the Opposition (Mr. Turner). He was the only one, with the Liberal Party.

Unfortunately, we now have the Conservatives who are afraid of their own shadow. We have seen the NDP hypocrites, but when I see people in the Conservative Party caving in to the blackmail of the multinationals, who said: If you give us a full monopoly for seven or eight years, we will invest so much. If you do not provide that protection, we will withdraw the funds. The Liberal leader, all the members of the Liberal caucus said: "No way!" We will never give in to blackmail, neither in this House nor to that of multinationals.

Some Hon. Members: Hear, hear!

Mr. Malépart: And we will not give in to the blackmail of a union.

I should like to say to the Hon. Member for Nickel Belt that I am still an active member of the QFL. The National Council of the Canadian Labour Congress collects part of my dues to uphold the interests of Canadians. Part of that money is used to finance the NDP. Unfortunately, as a Quebecer, I should ask Ti-Louis Laberge that we should withdraw from the Canadian Labour Congress because the interests of Quebecers are poorly upheld within that Federation.

Mr. Speaker, what is the position of the Liberal Party—it is true that some protection is needed—but on what is based our position? It is based on the advice of an expert. And the Eastman Report, the people who made investigations proved that a minimum of protection is needed. And the minimum of protection is negotiable, and this is what my colleague will propose in committee, and it is my hope that Conservative Members—as far as New Democrats are concerned, they are hopeless—that those people will be realistic and say: We will grant a minimum of protection, a five or four-year minimum, as recommended by the experts, but we will protect the cost of drugs. We will allow research people in Quebec, Ontario, the Maritimes, Western Canada to go on working in Quebec, Mr. Speaker. As opposed to the stupidity of the NPD Party, who rejects any change, we Liberals are not afraid of reforms, we are not afraid of improving quality.

I appreciate that New Democratic Party Members are not used to facing criticism. I appreciate they are small-time actors in their own world, Mr. Speaker, but the truth is, the time has come for the Canadian people to know it. We have the extreme on the left, the New Democratic Members who oppose any change, even though the whole population, the whole Quebec people has requested protection at the Quebec National Assembly under a PQ Government, through a unanimous vote. And after there was a change of Government, under a Liberal administration, another Assembly made that same unanimous request. But then the NDP comes down from out West, and they want to impose upon Quebecers: Come to us, we are interested, we are open. Open my foot! People will vote Liberal!

Mr. Speaker, the 57 Conservative Members,—or is it 58, we are not sure how many are left—it is my hope they will listen to the call of logic, they will not yield to the multinationals, they will not yield to the American President who will come and tell us here: Listen, if you want to have such or such a thing! Remember your leader—he got the job of President of Iron Ore in order to shut the company down. After that, he had no job any more. He came here, but we will not let him shut Canada down and sell it to the Americans.

So there you have the best proof with that legislation. Listen, take the logical position, the sensible position put forward by the Liberal Party. And remember—when John Turner decided to pass an Act, he did it in order to improve the situation. Years have gone by, the needs are different. Once more, the Liberal Party, in a spirit of reform, implemented that.

Mr. Speaker, who will be affected? There are four million people in Canada, Canadian men and women who are protected by no health insurance plan, who have neither the protection of provincial public insurance plans nor collective agreements, because unfortunately it sometimes happens in Canada—even though I am a union member, I am not a union militant—that large labour groups are not interested in members in small communities where there is not enough people, not enough money there. So those people are not protected. Those who are protected are people with good labour agreements, they are numerous. So the four million people who are not protected, it is important that we in this House, of whatever political persuasion, ensure that those people be protected, and we have a responsability to do so.

And this is why the recommendation and the amendment put forward by my colleague is an amendment that we should unanimously accept. But we must totally reject—Mr. Speaker, I see I have two minutes left—the ridiculous idea of the NDP and the Hon. Member for Nickel Belt of rejecting the Bill off hand, because this is contrary to the interest of Quebecers.

• (1740)

[*English*]

Mr. Dingwall: Mr. Speaker, I rise on a point of order. We have just heard two great speeches, one from the New Democratic Party and one from the Liberal Party. I thought, in keeping with the principles of fairness and objectivity, perhaps some Hon. Member opposite would dare stand in his or her place and offer a rebuttal to some of the great arguments which have been presented.

Mr. Deputy Speaker: Resuming debate.

Mr. Ernie Epp (Thunder Bay—Nipigon): Mr. Speaker, it is quite an afternoon for debate. I must confess there are some tough acts to follow.

Mr. Prud'homme: Mr. Speaker, I rise on a point of order. I have just returned from committee. I thought it has been a long practice in the House that we alternate. If my memory serves me well, the New Democratic Party had the floor, then the Liberal Party. I would imagine that it is now the Government's turn, unless I am proven wrong.

Mr. Deputy Speaker: On debate. The Hon. Member for Thunder Bay—Nipigon.

Mr. Epp (Thunder Bay—Nipigon): Mr. Speaker, these endeavours to draw the Government into the debate clearly fail because the Government has no desire to debate the questions on this Bill before us. Government Members are quite content to be taken in by the eyewash which the Minister of Consumer and Corporate Affairs (Mr. Andre) working for the multinational corporations, served up. The last thing they want to do is to have to defend him or criticize the Opposition.

I found the observations made by the Hon. Member for Montreal—Sainte-Marie (Mr. Malépart) rather curious, given that we are both working to improve the Bill. We are both concerned about definitions for "research". What is this attack on my good friend, the Hon. Member for Nickel Belt (Mr. Rodriguez), the sort of divisiveness in the Opposition, when we are both involved in improving a lousy piece of legislation? It seems very curious. When one has to attack another Party, usually in an electoral context, one indulges in such attacks only on those who are ahead of one. Why bother with those who are behind us? After all, they are back there in the dust and that is where they ought to stay. But when someone ahead of you is threatening to seize the prize, that is the moment in which to attempt to trip him up. Those are the moments to attack and try to weaken him. I suggest to those who have their eyes focused on the leader in the race, that there is something wrong. That was the kind of attack the Hon. Member made, which I quite enjoyed hearing.

I know the realities in Quebec. The public opinion polls across the country have marvelous details these days. In the rest of Canada we are number two and trying harder, and the people of Canada realize that. In the Province of Quebec, of course, there are some additional realities. In that Province we are neck and neck. Perhaps the Hon. Member for Montreal—Sainte-Marie knows something the rest of us have not yet heard. Perhaps in his area we are actually number one. If we are number one, then now is the time to attack us, and that is the kind of speech he served up.

The Hon. Member asked who understands Quebec. Do we really understand Quebec? Well, I wonder, given the tone of this debate, whether he has any right to ask that question. Surely, we understand perfectly well what the people of Quebec want. Surely, we understand perfectly well that, like the people in the rest of Canada, the people of Quebec want medicines available to them at reasonable prices. The people of Quebec, like other Canadians, want pharmaceutical medicines not to be increased in price. The people of Quebec have the same concerns about economy in health care as do other Canadians. Those are the convictions of the people of Quebec, and we know perfectly well that the New Democratic Party speaks for those convictions in Quebec and across the country. We wonder whether our colleagues in the Official Opposition, the Liberal Party, which is falling into second place in the Province of Quebec, really understand those things.

I found myself wondering whether perhaps the reason the Hon. Member for Montreal—Sainte-Marie spoke as he did is that at the back of his mind is a readiness to accept the Bill from the Government as it stands. Perhaps the Hon. Member, or someone from Montreal, where promises for returns from this Bill have been held out, is actually content with the Bill as it is and is attacking those who are trying to improve it. Does that make any kind of sense?

Is there any real prospect that this legislation is going to bring us the returns the Government has suggested? There has been talk about 3,000 jobs out of the research which will follow. I realize that that is an attractive prospect. There have been some letters to my office and other offices about the possibilities of research jobs. But are we really going to get them? That is the question. Will we really find the type of research being done which we want to see done if there is an extension in the period of protection for medicines in Canada such as is proposed in the Bill? All the authorities in this area question that position. I can cite a number of them who point to the type of research presently being done in Canada. For example, Dr. Lexchin appeared before the committee and observed that the little research money that is spent in Canada now is divided into three areas: 8 per cent goes to basic research, which seeks to discover new concepts of drug therapy or totally new drug products; 36 per cent is used for applied research, which consists of testing potential drugs on animals and humans; and a full 56 per cent is applied to product development, which encompasses areas such as developing new dosage forms, or different forms of a drug, such as pills, tablets, creams or solutions.

• (1750)

Much of that research is a matter of tailoring the pharmaceuticals to the market. Much of it is a matter of either some further clinical testing or a matter of market research and response to it. That does not involve the type of jobs or the type of research that is attractive to people. To hold out the possibility that this will be high quality employment is misleading the Canadian people.

It was surely an indication of what would happen under this Bill to have the Department's own research staff indicate, as was reported in December, that jobs with respect to tending animals and cleaning laboratories, rather menial work, were going to be included in the 3,000 jobs. In fact, it became clear from the Government's own study that no more than 57 per cent of the 3,000 jobs will be jobs in professional categories involving the training that produces the PhD that would represent the type of employment for which Canadians are looking. Even to hold out the prospect of 3,000 jobs is to suggest that there will be an increase in activity in this country which the authorities in the drug industry internationally find almost impossible to expect. They look at the way in which pharmaceutical research is carried out now, centred primarily at or near the head offices of the companies in the United States and other companies. They note that a country such as Switzerland, which is easy to cite as one that is small and important in research, managed to get into the industry in the 19th century. The companies have been long established in that country. On that basis they are able to carry on research in that small country.

The possibility that a slight change in the legislation would bring the companies in is exercising an act of faith that we have come to expect from members of the Conservative Party when they talk about what multinational corporations will do. We have come to expect the Government to forget what the consequences will be for individual Canadians, the higher costs that will result, and what the people of Canada want. The

Government wants to serve only the interests of the multinationals.

It is of course much more distressing to see something like this come from the Liberal Party which likes to pride itself on speaking to the needs of Canadians. It says that it understands the needs of Quebec. Surely, the Hon. Member for Montreal—Sainte-Marie (Mr. Malépart) does not want to tell us that the people of Quebec are easily fooled by the Government, or that they are prepared to be taken in by this propaganda about 3,000 jobs when so much of it is going to be menial employment in laboratories, if it even occurs. Surely, he will not tell us that the people of Quebec are easily fooled politically. I do not think he wants to say that. I will certainly not assert that. The evidence these days which the public opinion polls make quite clear is that the people of Quebec understand perfectly well what their needs are. They understand perfectly well who is speaking to those needs. They understand perfectly well that the New Democratic Party understands what ordinary Canadians need. They understand that the New Democratic Party is working for average Canadians. They are turning to support us vigorously these days. We look forward to more and more of them supporting us as we move toward the next election.

[*Translation*]

Mr. Guy St. Julien (Abitibi): Mr. Speaker, I wish to take part in this . . . In the past few minutes mention was made that Quebec would profit from it but when one considers that by 1995, the pharmaceutical industry will have invested $3 billion in Quebec and the rest of Canada the 65 member Association, will wait before implementing for good their development program until Bill C-22 has been passed by the House of Commons. The new legislation will emphasize the creation of new drugs rather than the mere production of old ones.

As I read in this week's issue of the *Journal des affaires* which has been circulated from coast to coast, Mr. Speaker, this legislation is truly fantastic, and no matter what the NDP may say we, as Quebec Members of the Conservative Party, are all for it.

When we consider the total volume of the promised investments, we can look forward to a 60/40 sharing between Ontario and Quebec. And this investment distribution will reflect the research and development manpower within the industry, as represented in the two major Canadian provinces. About 43 companies in Ontario and Quebec are members of the Association, with nearly 600 researchers in Quebec and 40 in Ontario. Although the number of employees may differ today, the proportion remains the same. And even if in 1983, 8,600 employees were recorded in Ontario, compared to 6,300 in Quebec, out of a total 15,500 employees for the whole of Canada. The investment in research and development will reflect the distribution of researchers, which will favour Quebec, because this is where the greatest concentration is.

On the same subject, Mr. Speaker, the *Journal des affaires*, which is deservedly famous throughout the world, but especially in Quebec and the rest of Canada, is contemplating that approximately 40 per cent of all investments will be made in Quebec, 40 per cent in Ontario, 40 per cent in the western provinces, and 4 per cent in the Atlantic provinces. I read on. It says that it will create directly 3,000 new jobs in the industry. That is quite good for Quebec, Mr. Speaker. But there is one thing I should like to warn the House about, and it is the cost of medicine. Several people in my region of Abitibi have told me that the NDP constantly infer that the costs will increase. They keep saying that promises are always fine, but that they are quickly forgotten. To make sure that the companies will fulfill their promises and will not pass on their research costs to consumers through unjustified increases in the price of medicine, the Bill provides for a control mechanism. I mean, there will be a monitoring agency.

Mr. Speaker, that is truly what our party, our Government is doing for Quebec and the rest of Canada. We are going to monitor the prices right away. That will be a very good Bill and senior citizens . . . Well, the prices on these drugs will not increase anyway.

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, since it is nearly six o'clock, perhaps you could call it six o'clock, and I could start my speech tomorrow. Or perhaps I could start with the preliminaries.

Mr. Speaker, I welcome the opportunity to take part in this debate. In the few minutes or few seconds remaining, I would like to pay special tribute to the Hon. Member for Montreal—Sainte-Marie (Mr. Malépart) who finally set the record straight on the whole NDP situation—these radical left-wingers who are so terribly pleased with themselves and who claim they represent the people of Quebec and French Canadians in general. Today, we see just what kind of representation they are giving them. Their insincerity is flagrant. As for the Conservatives opposite, Mr. Speaker, they are the people who introduced this Bill. They did what they usually do: they caved in to the multinationals and they got down on their knees before President Reagan, which was predictable of the Conservative Party. I would like to say more, and I could go on until tomorrow morning, Mr. Speaker, because I see the New Democrats and the—

Some Hon. Members: Six o'clock!

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

The House adjourned at 6 p.m.

HOUSE OF COMMONS

Thursday, April 2, 1987

The House met at 11 a.m.

Prayers

ROUTINE PROCEEDINGS

[*English*]

EXTERNAL RELATIONS

MINISTER'S STATEMENT ON VISIT TO ASIA

Hon. Monique Landry (Minister for External Relations): Mr. Speaker, I am eager to share with the House what I have seen and experienced during the past couple of weeks as I travelled in China and Thailand. I say "eager" because I believe our relationship with the new Asia, which is emerging with astonishing speed, is crucial to our mutual interests.

[*Translation*]

After visiting several parts of Asia and a series of development co-operation projects in which Canada is involved, I am very pleased to say I was given tangible proof of the effectiveness of our development aid. The projects in which Canada is involved are having a definite impact.

Last week during my visit to Thailand, I signed several agreements aimed at promoting co-operation in major sectors between our two countries. For instance, Canada will provide a grant of $5 million to help the women of Thailand participate to a greater extent in the development of their country. These funds will enable them to initiate income-generating activities, open small businesses, have access to credit and receive leadership training.

Other agreements concern the funding of Canadian goods and services; scholarships for Thai students who want to pursue post-secondary studies in Canada in crucial areas such as energy and food production; and opening up new areas for co-operation such as food processing, air traffic control and environmental protection.

I visited the Champthai factory, an example of a joint venture involving a Canadian company, Champion Road Machinery of Goderich, Ontario and a Thai company. I visited a centre for remote sensing which is receiving technical assistance from Canadian companies in Montreal and Vancouver.

I was profoundly affected by my visit to a school for the blind, where fantastic work is being done.

I also went to Northeast Thailand, the country's poorest region, where I visited rural development projects funded by Canada. However, what struck me most was the way the relationship between our two countries has changed. There is so much vitality and growth everywhere in Thailand, and there are so many positive aspects for Canada that we can no longer properly speak of a donor-beneficiary relationship. These terms reflect a dependence that is no longer significant.

[*English*]

I can report that the same is true, but on a larger scale, in our relationship with China. It was a great privilege to spend 10 days in the world's most populous nation as a representative of the Canadian Government. It was a very productive 10 days, indeed. There were meetings with Deng Xiaoing, China's elder statesman, with the President, the Prime Minister and other officials at the highest level.

In following up on the Prime Minister's commitment of last year, I was able to announce, as Minister responsible for CIDA, 11 new projects of development co-operation to a value of over $90 million in such fields as management education, municipal planning and linkages at the college and university level. I was happy with the focus of our existing program, which *The Globe and Mail* has described as aimed at people and knowledge. I am particularly pleased to report that we have also taken some early initiatives in the important and promising fields of transportation and telecommunications.

• (1110)

There were many highlights. On one occasion I met with representatives of one of our development partners, the All-China Women's Federation, doubtless the world's largest such organization with 93 million members. On another occasion I travelled by boat on the Yangtze to the site of the proposed Three Gorges Complex where the river, the hills and the mists truly speak to the soul. However, this spot is also where China is contemplating building a power complex with a capacity greater than the entire James Bay Development. The proposed project would also control floods and extend river navigation. We can be proud that China has entrusted a Canadian consortium with the carrying out of the feasibility study. We can only assist China, in its great wisdom, to make this crucial decision about its future.

There are two further observations I would like to offer. The first concerns Asia in general. Asia is changing fast—much faster, I fear, than our Canadian ideas and attitudes about

Asian reality. The fact is that Asia with immense needs, pent up demand, a large and growing middle class and huge human and material resources, will become the mainstream, the centre of gravity of the global economy in the very near future—likely by the turn of the century, less than 5,000 days from now. It will have the world's largest, most diverse and, perhaps, most modern industrial capacity. This means that our relationship with Asia will be utterly transformed.

In reality, of course, transformations do not happen overnight—they are already well advanced. Some of us gained that insight when we recently saw Canadian communities vying for investment by Japanese and Korean car makers. But I am very concerned that Canadian perceptions are lagging dangerously far behind the fast pace of change. How many of us have looked recently at GNP per capita figures and noticed how Asian countries have begun to surpass those in Europe? At current growth rates for per capita income Taiwan and Korea will be richer than the United States four decades from now.

The point I want to make is that if Canadians want a strategy for success, whether we are talking about government, business or Canadians in general, they had better realize that, especially in Asia, the old game is over and a quite different one is under way with new roles and new rules. It is important for Canada as a whole to understand the new reality so that our country can make major adjustments, economically, politically and psychologically.

[*Translation*]

One of the aspects of this new reality is the fact that we need China more than it needs us. A look at the total volume of our exports in 1985 reveals that China accounted for 3.4 per cent, whereas Canada was the origin of only 1.6 per cent of Chinese imports. At that time, we turned a new page of Canadian economic history when, for the first time, a larger volume of our exports went to the Pacific region instead of crossing the Atlantic.

If we expect Canada to prosper as a major trading nation we must gain a very clear insight into worldwide economic events and do everything we can to cultivate our ties with Asia. We must establish a long-term economic and institutional relationship.

More subjective, my second remark has to do with the state of our relations with Asia and the way the Government approaches this significant aspect of our external relations. In this respect I can say that our relations are excellent and that the Government is taking decisive action to strengthen these ties with Asia well into the XXIth century. Everywhere I went I was struck by the people's warm and friendly reception.

Although Canada does not rank high in terms of population, our impact in China is much more important than most of us would imagine. Our reputation over there is practically second to none. The name of Dr. Bethune was on everyone's lips.

I also believe that their attitude towards us is due in part to the deep respect which Canada has always shown for China and its priorities. Indeed, the same things goes for Thailand.

By any means the Government does not neglect any opportunity to expand these ties. I have just returned from my visit over there with the Governor General. The Minister of Communications (Miss MacDonald) as well travelled to that country a few days ago, and recently there were other ministerial visits.

[*English*]

While in Asia I had the opportunity to sign a number of agreements for specific projects, thus moving our co-operation forward in keeping with, for instance, the commitments made last year by the Prime Minister (Mr. Mulroney). To further the process, Cabinet has now approved a strategy for China which reflects the importance Canada attaches to its relations with the Asia-Pacific region in general and with China in particular.

The strategy builds upon the major achievements since Canada's recognition of the People's Republic of China in 1970, especially the measures taken by the Government in the past two years, such as the opening of a consulate in Shanghai and the announcement by the Prime Minister when he visited Beijing last May that Canada is doubling its CIDA bilateral program and setting up a concessional financing facility. The strategy is designed to set an institutional framework for the building of a focused, orchestrated and dynamic approach to our relationship with China, a key political actor in Asia and Canada's fifth largest market in the world.

To conclude, Mr. Speaker, I wish to share with you a Thai tradition. When one gives alms to a monk it is then customary to thank the monk for accepting the gift. The truth is that Canada's participation in Asia's development is indeed enriching and benefiting Canada. Day by day the relationship between our country, and those of Asia, grows more balanced and becomes more mutually beneficial.

Mr. Roland de Corneille (Eglinton—Lawrence): Mr. Speaker, first, I want to say that I wish that my comments on the Minister's presentation could be better prepared, since I think it has been a valuable contribution. Unfortunately, I was not in receipt of her remarks and was therefore unable to give time to the preparation of the type of remarks that I would like to make on behalf of my Party. At the same time, on behalf of the Members of the House, I wish to thank the Minister for the fact that she has come to the House to report on her visit and to give us an insight into her findings.

As an aside, an interesting aspect of her remarks was her comment concerning the importance of the trade future of the Pacific Rim. The growth of the power of many of the previously undeveloped and now rapidly developing countries in Asia will in fact shift Canada's trade to a larger extent to the Pacific Rim as opposed to the Atlantic Region, which is an idea that Canadians have to catch up with, as the Minister has indicated. Now that she has come back, the Minister should

now meet with the Minister for International Trade (Miss Carney) for the purpose of enlightening that Minister, as she is contemplating Canada's trade relations with the United States, on the importance of trade with the nations of the Pacific Rim. It is our contention that it is within the total context of our GATT relations and within the context of our total trade with all of the nations of the world that we should consider our trade relations with the United States. Perhaps the Minister for External Relations will be helpful in getting that point across to the Minister for International Trade.

• (1120)

I should like to call attention to the Minister's report on Thailand. Given that she is the Minister for External Relations, her report includes a section on the work of CIDA, something that is entirely within her area of responsibility. In looking at our development programs, both multilateral and bilateral, we want to ensure that such programs are beneficial to the poorest people of the countries involved. In addition, we want to ensure that any such developments are not in any way harmful to the weak and the poor of those countries. This, of course, is something that is difficult to achieve when one is dealing with sovereign nations. Certainly, we would not want them to feel that we were interfering with their plans and their views. At the same time, Mr. Speaker, we do have that responsibility of which I spoke.

I was pleased to hear that the Minister went to the poorer sections in Thailand and had the opportunity to see what some of those problems are. But, it does also raise certain areas of concern, those concerns having to do with the plight of the poorer people in these countries and the whole question of human rights. I regret that the Minister did not make a few comments in that regard.

Like everyone else, I was happy to hear about the desire to provide education and to work on co-operative educational programs with Thailand, including the exchange of students, the possibility of having Thai students in Canada—something which would be beneficial to both of our countries. Such programs are a positive step in beginning the process of improving human rights in other countries and in ameliorating the suffering that takes place in those countries.

I was pleased to hear about the Minister's visit to China, a country which we often speak of as the "Sleeping Giant". Given the vastness of that country, and the size of its population, it is certainly a good thing to have Canadians generally visit that country to acquaint themselves with it, and it is particularly beneficial when leading members of our Cabinet travel to that very important nation. While it is a Communist nation, it is an important one, and Canada has provided leadership in the past in opening up relations with it. In this regard, I make reference to former Prime Minister Trudeau, who helped create a better respect for China as a nation that must be dealt with in the realities of the world. So, it is a good thing that the Minister was able to spend time in China, allowing her to return to Canada with a better assessment and appreciation of things in that country.

I should like again to call the attention of the Minister to the manner in which we provide aid to these countries. As the Minister responsible for CIDA, she will be aware that some of the projects undertaken around the world have led to some tragic results. We have had examples of countries, with the assistance of the International World Bank and the IMF, going after major projects, including the construction of hydro-electric dams, that have led to tragic consequences. We have had examples where a nation's leaders, in their desire to keep up with the progress of other countries, have embarked on projects which, while providing them with some personal glory, have done a great deal of damage to the country's population. I will not cite specifics. I think the Minister knows what I am talking about. Certainly in various nations of Africa, this kind of thing has taken place.

I can understand that the Minister, in speaking about the Three Gorges Complex, would not want to insult the leadership of the Chinese people by challenging them about the wisdom of that project. However, it is a project in which we are involved, and a project on which Canadian firms are seeking contracts. The construction of hydro-electric dams in other areas of the world have led to the displacement of entire populations, with no provision for relocating the people affected or providing them with a better and improved way of life. On the contrary, such projects have oftentimes led to the total destruction of the lives of those people. Oftentimes, they result in economic ruin. In addition, there have often been, as a longer range result, dreadful environmental repercussions.

By no means am I suggesting to the Minister that all hydro-electric dams are bad. On the contrary, provided that all of the necessary safeguards are taken, they can be good. However, we have seen ourselves involved in projects where not enough attention has been given to these matters, with the result that, instead of having brought about alleviation of the suffering of the poor, we have in fact brought about just the opposite. Many projects bring about very dubious long range benefits for the economy of the country involved, with very powerful and tragic short term repercussions on the people directly affected by the project. I regret that the Minister did not comment on how some of these tragedies of the past could be avoided insofar as any involvement we have with China is concerned.

We have to ask ourselves, too, just how the Minister sees her role as one who is concerned with developments. Development, of course, does include trade, and certainly it is not her function to try to be the Minister for International Trade. However, I think her observations on the trade situation will be of assistance to her colleagues in Cabinet. I would welcome from the Minister, as soon as possible, a further detailed explanation as to what is happening in Asia insofar as the poorer people are concerned, those on whom we are supposedly focusing as our top priority in terms of CIDA aid.

Indeed, in the Minister's statement—and I appreciate that in a short presentation such as this she cannot cover everything—I did miss hearing anything about the tragic fact that there are so many people on the Asian continent who continue to live in very limited circumstances, people who are illiterate and not well cared for medically. These are the very people, through our CIDA operations, we want to help.

As well, I should like to have heard her observations on non-governmental organizations, organizations that monitor the human rights situation and the economic situation in those countries. I hope that she did visit some such organizations.

My comments, Mr. Speaker, are meant to constitute both congratulations to the Minister and an expression of concern in relation to those areas that were omitted from her remarks. I do want to express my appreciation to the Minister for her having taken the time to make this trip and for the courtesy of her report to the House.

Mr. Speaker: The Hon. Parliamentary Secretary on a point of order.

Mr. Doug Lewis (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Thank you, Mr. Speaker. There have been discussions among the Parties, and I think you will find that there is agreement to immediately move to the item Presenting Reports from Committees, in order that parliamentary committee reports can be presented, following which we can revert back to my colleague from Cowichan—Malahat—The Islands (Mr. Manly) for his intervention in reply.

Mr. Speaker: I take it that there is agreement to the suggestion put forward by the Hon. Parliamentary Secretary.

Some Hon. Members: Agreed.

Mr. Speaker: As your Speaker, I am reluctant to comment too often on matters of the relations among the Parties in this place, but I think it is appropriate to remark at this time that while the Hon. Member for Eglinton—Lawrence (Mr. de Corneille) expressed a desire for more time to consider the Minister's statement before replying, he was extremely gracious in his response. I would ask that when statements are being made in the Chamber every effort be made to give those who must respond adequate time to consider the statements before making their reply.

Some Hon. Members: Agreed.

Mr. Speaker: I merely offer that as a comment. It is something that I hope will be given consideration.

[*Translation*]

DISABLED AND THE HANDICAPPED

PRESENTATION OF FIRST REPORT OF SUB-COMMITTEE

Mr. Patrick Boyer (Etobicoke—Lakeshore): Mr. Speaker, this morning I have the honour of tabling the first report of the Sub-Committee on the Disabled and the Handicapped. The title of the report is: *CHALLENGE—Putting our House in order.*

• (1130)

[*English*]

The report I am tabling this morning on behalf of the parliamentary committee on the disabled is a unanimous report entitled "Challenge-Putting our House in Order".

Pursuant to Standing Order 99(2), I specifically ask, on behalf of the committee, that the Government provide a comprehensive response within 120 days. In a very encapsulated form, when the report speaks about putting our house in order, it is something Hon. Members of the House can particularly take to heart. The message relates to mentally and physically challenged Canadians and it sets out an action plan for us to lead by example.

In presenting the report this morning, members of the committee would like to note that Your Honour is mentioned in the report for the exemplary initiative you have taken in responding to the concerns of the committee, developing an action plan, establishing timetables, and moving to action so that the needs and aspirations of mentally and physically challenged Canadians are being adequately responded to on the Hill, and through this example which the committee will be using, through all other departments and branches of the federal Government.

Some Hon. Members: Hear, hear!

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

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EXTERNAL RELATIONS

MINISTER'S STATEMENT ON VISIT TO ASIA

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, on behalf of my Party I wish to express appreciation to the Hon. Minister for External Relations (Mrs. Landry) for her statement and for the trip which she made, along with the Governor General and others, to China and Thailand. The growing importance of Asia in the world and in Canada's relationships with other parts of the world has been underscored by the visit and by the Minister's report.

In the early 1950s the question of the recognition of the People's Republic of China was something of an United Church heresy, because the United Church of Canada was

advocating that before many other organizations in Canada were. Some people felt that the sky would fall in if Canada took such a drastic step. It finally happened in 1970, and since then there have been absolutely no regrets on the part of Canada that we have recognized the People's Republic of China. We have been seeking to build stronger ties ever since. It is important, as the Minister has done, to underscore the importance of those ties both for Canada and for the world in general. Coming from a riding on the Pacific Coast, I know how important it is for our people.

China is a country which has made tremendous strides in the last few years, yet it continues to face tremendous problems. Canadian and Chinese co-operation is essential and, as the Minister pointed out, it is essential for Canada as well as for countries in Asia. I was very pleased to note in the Minister's comments on Thailand that we are moving beyond the donor-recipient relationship. It is important for us to move into an era of international co-operation rather than see a kind of paternalistic relationship continuing.

I have some concerns about some of the issues mentioned by the Minister, certainly the major dam project. It is interesting to note that we have announced an additional $1.4 million to expand the scope of the Three Gorges feasibility study. This is in addition to the $8.7 million contract awarded last July to a Canadian consortium. That contract was to look at the technical, economic, and financial viability of a multi-purpose development in the Three Gorges. When we are considering a project of this kind, it is important to be aware of the environmental impact and of the human rights impact—what will be the results on people upstream and downstream from the developments. While we recognize that the final decision will be that of the Chinese Government—and its integrity as a Government is involved—and that Canada is involved in providing financial assistance, we have a responsibility to ensure that some values which are very important to Canadians in terms of the environment and human rights values are being protected or looked after. Before any further contracts are let involving Canadian money for the Three Gorges project, I urge upon the Minister that there be some statement to Canadians about the environmental impact and about the human rights impact of this massive development.

The Minister knows, as do all Members of the House, that sometimes massive developments which can produce some very positive results can also have some very negative results. Every Government must be involved in trying to weigh what is positive against what is negative. That is the final responsibility of the Chinese Government as far as the project is concerned, but I think the Canadian Government has a responsibility in terms of further Canadian assistance.

I was pleased to see an emphasis in the Minister's statement on assistance to women and the $5 million which will be going to women's projects in Thailand to help them develop income generating projects. It is a helpful emphasis. We want to underscore the need for CIDA constantly to find ways of emphasizing the needs of women around the world.

This brings me to a concern that there is no dollar figure attached to the support for the All China Women's Federation. The Minister pointed out that its membership is 93 million, a huge organization, yet there is no dollar figure attached to the kind of aid which will be going to it. Perhaps the dollar figures will come later. I hope they will. It is very important not to lose sight of this as we emphasize the importance of women. It has an important public relations aspect for Canadians. They want to hear about it, but they would also like to hear what dollar figures are attached.

The Minister's remarks about the changes which are taking place in Asia are well taken, yet she talked about a strategy for Canadian success in that huge and developing market. I am not completely sure what is our strategy for success, but I have a suspicion that the Minister is trying to have a closer link between Canadian development assistance and Canadian trade, and that bothers me. Development assistance has its own priorities which must stand on their own and be addressed on their own. Time after time, talking about development assistance, representations have been made to the Government that the primary target for such assistance should be the poorest of the poor. Yet Canada has traditionally had a policy of tied aid by which we seek to do two things; we hope to help developing countries and that somehow we help the poor, and we are also very concerned about developing Canadian industry, exports and services.

• (1140)

I do not think the best way to encourage Canadian trade and services is by trying to use development assistance as a lever. These two very commendable goals have to stand on their own, and when we try to use tied aid as a method of levering our way into a market, no matter how important that market is, we end up having some very skewed development projects. We have seen some of the white elephants that have been created by tied aid in other parts of the world. This should not be done on a continuing basis. Trade has its own priorities. We should be addressing it in a straightforward, honest manner, and we should be addressing development priorities in a straightforward, honest manner. I leave those comments with the Minister and with the House.

Again, I thank the Minister for her statement. I want to underscore the importance of her visit, and the visit by other Canadian Ministers and other Canadians generally to the whole Asian area.

Committee Reports

FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS AND FEDERAL POST-SECONDARY EDUCATION AND HEALTH CONTRIBUTIONS ACT, 1977

PRESENTATION OF REPORT OF LEGISLATIVE COMMITTEE

Hon. Allan B. McKinnon (Victoria): Madam Speaker, as Chairman of the Legislative Committee on Bill C-44, an Act to amend the Federal-Provincial Fiscal Arrangements and Federal Post-Secondary Education and Health Contributions Act, 1977, I have the honour to report the Bill to the House in both official languages, without amendment.

I would like to thank all Members from all sides of the House for their co-operation during the consideration of this Bill in committee.

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

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[*Translation*]

PETITIONS

OPPOSITION TO PROPOSED CHANGES TO PATENT ACT

Mrs. Thérèse Killens (Saint-Michel—Ahuntsic): Madam Speaker, I have the honour, pursuant to Standing Order 106, of tabling a petition signed by residents of the riding of Saint-Michel—Ahuntsic who object to the proposed changes to the Patent Act in Bill C-22. They feel the Government's proposal will increase the already high cost of provincial health insurance plans and will also have a direct impact on all Canadians not covered by private insurance plans. The undersigned call upon Parliament to reject this proposal which will increase the price of drugs for all Canadians.

REQUEST FOR INCREASED GOVERNMENT AID TO CO-OP HOUSING PROGRAMS

Mrs. Thérèse Killens (Saint-Michel—Ahuntsic): Madam Speaker, I have another petition, which I have the honour and the privilege of tabling on behalf of my constituents. It is signed by people in my riding who object to the Government's decision to make substantial changes in Canada's housing policy. In this International Year of Shelter for the Homeless, they feel that the Government's definition of essential needs is preventing hundreds of thousands of Canadians living below the poverty line from receiving Government housing assistance.

Wherefore the undersigned humbly pray and call upon Parliament to immediately increase funding for the Co-operative Housing Program.

OPPOSITION TO PROPOSED CHANGES TO PATENT ACT

Mrs. Thérèse Killens (Saint-Michel—Ahuntsic): My last petition is again signed by people from the riding of Saint-Michel—Ahuntsic who object to the proposed changes to the Patent Act in Bill C-22. The undersigned are advising me of their objections because they feel the Government's proposal will increase the already high cost of provincial health insurance plans, considering the fact that the provinces pay 65 per cent of all drug costs.

The undersigned therefore call upon Parliament to reject these proposals which will increase the price of drugs for all Canadians.

[*English*]

Mr. George Henderson (Egmont): Madam Speaker, I have the honour to present a petition from a number of residents in Newfoundland protesting the Government's changes to the Patent Act. Whereas the proposed changes to the Patent Act will directly affect all Canadians who are not protected by private or governmental medicare programs, and whereas the Government's proposal would raise the cost, already high, of provincial health care programs, and whereas the proposed changes to the Patent Act are another example of the Canadian Government's concessions in free trade negotiations with the United States at the expense of every day Canadians, the petitioners humbly pray and call upon Parliament to reject these proposals which will increase prescription drug prices to Canadians.

I have another petition from residents of Hull and from different parts of the Province of Quebec and from as far East as Moncton and Dieppe, New Brunswick. They too say that the monopoly granted to innovative pharmaceutical companies will prevent competition from generic companies and will result in an increase in drug costs and prices which will severely restrict the ability of average Canadians to buy necessary prescription drugs, and that the proposed changes to the Patent Act are another example of the Canadian Government's concessions in free trade negotiations with the United States at the expense of everyday Canadians.

I have a further petition on the same subject, Madam Speaker, from residents of the Province of Quebec, Carleton, St. Omer, Nouvelle and so on. They protest the Government's action in presenting Bill C-22, the Patent Act, and are very much against it. They recognize that Bill C-22 will increase prices to the poor, to ordinary Canadians, senior citizens and those who can least afford it in our society. They ask that this House condemn the Minister and this Bill. They ask the Government to defer and, indeed, scrap this legislation.

Mr. Nelson A. Riis (Kamloops—Shuswap): Madam Speaker, it is a pleasure and indeed an honour to present, pursuant to Standing Order 106, quite a number of petitions on the issue of Bill C-22. They come from Kamloops, Langley, Burns Lake, New Westminster, West Vancouver, Richmond, Nelson, Merritt, Vancouver, Dawson Creek, Burnaby, Mission, Surrey, Coquitlam, Courtenay, Comox, Cumberland, Sardis, Clearbrook, Agassiz, Port Moody, North Delta. All of the petitioners are concerned that the federal Government's proposal to change the Patent Act related to prescription drugs will increase drug prices for Canadian consumers and severely

restrict the ability of average Canadians to buy the necessary prescription drugs. They believe this measure will unfairly hurt those Canadians whose health needs require the purchase of prescription drugs on an ongoing basis. They believe this is simply another example of the Canadian Government's concession to the United States at the expense of average Canadians in the free trade negotiations. The petitioners ask the Government to reject these proposals which they believe will increase the cost of prescription drug prices.

I have a large number of petitions from central Canada and eastern Canada. I will not necessarily read all the various communities. The people are particularly concerned about the fact that the proposed changes to the Patent Act, Bill C-22, will result in higher costs to provincial Government drug plans. They ask the Government to stop proceeding with this legislation.

• (1150)

Mr. David Orlikow (Winnipeg North): Madam Speaker, I have the honour to present a petition from residents of the City of Winnipeg. The petition is in connection with Bill C-22, and the petitioners say that the federal Government's proposal to change the Patent Act relating to prescription drugs will increase drug prices for Canadian consumers and will severely restrict the ability of average Canadians to buy necessary prescription drugs. Therefore, they humbly pray and call upon Parliament to reject these proposals which will increase prescription drug costs for Canadians.

I have several other petitions on the same subject from residents of various towns in Manitoba including Gimli, Fraserwood, Whitemouth, Brandon, Inwood, Teulon, Gunton, Deloraine, Melita and Ranch Grove. They say that the proposed measure will unfairly hurt those Canadians whose health needs require the purchase of prescription drugs on an ongoing basis. They say that the proposed change is another example of Canadian Government concessions to the United States at the expense of average Canadians in the free trade negotiations. Therefore, they humbly pray and call upon Parliament to reject these proposals which will increase prescription drug prices for Canadians.

Mr. Dave Dingwall (Cape Breton—East Richmond): Madam Speaker, it is a pleasure and an honour to submit a number of petitions signed by residents of Vancouver, the Province of Ontario, Lachine, Quebec, and other parts of Canada. They say that whereas the monopoly granted to innovative pharmaceutical companies will prevent competition from generic companies and will result in increasing drug costs or prices and will severely restrict the ability of average Canadians to buy necessary prescription drugs, the petitioners call upon Parliament to reject the proposals contained in Bill C-22, better known as the Patent Act Bill.

I have another petition from residents of Scarborough and Brampton in the Province of Ontario as well as from other parts of Canada. Likewise, they are calling upon the Government of Canada to withdraw Bill C-22 and the amendments thereto because they do not want this particular Bill to negatively affect those Canadians who are in need of prescription drugs, namely, the elderly, the disabled and of course the poor of Canada.

The third petition I have comes from individuals in Brandon, Manitoba, and from other parts of Canada. The petitioners reject the amendments to Bill C-22 for they too believe that this will negatively affect senior citizens, the disabled and the poor as well as four million Canadians who are not covered by any drug programs. The petitioners humbly pray and call upon Parliament to reject these proposals which will increase prescription drug prices for Canadians.

My final petition comes from a number of residents mainly of the Province of Ontario. The petitioners are calling upon the federal Government to withdraw Bill C-22 because the monopoly granted to innovative pharmaceutical companies will prevent competition from generic companies and will result in an increase in drug costs and prices and will severely restrict the ability of average Canadians to buy necessary prescription drugs. Whereas the proposed changes to the Patent Act are another example of the Canadian Government's concession in free trade negotiations with the United States at the expense of ordinary Canadians, therefore the undersigned petitioners humbly pray and call upon Parliament to reject these proposals which will increase prescription drug prices for all Canadians.

Mr. Jim Manly (Cowichan—Malahat—The Islands): Madam Speaker, I have a petition here from a number of Canadians who avail themselves of their ancient and undoubted right to present a common grievance to this House of Commons in the assurance that this House will therefore provide a remedy. They are very concerned about proposed changes to the Patent Act which will result in increased costs for prescription drugs and will unfairly hurt those Canadians whose health needs require the purchase of these drugs on an ongoing basis. It will result in higher costs to provincial government drug plans and the petitioners see these changes as being another example of Canadian Government concessions to the United States at the expense of average Canadians in the free trade negotiations. Therefore, they humbly pray and call upon Parliament to reject these proposals which will increase prescription drug prices for Canadians.

Mr. John Parry (Kenora—Rainy River): Madam Speaker, I have today two petitions for presentation to this honourable House. The first petition has of course been certified correct as to form and content pursuant to Standing Order 106. It has been signed by a large number of residents of the City of Winnipeg and surrounding communities such as Hazel Ridge and Dugald. In this instance, our petitioners are calling upon Parliament to exercise its influence upon the Government to reject the proposed changes to the Patent Act in Bill C-22. Our petitioners cite that the proposed measure will hurt those Canadians who require prescription drugs on an ongoing basis and our petitioners see these as basically being concessions in

the free trade negotiations with the United States for which average Canadians will have to pay.

The second petition is signed by residents of communities in our East Coast provinces including places like Halifax, Dartmouth, Tantallon and Cape Breton. This petition also calls upon Parliament to act so that changes to Bill C-22 are not instituted because of the adverse effect they will have on the budgets of average Canadians who are dependent upon prescription drugs, and they too believe and declare that these are in fact concessions in the free trade negotiations with the United States.

NUCLEAR DISARMAMENT

Hon. Allan B. McKinnon (Victoria): Madam Speaker, it is my duty to table a petition from 70 people in my riding who are united in the Greater Victoria disarmament group. I table it with a sense of duty and privilege. This is a very sincere group and I agree with its ultimate aim of nuclear disarmament, although we may differ as to the best and safest route to get there. I received this petition three days ago. The Clerk testified that it was acceptable yesterday and I am tabling it today. I think that is a reasonable amount of time to spend on a petition from a delegation. I said that this group was sincere. It is also enthusiastic. There are 73 signatures, one gentleman signed twice and a lady signed three times.

OPPOSITION TO PROPOSED CHANGES TO PATENT ACT

Mr. John R. Rodriguez (Nickel Belt): Madam Speaker, I have the responsibility and privilege of presenting a petition to the House. This petition comes from many Canadians in Atlantic Canada including such places as Amherst, Springhill, Moccar, Joggins, Truro and Brookfield in Nova Scotia and Moncton and Riverview in New Brunswick. These petitioners make the point that the proposed changes to the drug Patent Act will increase drug prices for Canadian consumers and will severely restrict the ability of average Canadians to buy necessary prescription drugs, and that in fact these proposed measures will unfairly hurt Canadians whose health needs require the purchase of prescription drugs on an ongoing basis. They point out that it will result in higher costs to provincial government drug plans, something which the Minister of Consumer and Corporate Affairs (Mr. Andre) has confirmed. They also point out that this is another example of the Canadian Conservative Government knuckling under to the United States at the expense of average Canadians in an effort to get a free trade agreement. Therefore, these Canadians humbly pray and call upon Parliament to reject Bill C-22 which will serve only to increase prescription drug prices for average Canadians.

• (1200)

Mr. Howard McCurdy (Windsor—Walkerville): Madam Speaker, I, too, have a petition which has been properly certified pursuant to Standing Order 106. I am honoured to exercise the privilege I have as a Member of Parliament of tabling a petition from Canadian citizens who avail themselves of their ancient and undoubted right to present a grievance in common in the certain assurance that the House will provide a remedy. This petition adds to the thousands of names submitted in protest over the Government's introduction of Bill C-22. The petitioners protest that the Bill contains proposals to change the Patent Act relating to prescription drugs which will increase prices for Canadian consumers and severely restrict the ability of average Canadians to buy necessary prescription drugs. The proposed measure will unfairly hurt those Canadians whose health needs require the purchase of prescription drugs on an ongoing basis. As well, the proposals will result in higher costs to provincial government drug plans. We also know that this legislation is a part of the concessions, the genuflection, if you will, before the demands of the U.S. which were required for the free trade negotiations. Therefore, the petitioners humbly pray and call upon Parliament to reject these proposals which will increase prescription drug prices for Canadians, as in duty-bound your petitioners ever pray.

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QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Doug Lewis (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Madam Speaker, I would ask that all questions be allowed to stand.

The Acting Speaker (Mrs. Champagne): Shall all questions stand?

Some Hon. Members: Agreed.

* * *

POINT OF ORDER

HOLOCAUST—INTENT OF HON. MEMBER'S STATEMENT

Mr. William G. Lesick (Edmonton East): Madam Speaker, on Monday, March 16, 1987, I rose on a point of order and delivered a statement concerning the Deschênes Commission. Upon receipt of the "blues" I approved the content as being the exact wording of my text. However, when Monday's *Hansard* was released, a change had been made to the final sentence, thereby altering the basis and intent of my statement. Mr. John Ward, Editor in Chief of English *Hansard*, assures me that the corrected statement will appear in the bound edition of *Hansard*. I appreciate the diligence and dedication of Mr. Ward and his staff for their prompt action in correcting the error. However, in order that my original statement appear in *Hansard* for distribution, with your indulgence, Madam Speaker, I wish to read it again today.

Madam Speaker, I rise with respect to comments attributed to me in the *Edmonton Journal* of March 13, 1987, regarding the Deschênes Commission report.

I want to state that the intent of my remarks was to acknowledge that both Ukrainians and Jews had suffered enormous losses at the hands of oppressors.

In recognizing the tragic death of some 5.5 million Ukrainians, I in no way wished to minimize or downplay the atrocities and the evil of the Holocaust perpetrated by the Nazis.

If, inadvertently, my remarks have given offence or led anyone to believe I do not share a sense of outrage at the Holocaust, I categorically apologize and withdraw any statement, which may be interpreted as offensive to the Jewish community and indeed to any Canadian.

Ukrainians and Jews share a common experience as victims of grotesque oppression and cruelty. My desire is to see us work together to ensure neither Holocaust is forgotten nor allowed to happen again.

[*Translation*]

The Acting Speaker (Mrs. Champagne): I wish to inform the House that because of the Minister's statement, Government Orders will be extended by 32 minutes from 1 p.m. today.

GOVERNMENT ORDERS

[*English*]

PATENT ACT

MEASURE TO AMEND

The House resumed from Wednesday, April 1, consideration of Bill C-22, an Act to amend the Patent Act and to provide for certain matters in relation thereto, as reported (with amendments) from a legislative committee, and Motion No. 2 (Mr. Dingwall, p. 4745).

Hon. William Rompkey (Grand Falls—White Bay—Labrador): Madam Speaker, I am pleased to have this opportunity to speak on one of the saddest pieces of legislation to come before us. It will do great damage to a very vulnerable sector of our society. It will impact mostly on the elderly, the sick and the disadvantaged. Why is this being done? We are told one reason is that more drug research will be done in Canada.

I want to address my remarks particularly to the amendment because it points out that there is no definition of research in the Bill. The Minister says he does not want to put a definition in the Bill for fear of limiting the kind of research to be done by a multinational. I want to remind him of the words of his Leader who said he was not afraid to impose prosperity on the regions. I say to him, do not be afraid to impose prosperity on the regions of this country. Do not limit

the amount of research because all over my riding holes are being dug in the ground in anticipation of the research centres which will be going up. There is a hole in Donovans Industrial Park in St. John's. I suspect the man digging that foundation is doing it in anticipation of the new research centre to go up there. In Wild Bight, White Bay, there is another hole in the ground and I suspect another research centre will be going up there in anticipation of this new legislation. We will probably see research centres growing up all over Newfoundland and Labrador. Indeed, research could become a new growth industry employing all those unemployed fishermen, all those miners laid off in Labrador City because of the downturn in the mining industry, and all those unemployed young people. No doubt they will get jobs in all those new research centres that are going to go up.

Well, that is a fiction. The record will show that R and D has not been done in Canada up until now and most certainly will not be done in the future because Canada has a small domestic market and historically the multinationals have chosen to perform R and D in their home country. I suspect that no matter what this legislation does that situation will continue. The multinationals will continue to do their research where they have done it before in spite of this legislation. I do not buy the argument that more research and development will come to Canada as a result of the passage of this Bill.

• (1210)

There is no question but that drug prices will rise. As a matter of fact, the Minister has admitted that, by passing along to the provinces $100 million over the next four years in anticipation that drug prices will rise so that the provinces will be able to fund, to a certain extent, the drug programs. However, that will be only a drop in the bucket. The real burden of the price increases which will come will be on the elderly, the sick, and particularly on low-income people.

A Bill on day care was introduced earlier this week. We are doing something about day care in this country because of the changes that are going on in Canadian society. There are more single-parent families today and most of the single parents are women who, of necessity, must look after their children somehow or other. They are doubly disadvantaged because, as we know, women are already in a disadvantaged position with regard to employment in this country. The average working woman is making 60 cents to every dollar earned by a man. I make that point because I believe we need to understand the changes which are going on in our society and understand the kind of people on whom this Bill will impact. The pressure will be exerted when children are sick and drugs have to be bought. That is when the unhappy effects will be felt.

The effects will also be felt by the elderly, the fastest growing section of the Canadian population. That range in our population will escalate dramatically during the next few years. We all know that as we age we have a greater dependency on medical help and drugs. I am starting to feel it

myself, although I am not that old. When drug prices increase the burden will be felt by the senior population as well.

These things will happen and that is why I think it is important to support the amendment before us today, and object to the measures in the Bill because there is no commitment to enforce the legislation. There is nothing built in which ensures that multinationals will live up to what they say they are going to do. I believe we would have been prepared to accept the reasonable position put forward by the Eastman report. Everyone understands that there must be some legitimate protection for people who invent new things, that there must be some legitimate compensation for them.

However, legitimate and reasonable are the words upon which we must focus. I do not agree that we should say that they may design and introduce whatever new drugs they wish and can have a monopoly for a 10 year period. I do not know of anyone who willingly holds down prices in a monopoly. Unless there is some sort of competition, some balance in the market-place, people who have a monopoly on a product will charge as much as they can for it. That is part of the free market system. However, it seems to me that there is no reason the Government of Canada should hand such an opportunity to companies which are mostly American, while putting at a disadvantage distinctively Canadian companies which have grown up over the years.

There is no question that some price rise has to occur. The Eastman report suggested that a certain minimum price rise occur, that there be a royalty, and that possibly the period for the royalty might increase somewhat, but not to a 10 year period. In other words, the Government has gone well beyond what Eastman recommended. We will get not a reasonable increase for people who buy new drugs in the country, but a gouging of the Canadian consumer, particularly the elderly, those who are sick, and those who are on low incomes. That is the reality, Madam Speaker.

There are some people who say that there is really no difference between Parties anymore, that all people are Liberal-Conservatives, Conservative-Liberals, or whatever. However, it seems to me that this Bill puts into focus the difference in philosophy. When this Party was the Government it introduced, I believe in 1969, the regulations which have been in effect up until now through which there has been some competition in the market-place, which has kept the price of drugs down for Canadian consumers. There was something in the order of $200 million a year in savings to the Canadian people as a result of the legislation that was passed. Legislation has now been introduced which will dramatically drive up the price of drugs. That may not happen right away because this is a Sominex Bill, a sleeper Bill, but the price rises are coming.

When the Government tried to reduce old age pensions there was a mobilizing, for the first time, of gray power all across the country. This is the time for a re-enactment of that play, for the return of gray power. If we are going to do a job in this chamber of opposing this legislation I hope the seniors will once again come to the support of the Parties who are opposing this, will mobilize their forces and tell the Government that they are not prepared to put up with legislation which impacts directly on them, by putting an undue and unfair burden on them over the next 10 years.

Mr. Stan J. Hovdebo (Prince Albert): Madam Speaker, I would like to take this opportunity to say a few words about the amendment before the House which attempts to put into the Bill a definition of "research". Most of the Members of this House have at some time been in Opposition and have a healthy disrespect for Bills which leave too much to regulation. Any citizen who has dealt directly with the interpretation of legislation must have a concern with a Bill which leaves so much to regulation that in many cases the regulations become more important with regard to the impact of the Bill than the Bill itself.

Nothing is more central to this Bill than research, how it is defined and what research can be done in Canada. I understand that many of the people who appeared before the committee had concerns about this particular section and believed that research had to be much more clearly defined and detailed in the Bill. The clause in the Bill which says: "The Governor in Council may make regulations defining, for the purposes of this section, the expression 'research and development' ", leaves the matter up to Cabinet. It is our concern and that of the Official Opposition that this point should not be left to regulation.

The disadvantages of not adhering to this principle are pretty well known. When precise instructions are not in legislation it is left to a regulator and there is always a possibility that the regulator will interpret the Act in a way quite different than what was originally intended when Parliament passed the Act. We are not satisfied to leave the definition of "research" to the Cabinet. We believe the Cabinet has already caved in to the multinational companies and, with the establishment of regulations, will continue to cave in.

• (1220)

One of the great disadvantages of leaving the definition to the regulators is that it is a hidden process. It does not provide for input from a large number of people. The legislative structure of the Bill allows all of us to talk about it. It allows hearings and discussion, but that does not happen in the making of regulations. A regulation can be changed very quickly, for example, by another regulation. Even if we now receive regulations from the Government under this Act, that would not make us feel secure that the definition would be the same next year because those regulations can be replaced by other regulations.

Often this process of changing a regulation or replacing a regulation goes unnoticed, yet it can have enormous implications. We have found in the past that regulations often allow the vested interests of those who have the time and money, and the reason, to impact on the Cabinet. The changing of

regulations is often controlled by that particular group. That is not in the public interest, or in the interests of Parliament.

The Hon. Member for Cape Breton—East Richmond (Mr. Dingwall) has made a commendable attempt to present a statutory definition of "research". The Hon. Member for Winnipeg North (Mr. Orlikow) has also made an attempt to put into this Act a definition of "research" which would force the people who are going to be governed by this Bill to recognize that they have a greater responsibility.

Some kind of amendment to the R and D definition is needed. People who appeared before the committee told us that it is now a kind of logical decision. We have no guarantees that the companies will invest the sums they say they are committed to. We have no guarantees that the investments will be in research rather than in any other kind of investment. We have no guarantees that the investment will be in research or even in basic research of useful medicines. The investment may instead be in processes and other things which really have nothing to do with the basic idea of research into pharmaceuticals.

What we do have is some indication of how the companies intend to proceed toward meeting their goals. As the Minister for Consumer and Corporate Affairs (Mr. Andre) has expressed it, there will be 3,000 high-quality jobs created for Canadian scientists and biochemists over the next 10 years. The Minister made that statement in his attempts to justify this Bill. The access to information application made by Southam News indicates that the Minister, even as he made this statement, did not believe it. What that document shows is that of the 3,000 jobs, there will be 1,148 employed by the industry in professional categories. So the statement of 3,000 jobs for highly-qualified people has become 1,148 in the professional category. There will be another 541 persons employed extramurally, probably in universities and research institutes. There are 652 jobs classified as "technical", which means lab technicians who would have an undergraduate or community college standing. There are 620 "others" who turn out to be, in the words of the Department of Consumer and Corporate Affairs, managers, cleaners, animal keepers, statisticians and clerks. These are not what we would consider highly qualified scientists and biochemists. These jobs are almost menial in their level. Are these the kind of jobs to which we are committing a large amount of money?

What we have seen in the context of this particular Bill, as far as the Government is concerned, is that very little will be delivered for what it will cost all Canadians in terms of increased drug costs. The reluctance of the Government to accept the definition of "research" shows it is really in the pockets of the multinationals. The multinationals do not want to be confined and committed to a long-term investment in research in Canada.

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, I am pleased to be able to rise today to address Bill C-22, specifically the amendment setting forth the definition of "research" proposed by a representative of the Liberal Party. In doing so, I am a little sorry there are not more Members of the Liberal Party in the House to hear me, because I intend to start by praising the Liberal Party for its political courage in attempting to define "research". That political courage means more when we consider that it was the Liberal Government, after all, which brought in the Scientific Research Tax Credit which cost the taxpayers something in the region of $3 billion. I think it shows that in the development of a political party there are times when the great tragedies and failures that political party has inflicted on the country in the past must in a sense be set aside in the search for better legislative solutions in the future. Therefore, I see this as very much being an acknowledgement by the Liberal Party of how much it has cost this country in the past in not properly defining and limiting the eligibility of research expenditures for tax credit treatment.

I must say that, having grasped that particular nettle and acknowledged the grave derelictions in Liberal history, that Party has not come up with what I would accept as the best offer of a definition of "research". I will talk later about why that definition of research is so important to this Bill. It has come up with what I believe is a somewhat incomplete definition. I must say that even were there no partisan considerations involved, and of course there are, I would prefer the definition that has been put forward in Motion No. 43 by my very distinguished and erudite colleague, the Hon. Member for Winnipeg North (Mr. Orlikow), who, as I am sure every Member of this House is aware, has worked on this sort of problem and this sort of legislative project for very many years in the House. He has built up an enormous understanding of the significance of proper definition to the ultimate effectiveness of a Bill.

• (1230)

After all, what Bill C-22 aims to do, essentially, is open the floodgates to profiteering on the part of multinational drug companies. It aims to open them in such a way that the multinationals will not have to look at possible legislative differences between Canada and the United States when they are pushing a drug development project. In saying this I am not taking away from the significance, the relevance or, indeed, the hope for the future that some of these prescription medication development projects entail. I think we are well aware that, but for the progress that has been made over the past century in the development of medication, the public health scenario in North America and, indeed, in the world would be much bleaker than it is today.

But the existence of a system which sometimes produces excellent results and sometimes satisfactory results is no excuse for failing to attempt to develop or, indeed, in this case maintain a superior system. After all, resources are the common currency. Financial resources are the very language of government. The devotion of an excessive proportion of resources, as would be the case in the sort of profit-oriented regime proposed by the Minister of Consumer and Corporate Affairs (Mr. Andre), to the rewarding through the profit

mechanism of the multinational drug companies is not in the best interests of an intelligent allocation of resources or in the best interests of Canadian health care consumers.

What was wrong with the system that we had before the Government introduced its proposed amendments to the Patent Act as set out in Bill C-22? That system did not appear to deny Canadians access to new medication technology or to new medications. It could never have been said about that system that it crippled any of the multinational drug companies. It could never have been said that it drove them out of business. I do not think that it could ever have been said that under the present regime of patent protection the opportunities for drug companies to recoup their research were limited or in any way impaired below a reasonable expectation of return and a reasonable flow of funds for the development of future research. In going beyond the Eastman report in Bill C-22 the Government has essentially made a preliminary concession to the United States in terms of the trade negotiations. I am concerned about the status of these preliminary concessions because it seems to me that Canada is giving preliminary concessions in more than one negotiation in order to bring the other side to the table in a good mood. I do not think that is an appropriate basis on which to conduct bilateral trade negotiations. I do not think that it is an appropriate basis on which to negotiate the allocation of cod stocks on the Grand Banks of Newfoundland. I do not think that it is an appropriate basis on which to go into multilateral trade negotiations, for example. But, indeed, this might become the expectation of those who go into negotiations with the Canadian Government, if a pattern is set, providing these preliminary sweeteners bring the other parties to the negotiation table.

My colleague, the Hon. Member for Prince Albert (Mr. Hovdebo), provided a very detailed and, I believe, a very precise analysis of just what the 3,000 so-called high technology research jobs that the Government is claiming come down to. I think it is worthwhile to put on the record again that this is essentially a chimera, that there are no guarantees attached to those 3,000 supposed jobs. The Government really does not have any worthwhile assurances that those jobs will in fact be created.

It is also worthwhile to remind the Government that the Canadian system of drug licensing and the Canadian regulations, with their lower limits on patent protection, are indeed something that have been the subject of study. I believe it was a U.S. Congressional committee which rather liked the Canadian example and felt that it lay within its responsibility—indeed it was its duty as legislators of our great neighbour to the south—to examine the Canadian system to determine whether or not it might be applicable to the United States.

I would like to point out also that the delayed effect essentially allows the Government to forever slide out of any analysis or any form of objective assessment of any benefits that may be realized under Bill C-22. We may expect that Motions Nos. 2 and 43 will be rejected by the House, since the Government will exercise its majority. However, without the inclusion of one or other of these motions there will not be an opportunity for the Government and for the public of Canada to assess in some objective way if this Bill has achieved its objectives.

On the contrary, the Government wishes to proceed by regulation which, of course, is a hidden process. It wants to go by regulation since regulations can be changed virtually at will and virtually without any reference to Parliament or the public. It wants to go with regulation because that will allow the continuance of that obviously cozy, obviously mutually rewarding relationship which the Government has established with those same multinational drug companies. We know that in the case of powerful and committed lobbies, such as those of the multinational drug companies, regulations are at the mercy of those interests. Unfortunately, the natural order of things appears to be that regulations are involved to accommodate the industry and its appetite for profit and not to regulate it in the best interests of Canadians.

Mr. Svend J. Robinson (Burnaby): Madam Speaker, I am pleased to be able to participate in the debate on this important amendment which would ensure that there is a definition of research in Bill C-22. My colleague, the Hon. Member for Winnipeg North (Mr. Orlikow), who has done an outstanding job on behalf of New Democrats all across Canada—indeed on behalf of the people of Canada—with respect to this legislation has proposed an alternate definition which, quite frankly, is more tightly drafted and is in fact preferable to the proposal of my colleague, the Hon. Member for Cape Breton—East Richmond (Mr. Dingwall), although I am certainly pleased to support his proposal as well.

The nub of this issue is the extent to which we as Members of Parliament are prepared to leave to Cabinet the definition of "research". I believe it is essential for us, as elected representatives of the people, as parliamentarians, to define this fundamental concept in the legislation. The whole thrust of the Government's amendment is that there will be a major expansion of jobs in the research sector in Canada if this legislation is adopted. The Government admits, as it has to, that the cost of drugs in Canada will increase, and in some cases increase dramatically, as a result of the passage of this legislation; but it says that it is prepared to accept those increases in the prices of drugs because, in exchange, it is going to create a lot of new jobs in Canada in the area of research and development.

• (1240)

An Hon. Member: Not true.

Mr. Robinson: Madam Speaker, I think we have to examine very carefully whether this basic foundation for the Government's legislation is well founded. We have to ask ourselves, for example, whether the jobs to be created in research and development will be jobs created in the area of basic research, or whether they will be jobs created in the area of clinical research. I suspect, Madam Speaker, as witness after witness

who appeared before the legislative committee on this Bill confirmed, they will not be primarily in the area of basic research at all; that they will be, overwhelmingly, in the area of clinical research.

As well, Madam Speaker, it is important that we underline the fact that the promise of additional jobs in the pharmaceutical industry is not one that is directly based solely on the passage of this legislation. We have to recognize that in Canada we have an aging population, and as the population ages the demand for pharmaceutical drugs increases. So, the projection of new jobs in Canada is not only as a result of the adoption of this legislation, to which only a small part would be attributable, but also, to a very significant extent, to the natural increase in the demand for drugs on the part of an aging population.

Madam Speaker, my constituents in Burnaby have asked me why it is that the Government is determined to proceed with a measure which is going to result in significantly increased prices for new drugs for the elderly, for the sick, for the disabled. As well, Madam Speaker, it is a measure which will result in an over-all increase in taxes in those provinces which have pharmacare plans.

I have been asked what is the basis for this. A senior citizen in the New Vista highrise in Burnaby asked me why it is that the Government is so determined to increase drug prices, what is the advantage of this, and whether it is going to create new jobs. One of the seniors said that she had received a letter from the Minister of Consumer and Corporate Affairs (Mr. Andre) in which the Minister had promised that there would be a minimum of 3,000 high quality jobs for Canadian scientists and biochemists created over the next 10 years. She said to me: "I have a grandson who is studying chemistry at university, and we are concerned that there aren't enough jobs for young scientists in Canada. So obviously, if there is a real possibility of a significant expansion of jobs in basic research in Canada, that is something that all of us would welcome".

But, Madam Speaker, when one reads between the lines, as my colleagues have already noted, one finds that the promise of 3,000 high quality jobs for Canadian scientists and biochemists is a myth, is a fabrication. It is just not going to happen. The Government's own documents show that these so-called 3,000 jobs will not be jobs in the professional categories, let alone in basic research; rather, a significant number of those people will in fact be employed, to use the words of the Department of Consumer and Corporate Affairs, "as managers, cleaners, animal keepers, statisticians, and clerks".

An Hon. Member: No PhDs.

Mr. Robinson: Madam Speaker, the reality in Canada today is that some of our cleaners and some of our clerks are in fact PhDs, are people who, while highly trained, cannot find employment in their fields. As a result of the failure of this Government's policy, and the failure of the policies of the Government before it, many of these people are driving taxis or are in fact working as clerks or as animal keepers.

We in the New Democratic Party, Madam Speaker, believe that we should be using the resources of the people of Canada. We believe that we should be challenging our young people; that we should be encouraging them to engage in basic research—but not, Madam Speaker, in the way that the Government has proposed.

My colleague from Windsor—Walkerville (Mr. McCurdy) has spoken, often eloquently, on the subject of the crisis in funding for post-secondary education in Canada. Instead of pouring hundreds of millions of dollars into the coffers of multinational drug companies, why not put money into the future of the young people of this country by strengthening the system of post-secondary education in Canada?

When my constituents in Burnaby, Madam Speaker, asked me why it is that the Government wants to hit the old, why it is that they want to hit the sick, the disabled, I had a look at the Government's political agenda, and, Madam Speaker, what I found was very interesting. I found that part and parcel of the free trade negotiations between Canada and the United States is a commitment by the Progressive Conservative Government and the Prime Minister of Canada (Mr. Mulroney) to the multinational drug companies in the United States that their concerns will be taken care of. That is the deal; that is the fix, Madam Speaker.

Clayton Yeutter, the chief U.S. negotiator on free trade, in a speech delivered in Chicago in October of last year, made the following statement:

> We have longstanding concerns regarding the inadequate protection in Canada of pharmaceutical patents, as well as the absence of copyright protection of U.S. broadcasting which is picked up and retransmitted throughout Canada. We wish to secure adequate intellectual property protection in both of these areas.

So, what we see here, Madam Speaker, is an attempt to placate American national drug companies. And who is being sacrificed? It is those who are most vulnerable in Canada today: the elderly, the sick, the disabled. And it is the poor, Madam Speaker, whose taxes will increase with the increase in the cost of provincial pharmacare plans.

Recently, Madam Speaker, we saw a budget tabled in the Province of British Columbia which will result in a significant increase in the cost of drugs right away to the elderly, an increase of some $250 a year—and this to those who can least afford to pay. That increase comes as a result of the Vander Zalm Government proposal to add on the increased costs to the B.C. pharmacare plan.

The senior citizens of Canada, Madam Speaker, have spoken out strongly, and unanimously against this Government's proposal to destroy what is an effective plan to keep the price of pharmaceutical drugs in Canada down. My colleague, the Member for Nickel Belt (Mr. Rodriguez) is in the Chamber. He spoke yesterday with fire and brimstone—

Mr. Dingwall: And eloquence.

Mr. Robinson: —about the history of this matter. I do not think I have to remind Canadians, Madam Speaker, that it

was the previous Liberal Government which first set out to erode the protections in this area; that it was the then Liberal Government, Madam Speaker, that appointed Martin O'Connell to head a commission on the subject, an individual who in fact was buddy-buddy with the multinational drug companies. Canadians know that history, Madam Speaker. They are well aware of the fact that this is a process which was started by the Liberals and which is now being continued by the Conservatives. The only Party which has consistently spoken out in favour of the interests of Canadian consumers, the elderly, the poor, the disabled in Canada, is the New Democratic Party, and we will continue to speak out on their behalf.

You are signalling me, Madam Speaker, that my time is in fact coming to an end on this particular amendment.

An Hon. Member: With regret.

Mr. Robinson: Obviously, my colleagues will be continuing, during the course of the next weeks and months, to speak out on this important Bill. I want to assure, Madam Speaker, not only the people of Burnaby but all of the people of this country, that there is one Party which is consistent in its determination to keep the cost of pharmaceutical drugs down, to enhance the quality of research in Canada, to provide jobs for young Canadian scientists, and that Party, Madam Speaker, is the New Democratic Party of Canada.

Some Hon. Members: Hear, hear!

The Acting Speaker (Mrs. Champagne): Is the House ready for the question?

[*Translation*]

Is the House ready for the question? The question is on the following motion: Mr. Dingwall, seconded by Mr. Gauthier, moved:

That Bill C-22, be amended in Clause 15 by adding immediately after line 34 at page 10 the following:

""research" is exploratory and innovative work undertaken on a systematic basis towards the acquisition of new knowledge in new ways. New knowledge involves the integration of newly acquired information into existing hypothesis, the formulation and testing of new hypothesis or the re-evaluation of existing observations;"

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

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mrs. Champagne): All those in favour of the motion will please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mrs. Champagne): All those opposed will please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mrs. Champagne): In my opinion the nays have it.

And more than five Members having risen:

The Acting Speaker (Mrs. Champagne): Pursuant to Standing Order 114(11), the recorded division is deferred.

• (1250)

[*English*]

Mr. Dave Dingwall (Cape Breton—East Richmond) moved:

Motion No. 3

That Bill C-22 be amended in Clause 15 by striking out lines 13 to 18 at page 11 and substituting the following therefor:

"consumption in Canada".

Mr. David Orlikow (Winnipeg North) moved:

Motion No. 4

That Bill C-22 be amended in Clause 15 by striking out lines 18 to 49 at page 11 and lines 1 and 2 at page 12 and substituting the following therefor:

"for sale for consumption in Canada until the expiration of four years after the date of the notice of compliance."

Mr. Dave Dingwall (Cape Breton—East Richmond) moved:

Motion No. 5

That Bill C-22 be amended in Clause 15 by striking out lines 19 to 49 at page 11 and lines 1 and 2 at page 12 and substituting the following therefor:

"(2) The prohibition under Subsection (1) expires in respect of a medicine four years after the date of the notice of compliance that is first issued in respect of a medicine where that notice of compliance is issued after the coming into force of this section."

Motion No. 11

That Bill C-22 be amended in Clause 15 by striking out lines 8 to 14 at page 12 and substituting the following therefor:

"(4) Subsection (1) does not apply in respect of a medicine where

(a) on the day of coming into force of this section a notice of compliance has been issued to the patentee and a licence has been granted under Section 41 in respect of the medicine but no notice of compliance has been issued to the licensee; or

(b) on the day of coming into force of this section a notice of compliance has been issued to the patentee and a notice of compliance has been issued to a person other than the patentee but no licence has been granted; or

(c) on the day of coming into force of this section, a notice of compliance has been issued to the patentee but no notice of compliance or licence has been issued to a person other than the patentee."

Motion No. 13

That Bill C-22 be amended in Clause 15 by striking out lines 28 to 32 at page 12 and substituting the following therefor:

"or production of medicine."

Motion No. 15

That Bill C-22 be amended in Clause 15 by striking out lines 3 to 7 at page 13 and substituting the following therefor:

"production of medicine".

He said: Madam Speaker, as a result of a ruling by the Speaker, Motions Nos. 3, 4, 5, 11, 13, and 15 have been grouped for the purposes of debate, but I believe they have been split for the purposes of a vote which will take place at a later time.

With regard to Motions Nos. 3, 13, and 15, they will delete product patents from the legislation, which is the purpose of the amendment. As the law now stands, only process patents can be granted. Bill C-22 would allow product patents to be granted as well. Canadian biotechnology firms say that this change will effectively put them out of business.

I thought it was the intention of the Government of the day to try to foster new economic activity in the country, not to retard or negative in any way those industries already in place. However, with the way in which Bill C-22 is drafted, it will have the opposite effect of the stated intention of the Government. Biotechnology firms want to keep the process of genetic engineering patentable, but because these substances are naturally occurring they do not believe that the product developed from the use of process should be patentable.

For example, companies like Cangene, which appeared before the legislative committee on Bill C-22, made a very forceful, thoughtful, and reasonable presentation. Cangene extracts naturally occurring substances, genes, from healthy individuals and injects them into unhealthy individuals in a manner which triggers the unhealthy individual to manufacture the substance in his or her own body. The way the Bill now stands, it would prevent companies like Cangene, which are very actively involved in the biotechnology sector of the pharmaceutical industry or the health science industry, from carrying on their activities in a viable way.

As we debate the provisions of Bill C-22, I think it is important to try to maintain a clear and unequivocal objective. It is the stated intention, desire, and objective of our Party that we have a balanced approach to the vital elements which make up the pharmaceutical industry in Canada. Whether one looks at it from the point of view of the creation of new jobs, from the aspect of research and development and what will take place in Canada as a result of Bill C-22 being passed into law, or from the perspective of Canadian consumers who must purchase prescription drugs, it is clear that Bill C-22 will not allow us to attain that particular objective.

• (1300)

The Government is discriminating or unwisely prohibiting certain firms in that sector from prospering. We think that is wrong, Madam Speaker. If one has to have a Canadian pharmaceutical industry, one has to bring in public policy which addresses all of the concerns to achieve that result. Unfortunately, and I say this with great sincerity, Bill C-22 has major omissions regarding that objective.

Motions Nos. 4, 5 and 11, and I say this as simply as I can, Madam Speaker, because I know you are very attentive to these various amendments, deal with the recommendations contained in Dr. Harry Eastman's report. That report was commissioned by the previous administration whereby Dr. Eastman studied the subject at great length. It would be fair to say that from all perspectives he is indeed an authority on the pharmaceutical industry. Motions Nos. 4, 5 and 11, deal with Dr. Eastman's recommendations, namely, a four-year period of exclusivity after the granting of a notice of compliance. Here is where one will probably want to talk about Dr. Eastman's recommendations regarding the pharmaceutical royalty fund. I know members opposite, particularly those who served on the legislative committee, had some difficulties grasping—I do not say this to be disputatious or to be mean—and comprehending the thrusts of Dr. Eastman's recommendations regarding that. In summary, companies would pay into the pharmaceutical royalty fund and would receive back a proportion in accordance with the amount of research and development they conduct here in Canada. Dr. Eastman has felt that by increasing royalties rather than unduly—this is very key—lengthening patent protection we would avoid the anti-competitive aspect of exclusivity.

Since the Chair has ruled that these motions have been grouped together for the purposes of debate, let me conclude in the few minutes I have by saying that the present amendment of the administration of the Conservative Government grants an extended monopoly provision to multinational companies in this country. One is concerned with trying to develop and enhance the Canadian pharmaceutical industry but the Bill has grave and serious omissions with other elements regarding consumers, research and development. It is acknowledging in Bill C-22 that the concept of intellectual property ought to be the main thrust of a possible tool, as I believe Bill C-22 could be, for economic development in Canada.

My Party has accepted the recommendations of Dr. Eastman because he is an authority and because he has studied the subject. We believe the recommendations to be reasonable. Having said all of that, I have to clearly and unequivocally dissociate myself from what the Government is attempting to do. I disagree with its extended monopoly provisions to brand name companies. Nothing has been done about prices other than to pay lip service. In paying lip service, they have acknowledged, quite rightly, that prices in Canada will rise by an exorbitant amount. They have done nothing in terms of clear enforceable guarantees, *vis-à-vis* commitments for research and development.

Bill C-22 has major omissions. We as a Party disagree with the thrust of Bill C-22. We have submitted these amendments to try to improve upon the Bill. I would hope that the Government would accept our amendments because they are both reasonable and, I think, address all of the vital elements that go into developing a Canadian pharmaceutical industry.

The committee has heard a number of witnesses from all walks of life who are opposed to the Government's desire and intention to give unfettered monopoly sanctions or provisions to the multinational corporations. The amendments we are putting forward today, and I know my colleague from the New Democratic Party has an amendment and will probably want to speak to that directly himself, are trying to address a very important element of the Canadian economy.

Mr. David Orlikow (Winnipeg North): Madam Speaker, I rise to support the thrust of these amendments, one of which,

Motion No. 4, I moved on behalf of our Party. We should keep in mind the history of this Bill. Without going into a lengthy historical account, let me remind Hon. Members and the Minister that until 1969 our system of legislation for patent protection of prescription drugs was very much like the system in the United States. As a result we had the second highest prescription drug prices in the world.

A whole series of inquiries were held by the Restrictive Trade Practices Commission, eventually by a parliamentary committee headed by a member at that time, Dr. Harley, and it was substantiated very clearly that Canadians were paying far too much for prescription drugs.

In 1969 the legislation was changed. After companies had satisfied health authorities that a drug would be medically safe and adequate they could get a licence to produce the drug. This drug had already been researched and developed by another company, usually a multinational, and companies we call generic companies could produce that same drug after paying a royalty fee to the original company.

• (1310)

After 1969, as a result of that change in the legislation, prices for prescription drugs in Canada have been among the lowest of the industrialized countries. The multinational corporations were, to say the least, unhappy about this and they began very quickly to mount a campaign against it. They are very powerful politically. They have a lot of money to help political Parties, Members of Parliament or candidates who want to become Members of Parliament with campaign funds. Their parent companies which are usually in the United States have tremendous power in the United States.

The multinationals were not simply worried about what had happened in Canada, they were worried that the American public would see the success of the program we instituted in Canada and would begin to call for a similar program in the United States. That in fact happened. Congressman Waxman heads up of a subcommittee which has studied this question extensively. He is moving to bring in the kind of program we have had in Canada since 1969. Governor Cuomo of New York State has found that the state is facing increasing costs because senior citizens who qualify for Medicaid and Medicare programs in that state receive all or part of their prescription costs from the state. The state is looking at these escalating costs and is now taking steps to encourage pharmacists to use generic drugs when filling prescriptions for senior citizens.

The then Minister of Consumer and Corporate Affairs in the Liberal Government, the Hon. Member for Papineau (Mr. Ouellet), listened to the complaints of the multinational companies and wanted to do something about them. However, he realized that there would be a great deal of pressure in opposition to any major change so he appointed a professor from the University of Toronto, Professor Eastman, to study the problem. Professor Eastman conducted a very lengthy study, but by the time he brought his report to Parliament the election had taken place and we had a new Government, a Conservative Government, but not a very progressive one.

What happened to Professor Eastman's report? Did the Government greet it with interest and hope? No, it virtually hid the report. The Government which talks so much about being open and wanting to listen to people then proceeded to try to achieve for the multinational corporations what they wanted, and that was a much longer period of exclusivity after having developed new drugs so that they could set prices at the levels they wanted. The Government proceeded to try to get for the multinational pharmaceutical companies what they wanted by arranging for secret meetings to be held between the members of the Pharmaceutical Manufacturers Association of Canada, representatives from the multinationals and representatives from the generic companies. The Government was telling the generic companies that they had better agree to something and give something up or else the Government would bring in legislation which they would like even less. There was very little talk about Professor Eastman's report or its merits.

When the many organizations that represent the people of Canada realized what was happening, they began to express their opposition to it. The Consumers' Association of Canada is not a very radical organization. It is an organization that is very cautious and careful. It very carefully examines issues which are of concern to consumers before it comes to a conclusion. As soon as that organization looked at the Bill which was brought in by the former Minister of Consumer and Corporate Affairs, it made it very clear that it was very critical of the Bill and it has continued to oppose it. The Canadian Labour Congress and unions associated with it, seniors' organizations almost without exception and farm groups such as Keystone Agricultural Producers all opposed the Bill virtually from the day it came out.

Then began the waffling. We now have a Bill before us which supposedly implements the proposals of Professor Eastman's report. If one were to examine the Bill and compare it with Professor Eastman's proposals, one would see that they have very little in common.

The Minister of Consumer and Corporate Affairs (Mr. Andre) has said repeatedly that, as a result of this Bill, the cost of prescription drugs will not rise or at least not for some considerable time. Professor Eastman on the other hand made it very clear, both in his report and in his testimony before the committee, that evidence showed that the cost of prescription drugs would go up and quite substantially. In testimony before the committee, he pointed out that as a result of this Bill, pharmaceutical companies would have an extra six years of exclusivity during which they could set prices.

Let me conclude by saying to the Minister that there is evidence before us now that the cost will rise. A few days ago, the Social Credit Government of British Columbia presented a Budget. In it the cost of prescription drugs that will be borne by a family in British Columbia, before the Government plan picks up the rest, has been increased to $250 per family. This

Bill is deficient. The amendment I moved and the amendment moved by the representative of the Liberal Party should be supported.

Mr. George Henderson (Egmont): Madam Speaker, I rise to speak to the motion put forward by my colleague, the Hon. Member for Cape Breton—East Richmond (Mr. Dingwall), and Motion No. 4 put forward by the Hon. Member for Winnipeg North (Mr. Orlikow). My constituents and the people of Prince Edward Island are very concerned about this Bill. Since this Bill was brought forward by the Government I have received, on a daily basis, letters and cards from my constituents protesting it. I have also received numerous phone calls in both my riding office and my Ottawa office. My office assistant tells me that at least 10 to 15 calls a day come in regarding Bill C-22 which the Government is ramming through this House.

• (1320)

These cards I have here inform me of the strong objection these individuals have to the proposed regressive changes to the Patent Act. They request me, as their Member of Parliament, to do everything in my power to see that this proposed rip-off of Canadians through exorbitant increases in drug prices is not allowed to pass. Among those who have sent me cards are Clifford Arsenault, Ferdinand Gallant, Michael Gaudet, Corinne Kay, Sidney Richards, James Fraser, Mitchell Kahill, James Douglas, Anthony Perry, Cindy Douglas, Earl Matthews, and Stewart McKenna. These people are from Ellerslie, Elmsdale, Summerside, St. Nicholas, Miscouche and Wellington, Prince Edward Island. They are all ordinary, hard-working Canadians with families. They are finding it extremely difficult to get along on the wages they are able to bring home. In times like this we see that tax increases on one thing and another are eroding the little bit of disposable income these people have. It is almost a disaster. It has gotten to the point where they can no longer afford any increases whatsoever in taxes or anything else. This Bill is a form of indirect tax and it is not needed. There is no need for the Government to change the Patent Act in order to allow the multinational drug companies to increase their profits.

The other day I referred to a letter that was sent to the Minister by Mr. Robert Wygant, a man who spent 25 years in the pharmaceutical industry in Canada. I read the letter into the record for a good reason. It was one of the best and clearest letters that I have ever received from a constituent on this subject. The man pointed out quite clearly the profits the drug companies are making. He also pointed out that it is wrong to think very much research is going to be carried out in this country when something less than 5 per cent of total research is done in the U.S. where they have patent legislation which prohibits these sorts of profits.

I have eight Royal Canadian Legion branches in my riding representing thousands of veterans. We all know those living on veterans' pensions are not living high on the hog. Those people are concerned about this legislation and I want to give this House the thinking of one branch of the Royal Canadian Legion. The branch is not in my riding, but in the riding of the Hon. Member for Malpeque (Mr. Gass). The branch sent me a copy of the letter. The letter says:

> The members of North Rustico Legion Branch 13 by a motion with 100 per cent approval to write you as our representative in the Federal Government.
>
> We are 100 per cent against the Federal Government's introduction of a bill to amend Section 41 of the Patent Act.

It was signed on behalf of members of that legion branch by Joseph Pineau, Secretary/Manager, and Ferdinand LeClair, President. We are not going out and soliciting this kind of support. I have not sent any petitions to my riding asking people to sign them. I do not have to. They come to me. Since becoming a Member of Parliament in 1980, I have never seen such a hue and cry, such outrage as I have now except perhaps when the Government tried to deindex old age pensions.

The legislature of Prince Edward Island unanimously approved a resolution condemning the Government and asking it to withdraw this legislation. I have talked at length with the Minister for Health and Social Services of Prince Edward Island, the Hon. Keith Milligan, and he wrote the federal Minister and made numerous overtures to the Government asking it to withdraw this legislation. It is not just the Government of the day in that province, which happens to be a Liberal Government, that is protesting. The Government of former Premier James Lee also made approaches to the federal Government asking it to withdraw this Bill and avoid increasing drug prices for Canadians.

Statistics point out quite clearly that Prince Edward Island has the highest percentage of elderly people per capita in Canada. I do not know whether that is because of the fresh air or the beautiful surroundings, but people live longer there, and there are statistics to prove it. We all know that there is more sickness and more need on the part of senior citizens to depend on prescription drugs. Those are the people who will be the hardest hit by this legislation. This legislation irks them, and it irks me as their representative. I speak out on their behalf, unlike the other three Members from Prince Edward Island. I have not heard them say one word on this Bill. Obviously they are following along the Government road of ramming this legislation through. They may not admit it, but at some time or other they have been told to follow the Government's lead. They have been told that some research will come to the Province of Prince Edward Island at the University of P.E.I. As they say in Prince Edward Island, that just ain't so. There will be no research at the University of Prince Edward Island because we do not have a medical component there. As I said before, this is a totally misleading statement because we have heard experts in the field say that of the total research that is now done on new drugs less than 5 per cent is done in Canada or the United States and there is legislation already in place in the United States which would prohibit this sort of research being done.

• (1330)

I would love to be able to speak for at least an hour if I could get the unanimous consent of the House.

Some Hon. Members: Agreed.

Mr. Andre: No.

Mr. Henderson: I am sorry that the Conservative Government does not want to hear the concerns of Prince Edward Islanders, the poor, the elderly, and the sick. That makes me feel very sorry and very disappointed in the Government and the Minister.

Mr. Andre: It's just you, George. We don't mind Islanders.

Mr. Henderson: Not only is the Minister gouging the people in respect of pharmaceutical drugs, he is also gouging them on postal service.

The Acting Speaker (Mrs. Champagne): The time allotted to the Hon. Member for Egmont (Mr. Henderson) has expired. It being 1.32 p.m. I do now leave the Chair until 2 p.m.

At 1.32 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S. O. 21

[*English*]

ENVIRONMENTAL AFFAIRS

ACID RAIN—PRIME MINISTER'S FORTHCOMING MEETING WITH UNITED STATES PRESIDENT

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, Canadians are beginning to wonder about the acid rain strategy of the Prime Minister (Mr. Mulroney). His acceptance of research and demonstration as progress means that Canada is being sidetracked on acid rain cuts. Unfortunately, the debate is now on how much money should be spent, over how many years, for research and demonstration, instead of pollution cuts.

On the eve of the third summit, Canadians expect their Prime Minister to speak frankly and ask that the dumping of acid rain pollution into Canada be stopped. We urge the Prime Minister to put before the President next Sunday a blueprint for cutting acid rain crossing into Canada, including quantities, targets, and deadlines. We must protect the Canadian environment. Canada must spell out what Canadians want. The Prime Minister's acid rain strategy must reassure, not create doubts, in the minds of Canadians.

AGRICULTURE

SUGAR BEET STABILIZATION PLAN—NON-PARTICIPATION BY MANITOBA

Mr. Lee Clark (Brandon—Souris): Mr. Speaker, I am pleased the federal Government has announced it will sign a tripartite stabilization plan for sugar beets with the producers and the provincial Government of Alberta. Unfortunately, even though Manitoba's Minister of Agriculture is a signatory to the national agriculture strategy, which recognizes that both levels of government have a responsibility to support agriculture, the Province of Manitoba is unwilling to make a commitment to this plan.

Tripartite stabilization agreements prove that the two levels of government and producers can work together to support agriculture. The tripartite stabilization plan for hogs, in which Manitoba does participate, is a good example of how productive that co-operation can be.

The federal Government, the provincial Government of Alberta and producers in both Alberta and Manitoba all support the concept of the proposed tripartite stabilization plan. These parties believe in the future of the sugar beet industry and are willing to commit to it. I hope we will soon see the same sort of commitment from the Province of Manitoba.

* * *

CHILD CARE

CHOICES AVAILABLE TO PARENTS

Mr. Neil Young (Beaches): Mr. Speaker, early this week the Government received a lot of advice on how to solve Canada's child care crisis. The common claim running through all proposals is that it provide child care choices to parents. Three key elements allow parents to choose child care uniquely suited to their family's needs. First, those child care arrangements must exist from which to choose. Second, the child care arrangements must be affordable to the family. Most important of all, child care arrangements must ensure quality care for children.

Canadians know these three elements cannot be achieved through Conservative tax credits which do not even cover the cost of care, and a *laissez-faire* free market attitude to child care. Canadians will reject the Liberal philosophy which sees child care as an extension of the welfare system. Canadians overwhelmingly told the Special Committee on Child Care that they want a publicly financed system developed at the community level with parent input, non-profit and accountable, with quality controls.

It is not too late for the Government to get a copy of the New Democratic Party's proposals entitled "Caring for Canada's Children".

[*Translation*]

DISASTERS

EXPRESSION OF SYMPATHY FOR VICTIMS OF ACCIDENT AT GASPÉ COPPER MINE AT MURDOCHVILLE

Mr. Charles-Eugène Marin (Gaspé): Mr. Speaker, once again disaster has struck in the riding of Gaspé.

Last night, there was an accident at the copper mine in Murdochville in the Gaspé. Later that night, 56 miners were still trapped in the tunnels of the Gaspé Copper Mine.

At two o'clock this afternoon, we have had some relatively reassuring news about 33 miners with whom the rescue team is in constant communication, but we also know that 17 workers have not yet been reached. Six were able to get out of the mine, one of whom was taken to hospital and one, unfortunately, is dead.

Mr. Speaker, the House will recall that on October 19 last year, three young mothers and three children lost their lives as a result of an explosion in a pharmacy at Sainte-Anne-des-Monts.

Mr. Speaker, in a region like mine that already has so many social and economic problems, the impact of a tragedy like this one goes beyond the immediate family to affect every Gaspesian, both in the Gaspé and outside, as well as former and present miners across this country.

Mr. Speaker, I am sure that you yourself and Hon. Members will join me in expressing our constant support for the miners, their families and the management of Gaspé Copper.

* * *

• (1405)

[*English*]

AGRICULTURE

SITUATION OF TOBACCO GROWERS

Mr. Maurice Foster (Algoma): Mr. Speaker, the Tory Government has abandoned tens of thousands of farmers when they are facing the worst debt crisis since the 1930s. Fully 30 per cent of Canadian farmers now face insolvency or serious financial difficulty. Last week the Agriculture Committee heard tobacco farmers who had been promised action to help them to adjust to declining markets, prices and land values, blast the Government for its lack of action. The Tories had promised these farmers five cents from the 25 cent-per-pack tax imposed by the Minister of Finance (Mr. Wilson) in May of 1985 in an assistance program. That promise has not been kept, yet, daily, farmers are being forced off the land and a terrible personal toll is being taken.

These farmers were also promised a national marketing board by the Prime Minister (Mr. Mulroney). However, two-and-a-half years have passed and still no national marketing board has been established.

I call on the Government to keep its promise to these desperate farmers facing the loss of their farms, their livelihoods, and their homes.

* * *

ENVIRONMENTAL AFFAIRS

ACID RAIN—NEW BRUNSWICK'S WILLINGNESS TO SIGN AGREEMENT

Mr. Bob Corbett (Fundy—Royal): Mr. Speaker, this morning at a meeting of the Acid Rain Committee, Premier Richard Hatfield advised that through negotiation with the federal Minister of the Environment (Mr. McMillan) he has reached the point at which he will recommend to the Government of New Brunswick that an agreement on the control of acid rain be signed. The Premier pointed out to the committee that New Brunswick has led the way in its sensitivity on environmental matters and has met its 1994 commitment of 185,000 tonnes of SO2 many months ago.

The Premier assured the committee and the nation that New Brunswick's willingness to sign the agreement is consistent with its track record on pollution control and emphasizes the fact that the province has done, is doing, and will continue to do all that is necessary to carry its fair share and more to address this critical issue.

* * *

CANADIAN STUDENT LOAN PLAN

REPAYMENT OF HIGH INTEREST RATE LOANS

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, a Government which has admitted the need for action to reduce interest rates on credit cards should take note of another interest rate problem—the exorbitant rates charged students under the Canada Student Loan Plan. Students are still paying off loans at high rates of interest on loans taken out when the rates were higher. Some 200,000 students are paying rates of 16 per cent.

The high rates of interest are only part of the problem of the high debt load students are forced to assume. Some months ago now I took a number of particular horror stories to the Minister for action. He agreed that procedures needed to be improved in order to prevent such cases from recurring. So far nothing has been done.

Student leaders across the country agree that we need a national grant scheme, not just loans. Presumably this will be discussed at the forum on post-secondary education when it is held in the fall. In the meantime, the Secretary of State (Mr. Crombie) should move to correct the deficiencies of the

present system. He should take immediate action toward the reduction of those interest rates. Students should not have to start their working lives with such crippling debts. Our students deserve a better break, and the federal Government has its role with the provinces in providing it.

* * *

RESEARCH AND DEVELOPMENT

POLYSAR LIMITED—HIGH LEVEL OF INVESTMENT

Mr. Ken James (Sarnia—Lambton): Mr. Speaker, my constituency of Sarnia—Lambton is known across the country and, indeed, throughout the world, as the chemical valley of Canada. The Canadian industry located there works tirelessly to remain competitive and productive in today's rapidly changing technological market. For this reason our Prime Minister's (Mr. Mulroney) decision to establish and chair the National Advisory Board for Science and Technology is applauded by this industry in Sarnia—Lambton.

A locally based multinational company in my community, Polysar Limited, is the world's largest producer of synthetic latex and rubber. Polysar is one of Canada's largest exporters of manufactured goods and last year accomplished $1.8 billion in sales overseas.

To maintain its position Polysar is heavily involved in R and D. Its current research efforts rank Polysar in the top 15 of all corporations doing research in Canada. Last year over $40 million was invested by Polysar in research and development. As a result Polysar is about to introduce to the world a new product developed in its Sarnia R and D laboratories.

Canada's future rests in the advancement of science and technology. I join with local industry in congratulating our Prime Minister on his recognition of the important field of R and D.

* * *

FARM CREDIT CORPORATION

INTEREST RATES CHARGED TO FARMERS

Mr. George Henderson (Egmont): Mr. Speaker, most Canadians know that our farmers have been suffering from low commodity prices, whether it be with respect to grain, potatoes, or beef, just to name a few. Our farmers need all the help they can get, and the Farm Credit Corporation has to do its part.

I want to bring to the attention of the House the excessive lending rates charged by the Farm Credit Corporation. Its interest rate on five-year loans is 10.75 per cent, and for loans with terms over five years the rate is 11 per cent. At the same time chartered banks charge our farmers about prime plus 1 per cent, or 9.75 per cent. Farmers in my constituency believe that this is unfair, and I share their view.

• (1410)

This is the planting season, and farmers need financial assistance from the Farm Credit Corporation. I urge the Minister of Agriculture (Mr. Wise) to intervene and instruct the Farm Credit Corporation to give our farmers a break.

Some Hon. Members: Hear, hear!

* * *

YOUTH

UNEMPLOYMENT LEVELS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, 48 per cent of single people under the age of 25 in Canada live below the poverty line; 100,000 young people with children also live below the poverty line.

The youth unemployment in Newfoundland is 32 per cent; in British Columbia it is 23 per cent; in Nova Scotia it is 25 per cent.

The unemployment rate for young people in Alberta is two and one half times as high as it was in 1980. Last year in Canada 170,000 students could not find a summer job.

Three times the Prime Minister (Mr. Mulroney) formally committed himself in the House of Commons to introduce major new programs for youth by April 1, 1986. Yesterday was April 1, 1987, and the Prime Minister still has not kept his promise.

Some Hon. Members: Shame! Resign.

Mr. Turner (Vancouver Quadra): This, Mr. Speaker, is a disgrace; and what is worse, it is a tragic waste of Canadian talent.

Some Hon. Members: Shame!

* * *

TRADE

CANADA-UNITED STATES NEGOTIATIONS—IMPORTANCE TO WORKERS IN CHURCHILL RIDING

Mr. George Minaker (Winnipeg—St. James): Mr. Speaker, the opposition of the NDP and the Member for Churchill (Mr. Murphy) to the Canada-U.S. trade negotiations is putting jobs in peril in that Member's own riding in northern Manitoba.

Statistics Canada figures show that 25 per cent of the people employed in the Churchill riding are directly employed in the primary industries, with almost every other job in the riding indirectly related to those industries.

Farmers in the Carrot River Valley, forestry workers in The Pas, miners in Flin Flon, Snow Lake, Thompson, Lynn Lake and Leaf Rapids, CN railway workers, all are dependent upon export markets.

Manitoba is an exporter of hydro-electric power, so hydro workers at Gillam and construction workers at the Limestone Power Project are dependent upon export markets for their livelihood.

With so many people in the Churchill riding dependent upon export markets, and particularly U.S. markets, I am surprised that the Member for Churchill is not supportive of our trade talks with the U.S.

Free trade will be good for the residents of Churchill riding, as it will be for all Canadians. The Member for Churchill should stand up for his constituents, instead of blindly following his anti-American socialist Leader, the Member for Oshawa (Mr. Broadbent).

* * *

REVENUE CANADA

INCORRECT ANSWERS TO TAXPAYERS—COMPLEXITY OF TAX LAWS

Mr. Simon de Jong (Regina East): Mr. Speaker, I wish to congratulate the Minister of National Revenue (Mr. MacKay) and his Department—

An Hon. Member: Careful.

Mr. de Jong: They incorrectly answered only 36 per cent of questions asked in a survey this year. That is down from a level of 42 per cent last year. But then, in 1985, they were at 3 per cent in the *Toronto Star* survey.

Why is it that Revenue Canada agents, who receive 270 hours of training in Introductory Law, and over 100 hours training in specialized areas, cannot answer correctly inquiries from harried taxpayers?

Let us be fair. It is not their fault. It is the fault of the folks in the Finance Department. They have created a tax code so confusing that only highly paid specialists can understand it. For the average person, for those who have to depend upon Revenue Canada for answers in order to fill out their forms, the reality is that they should not expect Revenue Canada to know all of the answers.

Hopefully the long awaited promised tax reform will produce a tax code that is not only fair but simple and understandable for the average Canadian.

S. O. 21

CHILD CARE

STATISTICAL BREAKDOWN OF CHILDREN REQUIRING DAY CARE

Mr. William G. Lesick (Edmonton East): Mr. Speaker, I rise to speak to the day care crisis in Canada, a crisis of which we have all been made very much aware during the past few days, and a crisis defined as being the need for 1.9 million day care spaces for Canadian children.

When day care advocates refer to the 2.1 million children in Canada who require day care spaces, their figures include all children under 12, where both parents work full or part-time, or where one spouse attends school for more than 20 hours per week.

Of the 2.1 million children referred to by the Opposition, I have discovered that over 1 million—actually, 1.1 million, to be precise—are children of school age.

While most of my colleagues in the House would agree that "latch key" children require some assistance, surely it is misleading to assume that all of these children are suffering from a day care crisis.

* * *

• (1415)

CAPITAL PUNISHMENT

REJECTION OF ATTEMPT TO REINSTATE DEATH PENALTY IN BRITAIN

Mr. John Nunziata (York South—Weston): Mr. Speaker, yesterday the Mother of Parliaments showed us the way. The British House of Commons voted by a margin of 112 to defeat a proposed amendment to restore the death penalty for certain acts of murder in Britain.

Why is this important to Canada? It is important because the public mood in Canada is similar to that of Britain where about 70 per cent favour the death penalty. Our role is not to ignore public opinion but to make dispassionate decisions on public policy based on all the facts.

Why has Britain rejected the death penalty? British Members of Parliament said no to capital punishment because they know it is not a deterrent to murder. British MPs said no because they know innocent people have been executed. British MPs said no because they know that juries often fail to convict murderers if the accused is to be executed. British MPs said no because they know that many terrorists crave martyrdom. I suspect that British MPs said no because they know that it is wrong for the state, for the Government, to execute a human being.

S. O. 21

CHILD CARE

STATISTICAL BREAKDOWN OF CHILDREN REQUIRING DAY CARE

Mr. Alan Redway (York East): Mr. Speaker, the Hon. Member for Edmonton East (Mr. Lesick) just pointed out that 1.1 million of the 2.1 million children who, we have been told, are suffering from the day care crisis are of school age. I would draw to the attention of the House that of the 1 million children remaining, 17.6 per cent are already in licensed spaces.

This leaves 842,000 children of whom 44 per cent are cared for by relatives. Where this family care has been established, it is difficult to understand how some advocates can claim that government run centres would provide better care than a family member. It is even more difficult to understand why anyone would advocate that licensed child care workers should replace the involvement of these families in bringing up their children.

* * *

THE BARD OF AVON

À LA THE MEMBER FOR NICKEL BELT

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker: To skit, or not to skit: that is the question: Whether't is nobler in the mind to suffer The slings and arrows of outrageous skits, Or by opposing end the skittishness of the PMO? Were thoughtful teenage thespians heaping calumny on the self-perceived kings and their consorts, Wherein would they catch the kingly conscience? And what perchance was it that the Brookfield thespians had in mind to prick the consciences of their imperial majesties? 'Twas Irangate, acid rain, and the noble tuna. The ministerial minions would have none of it. What cure lies herein for kingly "skitsophobia"? Thence they turned to the immortal Bard's *Midsummer Night's Dream*. So goodnight sweet kings, and may your minions long protect you for ever more.

* * *

AGRICULTURE

CANADA-NOVA SCOTIA LIVESTOCK FEED DEVELOPMENT PROGRAM

Mr. Lawrence I. O'Neil (Cape Breton Highlands—Canso): Mr. Speaker, a joint Canada-Nova Scotia Livestock Feed Development Agreement was signed at the federal-provincial agriculture Ministers' meeting in Ottawa on Monday.

Nova Scotia's livestock industry has been highly dependent on outside sources of feed grains and protein crops. Because of rising transportation costs, this dependence has been seriously threatening the competitive position of livestock producers.

The Nova Scotia agreement includes programs geared specifically to the province's need to attain a high level of livestock feed self-sufficiency by the year 2000. The agreement will help ensure that livestock producers who grow their own feed, or feed producers who sell feed, can do so with the lowest possible cost of production.

In Nova Scotia's case, $11.25 million in funding will be made available. The federal Government will provide 80 per cent of this amount and the province the remaining 20 per cent.

This agreement proves that subsidies can be replaced by sensible programs which will achieve self-sufficiency. I congratulate the Minister of Agriculture (Mr. Wise) for responding to the needs of Nova Scotia farmers and the requests of the Nova Scotia caucus.

* * *

[*Translation*]

THE ADMINISTRATION

SITUATION OF QUEBEC

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Sad to say, Mr. Speaker, but once again Quebecers have been led down the garden path by this Conservative Government and this Prime Minister (Mr. Mulroney). Having been conned about the shipyards and the international banking centre, we are now being hoodwinked with respect to GM in Boisbriand. As the Premier and the Leader of the Opposition in Quebec put it, the grant made by the provincial Government will be used to save the jobs of Boisbriand workers in Quebec. Unfortunately, not only is the federal grant to Ontario used to save jobs, but it also creates new jobs. The people of Quebec will just have to remember that they have been ignored by their Conservative Members here in the House. Referring to all the members who are in the galleries, former Liberal Members of the House, never would such a betrayal of Quebecers have taken place when they were in office.

* * *

• (1420)

[*English*]

HOUSE OF COMMONS

ILLNESS OF CLERK

Mr. Speaker: It is with regret that I have to inform Hon. Members that the Clerk of the House, Dr. Bev Koester, was taken ill last week. I understand he is making progress and I know that the House will want to join with me in wishing him a speedy recovery and return to work.

I have asked, with the concurrence of the Board of Internal Economy, Mr. Robert Marleau to serve as Acting Clerk of the House of Commons during Dr. Koester's absence.

ORAL QUESTION PERIOD

[*Translation*]

DISASTERS

EXPRESSION OF SYMPATHY FOR VICTIMS OF ACCIDENT AT GASPÉ COPPER MINE AT MURDOCHVILLE

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, before asking my question I should like to extend my heartfelt sympathy to the families of the Murdochville miners, and I offer them my prayers.

[*English*]

I am sure, looking at the Deputy Prime Minister, that I can count on the Government to do everything the people of Canada can do to help the miners' families, and particularly also those people who are being ravaged by floods in Quebec and in New Brunswick.

* * *

ENVIRONMENTAL AFFAIRS

ACID RAIN—REQUEST FOR JOINT CANADA-UNITED STATES DECLARATION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, in the absence of the Prime Minister and the Secretary of State for External Affairs, I would like to put a question to the Deputy Prime Minister. If there is unanimous feeling about anything in Canada, I would suspect that it has to do with acid rain. I would think also that one would command the virtual unanimous support of the House of Commons if one were to suggest to the Deputy Prime Minister that he prevail upon his Leader, the Prime Minister of Canada, when he meets with the President over the weekend, to ask the President to sign with him another joint declaration, this time providing for joint emission controls over acid rain, with a specific timetable for acid rain cuts, so that we can deal immediately on this continent with a most urgent problem.

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, the short answer is this: that which the Leader of the Opposition has called for, which is exactly the position of the Government of Canada and the Prime Minister. The Prime Minister said in Quebec City on March 23 as follows:

> —we must continue to seek agreement with the U.S. on overall abatement targets and timeframes within which they must be achieved. Canada seeks to reduce acid rain to 50 per cent of its 1980 levels by the year 1994. Our objective continues to be a bilateral air quality agreement between Canada and the United States with specified emission control targets. We will not be fully satisfied until we achieve that objective.

That position is exactly what the Leader of the Opposition himself has called for.

REQUEST THAT PRIME MINISTER PROPOSE CLEAN AIR TREATY

Right Hon. John N. Turner (Leader of the Opposition): The Prime Minister has some good rhetoric there but he has not been very forceful in his handling of his counterpart, the President of the United States. I regret that he and the Secretary of State for External Affairs are not here. I understand there is a Priorities and Planning meeting of the Cabinet being held contemporaneously with this sitting of Parliament. With all the respect that I owe the Deputy Prime Minister, I would like to suggest to him that responding to Question Period outranks any meeting of Cabinet or any committee meeting of Cabinet.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): Mr. Speaker, I want to put another question to the Deputy Prime Minister. Would he impress upon the Prime Minister the need for some real action on acid rain, the pollution of our air, and would he propose to the President of the United States a clean air treaty for North America, similar to the International Boundary Waters Treaty of 1909 which went a long way toward mutual control and supervision of the Great Lakes system and our international waterways? Will he do that?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, first, on behalf of the Government I would like to associate myself with the expressions of sympathy and condolence to the victims and families of those involved in the mining tragedy and, of course, those suffering as a result of the floods.

With respect to the Right Hon. Leader of the Opposition's question, it seems to me that there is general agreement in Canada that we must address the very important issue of acid rain and other environmental problems, the subject of which will be discussed thoroughly when the President meets the Prime Minister in Ottawa this weekend. It also seems to me that rather than the nit-picking and carping we hear from the Right Hon. Leader of the Opposition, this would be an opportunity for him to join in support of the initiatives taken by this Government under the capable leadership of the Right Hon. Prime Minister who has been way out in front of any previous administration in tackling this very important issue.

• (1425)

Mr. Turner (Vancouver Quadra): Mr. Speaker, I would say to the Deputy Prime Minister that we would be delighted to support any initiatives of the Prime Minister if we could see any initiatives of the Prime Minister.

[*Translation*]

URGENCY OF PROBLEM

Right Hon. John N. Turner (Leader of the Opposition): With respect to acid rain, Mr. Speaker, should the United States not have as much regard for Canada as they do for Mexico? Will the Prime Minister tell the President of the United States that we Canadians respect them as good neighbours particularly, but that as Canadians we are rather upset by the fact that the Americans do not have a policy nor a sense of national urgency to co-operate with us in the quest for solutions to the difficult but vital acid rain problem?

[*English*]

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, I am very puzzled by the question of the Leader of the Official Opposition. In his first question he called for a bilateral accord on acid rain between Canada and the United States. In his third question, his second directed to me, he cited the agreement between the United States and Mexico on acid rain as being a model for such an accord. The Mexican agreement with the United States places all the requirements on Mexico and none on the United States. The Mexican agreement simply says that the U.S. clean air law will be deemed to apply to Mexico. I do not know if that is the kind of accord the Liberal Party of Canada want for Canada, but it certainly is not what is in the interests of Canada.

* * *

[*Translation*]

YOUTH

REQUEST FOR NEW PROGRAMS

Mr. Gilles Grondin (Saint-Maurice): Mr. Speaker, in the absence of the Prime Minister, I direct my question to the Deputy Prime Minister. On March 3, 11 and 21, 1986, when he was under political pressure, the Prime Minister told the House there would be new youth programs before the end of the fiscal year ending March 31, 1986. This was over a year ago and nothing concrete has been announced in the House. Will the Prime Minister keep his promise and unveil real programs for young Canadians?

Hon. Jean J. Charest (Minister of State (Youth)): Mr. Speaker, allow me to advise my colleague from Saint-Maurice that this question was put to me last Tuesday morning at the Standing Committee on Employment and Immigration when he was absent. I am disappointed to learn that he was—

Some Hon. Members: Oh, oh!

Mr. Charest: I can understand the reaction. At the time I think I gave members attending the standing committee proceedings an answer which took into account the over-all problem facing young Canadians. Mr. Speaker, if we want to come up with a policy for young Canadians, and especially do more than pay them lip service, one of the elements to be considered is the fact that we must convince the provinces to join us. That is what I am trying to do now.

Mr. Grondin: Mr. Speaker, I would point out to my colleague that I could not have been absent from the committee last Tuesday for the simple reason that I do not sit on that committee.

CHALLENGE '87—REQUEST FOR INCREASED FUNDING

Mr. Gilles Grondin (Saint-Maurice): Mr. Speaker, my supplementary question is directed to the same Minister.

[*English*]

Many non-profit organizations, some of which are demonstrating on the Hill today, have seen their summer employment funding substantially cut since the Conservative Government came to power. Will the Minister change his priorities and increase funding for Challenge '87? This is something young Canadians really need.

Hon. Jean J. Charest (Minister of State (Youth)): Mr. Speaker, let me point out that Challenge '87 is a flexible, workable approach to the task of creating meaningful summer employment for students—

Mr. Boudria: Who wrote that?

Mr. Charest: You did. The Hon. Member for Glengarry—Prescott—Russell wrote it in a column in his local paper.

Some Hon. Members: Oh, oh!

* * *

• (1430)

ENVIRONMENTAL AFFAIRS

ACID RAIN—REQUEST FOR UNANIMOUS PASSAGE OF HOUSE RESOLUTION

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, before I ask my question may I, on behalf of the NDP caucus, add our concern to the concern already expressed by representatives of the other Parties for the families of the miners in the Gaspé, and offer our co-operation to the House and the Government if there is any way in which we can be helpful.

Mr. Speaker, I want to direct my question to the Deputy Prime Minister in a non-nit-picking, non-carping spirit. Has he had a chance to reflect on the suggestion I made yesterday and the day before, and which I have incorporated into a resolution which could possibly be passed unanimously by this House and which is based on the language used by the Government itself in the packet on acid rain distributed as part of the summit literature? Would he be prepared to indicate to the House that some time could be allocated for this, either today or tomorrow? We could very quickly, perhaps with a speaker from each Party, unanimously express the opinion of Canadians and all

Members of Parliament that action on acid rain is urgently needed on the part of our American neighbours.

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Yes, Mr. Speaker, this issue was discussed briefly at the House Leaders' meeting yesterday. I do not think there is any secret about that. The Hon. Member's House Leader just handed me a proposed resolution. I have not had an opportunity to examine it in detail, but I think the answer the Right Hon. Prime Minister gave to the Hon. Member yesterday certainly left the door open for that type of undertaking. We will certainly co-operate in every way we can. However, while the Hon. Member is an ardent advocate of environmental concerns, particularly acid rain, I would have thought that, given the 12 days allocated to the Opposition, they might have chosen one of those days to discuss the issue and we would perhaps have a better idea of what their proposals might have been for dealing with this very important issue.

REQUEST FOR ALLOCATION OF PARLIAMENTARY TIME

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, I will resist the temptation to respond to that because we are not asking for something to be passed as a result of a motion brought forward by an opposition Party on an opposition day. We are seeking a special response by the House of Commons on a special occasion to a special environmental problem, that of acid rain emissions coming from the U.S. into Canada.

Can the Deputy Prime Minister give a commitment now that the Government is open to having such a resolution passed, preferably before Monday if that is at all possible? If he cannot say that, would he at least commit the Government to making a short time available, because it would not require much time, in the very near future, so that all of us here together can send a message, without the nit-picking and carping, to the U.S. Congress calling on them to enact acid rain abatement legislation which would reduce acid rain precipitation in Canada?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I think I have responded to that. We have certainly indicated that we were disposed to looking into this proposal. I have had preliminary discussions with the Minister of the Environment to look into the possibility of drafting an appropriate resolution. I think the Hon. Member is being somewhat hasty. The summit will take place this weekend and I think for the time being the most important initiative he and his Party could undertake is to support the Prime Minister in his efforts to deal with this issue in the positive way he has. He has clearly shown leadership. I call upon all Hon. Members of the House to support him in that endeavour.

CANADA-UNITED STATES FRIENDSHIP

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, without trying to be argumentative, that is precisely what we have in mind. What could be more supportive of the Prime Minister of Canada before sitting down with the President of the U.S. than a unanimous resolution of the House of Commons? This is not only for the sake of the Prime Minister. It is for the sake of the President who will be addressing this same House of Commons next Monday.

The Deputy Prime Minister knows there is a precedent for this. There was an all-Party agreement on a motion calling for July 2 and July 3 to be designated as Canada-U.S. friendship days. What can be more appropriate than using that same spirit of co-operation and mechanism to make it possible for this House, preferably today or tomorrow, to pass a unanimous resolution, using language we can all agree on, to send a very strong message to the American public, Congress, and President Reagan?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, the Hon. Member refers to the recent joint resolution approved by all Parties concerning the Canada-U.S. celebrations during the first week in July. That was the product of rather intensive discussions on an ongoing basis. The Hon. Member brought up this proposal yesterday and the day before. We indicated our willingness to act. I can give him the assurance we will act. I am not going to be put in a position of meeting a certain deadline or time frame. After all, the Hon. Member had two or three months to come up with this proposal, and in the eleventh hour he is expecting an instant response. At the present time I can give him the assurance that we will look into it. I have just been handed the resolution and I have not even had a chance to read it. He is asking me to accept it holus-bolus. That is like me asking him to support legislation which has yet to be tabled in the House.

* * *

[*Translation*]

MINES

REQUEST FOR DETAILS OF ACCIDENT AT GASPÉ COPPER MINES

Mr. Charles-Eugène Marin (Gaspé): Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources.

The Minister is probably aware of the situation at Gaspé Copper since last night. Could he perhaps give the House the latest news on the situation?

Hon. Marcel Masse (Minister of Energy, Mines and Resources): Mr. Speaker, first of all, I would like to convey the condolences of this Government and the Department of Energy, Mines and Resources to the family of deceased and give some words of encouragement to those miners who are still trapped underground.

Last night, around 6.30 p.m., the shift that was making the changes reported a fire that apparently started near a conveyor running through the new section of the mine.

On the basis of a conversation I had with those in charge at Noranda Mines, I can inform the House of the following: Twenty-nine miners were able to shelter in a holding area, away from the fire and smoke, and have been there for several hours. The mine's rescue team is communicating regularly with the miners who are getting an adequate supply of air and food.

Since this morning, six miners managed to escape on their own, by leaving the mine. There was the sad news that one miner was fatally injured.

A few minutes ago, I was told that 17 miners who were still missing this morning had been located. The teams have been able to communicate with them, and it seems they are also safe.

However, the heat underground is much too intense to allow completion of the rescue operations.

The rescue teams, which were quick to answer an appeal for help, include three teams from Noranda, two teams, I repeat, two teams from Thetford Mines in the Frontenac region, and a team from the *Commission de la santé et de la sécurité au travail.*

Although the Government of Canada has no direct jurisdiction in this area, we have given the miners' representatives and Noranda Mines the assurance that we are prepared to act on any request they may make.

Mr. Speaker, that was the latest report on the tragic occurrence at Murdochville, and once again, I want to express my condolences to the bereaved family, and I am sure everything will be done to get the miners, who have now been located, out of the mine as soon as possible.

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PUBLIC WORKS

PLACE VINCENT-MASSEY IN HULL—REQUEST FOR EXPLANATION CONCERNING RENEWAL OF LEASE

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, my question is directed to the Minister of Public Works and concerns Place Vincent-Massey in Hull. Why did the Government cancel the lease with Entreprises Duroc eight and a half years before the lease was due to expire and then renew at a much higher cost, namely, $26 million instead of the original $11 million, thus wasting about $15 million? How does the Minister intend to justify this increase?

• (1440)

[*English*]

Hon. Stewart McInnes (Minister of Public Works): Mr. Speaker, there is ample justification for the decision. The decision was made on the recommendation of officials from the Department of Public Works after investigating all the circumstances which, succinctly put, are that the fire commissioner determined that that building had considerable deficiencies. Expenditures of some $4 million were required to bring the building up to par. There was no responsibility on the owner of the building to accept that burden. The Government decided it was in the best interest of the employees to pay that expense. It could only do so and protect its investment by entering into a new, long-term arrangement.

Mr. Nunziata: Boloney.

Mr. Gauthier: That's boloney and you know it.

Mr. Nunziata: That's nonsense.

[*Translation*]

Mr. Boudria: Mr. Speaker, the decline of the Conservative empire goes on!

[*English*]

FORMER MINISTER'S ACTION

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, Duroc, the developer, met with the former Minister on December 20, 1984, and wrote to the Minister on January 7, 1985, which resulted in two actions by the Minister within seven days. How can the Minister explain the fact that his predecessor instructed his deputy to pay Duroc some $15 million more than it was entitled to against the advice of his officials documented in a report I have here signed by G. R. Oram of his own Department? How can he explain that? Who did Mr. Duroc and that company know in order to get that kind of preferential treatment?

Hon. Stewart McInnes (Minister of Public Works): Mr. Speaker, the former Minister of Public Works was very much on the ball and took appropriate action.

Mr. Foster: It sounds like the ball was on him.

Mr. Penner: I think he rolled himself out of the park.

Mr. Riis: The wrecker's ball.

COST OF REOPENING CONTRACT

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, it is clear that the people of Canada have been taken for a multimillion dollar ride by Mr. Tessier in the negotiation of this contract. My question is for the Deputy Prime Minister. The additional costs for bringing the building in question up to standard were about $4 million and the enhancement of this contract will result in a cost to taxpayers of as much as $35 million or $40 million.

Can the Deputy Prime Minister or the Minister responsible explain why this contract was reopened at a cost to the Canadian taxpayer of millions and millions of dollars? Why was this contract reopened in this way? Who made this decision despite the recommendation of senior officials in both the Treasury Board and Department of Public Works not to do this?

Hon. Stewart McInnes (Minister of Public Works): Mr. Speaker, the assertion of the Hon. Member is ridiculous. Public Works officials recommended a 25-year lease-purchase agreement. That was accepted by Treasury Board because, compared with the cost of other lease properties at the time, that was very advantageous for the Government. The prevailing rate in Hull and Ottawa when the new lease was signed was $180 to $220 per square metre. The new lease was for $150 per square metre. That was in the best interests of the Government and it protected the capital outlay of $4 million which was made when there were only three years left on the lease. The expenditure was made in 1985 and the lease was up in 1988. You do not spend $4 million unless you are going to get a long-term benefit.

Mr. Robinson: Mr. Speaker, you must ask yourself just who Mr. Tessier knew to get this cosy little deal.

[*Translation*]

INQUIRY WHETHER MR. ROY OR OTHER ASSISTANTS TO PRIME MINISTER INTERVENED IN ISSUE

Mr. Svend Robinson (Burnaby): Mr. Speaker, in the past the Prime Minister has claimed that the involvement of his principal secretary, Bernard Roy, in awarding contracts in Quebec was entirely appropriate. Could the Minister inform the House whether there is any kind of link between Mr. Roy and Mr. Tessier and whether Mr. Roy or other assistants to the Prime Minister intervened here?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, as President of the Treasury Board—the decision was ratified by Treasury Board—I can inform the House that at no time did Mr. Roy or anyone in the Prime Minister's Office discuss this matter with me. A judgment was made on the merits of the case, and a decision was made in the best interests of the Canadian taxpayer.

[*English*]

LEASE RECOMMENDATION

Mr. John Nunziata (York South—Weston): Mr. Speaker, my question is directed to the Minister and is on the same subject. He knows that his explanation is pure nonsense. In fact, the staff recommended that they continue with the existing lease. I have in my hand now the staff recommendation to continue with the existing contract, that is, to lease for eight and a half years at existing terms and conditions.

I would like the Minister to stand up and explain to the people of Canada why they were ripped off in this particular case.

Hon. Stewart McInnes (Minister of Public Works): As usual, Mr. Speaker, the Hon. Member has only half the story.

Mr. Turner (Vancouver Quadra): Wait until we get the whole thing.

Mr. Rossi: It will be much worse.

Mr. McInnes: The fact of the matter is that one official at one time made the recommendation suggested by the Hon. Member. However, when regional officials looked at the entire case with regard to the best benefits for the Government, that suggestion was rejected. Treasury Board agreed with the officials of my Department.

REQUEST THAT MINISTER CANCEL NEW CONTRACT

Mr. John Nunziata (York South—Weston): Mr. Speaker, it is obvious that the new agreement that was signed with this organization was not in the public interest in that the people of Canada were required to pay substantially more for a product they already had pursuant to an agreement. The Minister is a member of the bar. In view of the fact that this new contract is not in the public interest, will he take the necessary steps to cancel the new contract and insist that the landlord continue under the terms and conditions of the old contract?

Hon. Stewart McInnes (Minister of Public Works): Mr. Speaker, all Hon. Members and members of the bar know that you do not unilaterally rip up a contract.

Some Hon. Members: You did.

Mr. McInnes: With the consent of both parties.

Mr. Foster: For $15 million, I guess so.

Mr. McInnes: Does one make an investment of $4 million for three years, or does one secure that investment by making a good deal for 25 years?

REASON FOR REOPENING CONTRACT

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, my question is for the Minister of Public Works. The Tessier proposal for reopening the contract for the Vincent Massey Building, which would cost the taxpayers $80 million, was rejected by both the Treasury Board and the Department of Public Works. Why was the contract subsequently reopened? Why did Mr. Tessier receive a nice cushy contract which will cost the taxpayers $35 million?

• (1450)

Hon. Stewart McInnes (Minister of Public Works): Mr. Speaker, the Hon. Member has forgotten that I indicated that the new contract was signed for $150 per square metre when the prevailing rate in the Ottawa-Hull area approximated $200 per square metre. Would the Hon. Member indicate how the people of Canada have been taken?

INQUIRY WHETHER REPRESENTATION MADE BY MR. BERNARD ROY

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, in view of the fact that the existing contract was half that, by reopening the contract we allowed Mr. Tessier to get $80 million; $4 million for the improvements to the building and $35 million for him to invest probably in some other building for which he has a proposal before the Government. My question is obvious. Mr. Tessier had connections—

Some Hon. Members: Order!

Mr. Rodriguez: Did Mr. Bernard Roy make representation to any Cabinet Ministers with respect to the reopening of this contract on the Vincent Massey Building?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, I would like to restate once again what I stated several minutes ago.

Mr. Tobin: Answer the question.

Mr. de Cotret: I will answer the question if the Hon. Member would give me the opportunity to do so. The final decision—

Mr. Speaker: I think Hon. Members will know that the question which was put was a serious one. The Hon. Minister is attempting to reply and I think it would be appropriate to give the Hon. Minister the courtesy of being able to give that reply.

Mr. de Cotret: Thank you, Mr. Speaker. I would just like to assure all Hon. Members that the decision which was finally made by Treasury Board was made without any kind of representation by any member of the Prime Minister's staff or any other political member. It was made on the strict basis of the financial realities of the situation. It was made in the best interests of Canadians. I can assure all Hon. Members of the House that neither at that time nor at any other time prior to the decision, was I contacted in any way, shape or form, to influence the decision the Treasury Board would take in this case.

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ENVIRONMENTAL AFFAIRS

ACID RAIN—GLOBAL INITIATIVE STRATEGY

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, my question is directed to the Deputy Prime Minister. The Deputy Prime Minister is probably aware of the fact that we are now hearing the theme from Washington that research and demonstration projects are to replace the need for acid rain cuts at least until 1992 and possibly well into the 1990s. Does the Deputy Prime Minister agree that the envoys' process is not working to Canada's advantage and that it is now time to revive Canada's global initiative, a strategy which would generate international pressures on the United States to join us and the 20 nations which have already agreed to cut acid rain by 1994?

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, I think the Hon. Member is probably aware that the United States is not a party to that international agreement, which underscores the monumental task Canada has in achieving our full agenda on acid rain in Washington. I think it is ironic that the Hon. Member should rise to his feet every day in the House of Commons and lecture the current Government on its lack of progress with the Americans on this issue, when the truth is that the Liberal Party of Canada was in power during most of the period of the Reagan presidency to date. If it was so darn easy to achieve the kind of objective the Hon. Member has in mind, why did he not do it when he was Minister of the Environment?

Mr. Caccia: The fact is, Mr. Speaker, that we did initiate a global initiative which was dropped by the Tory Government. That is why we are raising it now. That is the whole point. It is very unfortunate that such an elementary step is not understood by the Minister.

REQUEST FOR REFERRAL TO INTERNATIONAL COURT OF JUSTICE

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, if by Monday there is no agreement, no program agreed to by the United States of America, a parallel program which would match the Canadian program, will the Deputy Prime Minister or the Secretary of State for External Affairs take this issue to the International Court at the Hague on the basis that serious economic damage is caused by U.S. pollution to Canada's natural resources and human health?

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, I do not know whether the representation made by the Hon. Member is a solid one. My knee-jerk response is that it is positive. My own effort in this regard has been aimed at trying to get those countries which are not now signatories to the so-called 30 per cent club to become signatories. In that connection I travelled to London, England, a few weeks ago to meet with Hon. William Waldegrave and Right Hon. Nicholas Ridley to see whether Canadian resources could not be mobilized to get Great Britain to join up. We will do the same thing with the United States and with the remaining countries.

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CUSTOMS AND EXCISE

SMUGGLING OF GASOLINE FROM UNITED STATES

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, my question is directed to the Minister of State for Finance in the absence of the Minister of Finance. It has to do with the

1980s' version of the Al Capone style rum-running and boot-legging. In this case the boot-legging is the illegal gasoline coming across the border from the United States without appropriate taxes being collected. Since this was brought to the Minister's attention many months ago, can he explain to the House and to the people of Canada, particularly to the Petroleum Marketers Association of Canada, the small independent Canadian marketers, why no action has really been taken by himself, the Minister of Finance or the Minister of National Revenue?

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, we know, and the Hon. Member knows, that in the recent Budget we took measures to help alleviate this problem. We are studying how effective those measures have been. We are very disturbed to hear about the boot-legging which may be continuing. However, a large part of this problem was removed by the measures put into the Budget.

MINISTER'S POSITION

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, my supplementary question is directed to the Minister of State for Finance. He will know that the situation regarding the tax changes which were made in the last Budget have done nothing to stop this boot-legged gasoline coming into Canada. Why has he not responded to the nine suggestions the independent marketers gave to the Minister of Finance, the Minister of State for Finance, and the Minister of National Revenue as a way and means of stopping this illegal importation of gasoline?

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, the Hon. Member does not know whether the system is working or not. He is alleging it is not working. It is working to some degree, but not perfectly. We are considering those measures as well as others.

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RESEARCH AND DEVELOPMENT

SIZE OF GOVERNMENT EXPENDITURES

Mr. David Berger (Laurier): Mr. Speaker, my question is directed to the Minister of State for Science and Technology. The presidents of 20 science and technology associations, representing more than 90,000 scientists and engineers across Canada, have today set up an action committee because they are concerned that the Government has abandoned its goal of spending 2.5 per cent of our gross national product on research and development and because the Government has failed to take steps to reach that goal.

Why has the Government abandoned the goal of spending 2.5 per cent of gross national product on research and development? When will it do something tangible to increase spending and establish a climate of confidence for scientists and young people who wish to pursue a career in science?

Hon. Frank Oberle (Minister of State for Science and Technology): Mr. Speaker, I very much welcome the initiatives taken by the action committee to which the Hon. Member referred. As you know, Mr. Speaker, we need all the help we can get, not just from other Governments but from the science community, industry and everyone else. The fact is that this action committee is designed to respond to the invitation and the challenge we have thrown out to Canadians to join together and form the necessary linkages between the public and private sector to achieve the goals we have set for ourselves.

GOVERNMENT POLICY

Mr. David Berger (Laurier): Mr. Speaker, will the Minister answer a straight question? Why has the Government backed away from its promise to double spending on research and development? Why do all the policy documents which the Minister has tabled in the past few weeks not make one mention of the target to spend 2.5 per cent of the Gross National Product on research and development? Will the Minister tell us why students, scientists, university administrators and teachers all across the country are so upset with his policies?

Hon. Frank Oberle (Minister of State for Science and Technology): The message I am receiving, Mr. Speaker, is that there is a lot of enthusiasm and excitement. People who know what we are doing are not upset. The Hon. Member asks me when I will show some tangible results of the policy and strategy. The answer is, soon, very soon.

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[*Translation*]

YOUTH

COST AND AVAILABILITY DATE OF STUDIES

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, my question is directed to the Minister of State (Youth). On September 5 last year, Secor submitted a study of youth employment, which took three days to complete and cost $124,000, to the Wright-Gaucher Commission. When will the Secor study be tabled in the House as promised last November by the Minister of Employment and Immigration? And when will the Wright-Gaucher report be available, and could the Minister tell the House what this report will cost?

Hon. Jean J. Charest (Minister of State (Youth)): Mr. Speaker, the Hon. Member is referring to a report by Secor that was ordered by the Wright-Gaucher Commission, and to the fact that the report was completed in three days. I think he is mistaken. As far as I know, that was not the case. I am practically certain it was not. Furthermore, this particular

study is not a report as such but a study that was ordered on specific points, and the Minister, in other words I myself, and the Commission were agreed that we wanted specific information on the way the youth problem was dealt with in certain countries. That was the object of the exercise at the time, and that is why we ordered this study. So as far as I know, there was no question of tabling a report in the House of Commons. Finally, I just want to add that Mr. Gaucher and Mr. Wright are working in an advisory role with the Minister of State (Youth).

• (1500)

[*English*]

TASK FORCE REPORT

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, Wright-Gaucher provided a report in September of 1986. In fact, there has been a veritable paper shower of reports concerning youth on the Ministry of Youth which seem to melt just as soon as they hit the ground. There has been no action.

My question to the Minister is this. Will he confirm that he received a report, a special task force on youth report, on February 24, 1986, and will he table it? More important, given the Secor Report, the Wright-Gaucher Report, and the report from the Advisory Council on International Youth Year, with all this information is it not just about time that the Minister produced a report on a policy for youth? Or will he twiddle while the hopes of youth burn?

Hon. Jean J. Charest (Minister of State (Youth)): Mr. Speaker, I do not want to play on words. What I can say to the Hon. Member is that what was undertaken by Wright-Gaucher, in accordance with an agreement that we had, was a study of very specific points that we felt at that time we wanted to look at. That is exactly what was done.

What the Hon. Member is asking me today, and I presume it is the new policy of the New Democratic Party of Canada, is to put forward a report. If I understand the Hon. Member for Windsor—Walkerville, that is what he wants today.

Mr. McCurdy: We want action. We want a policy.

Mr. Charest: I take it that that is the new position of the New Democratic Party.

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INDIAN AFFAIRS

CANADA POST CORPORATION'S INCREASED RATES—EFFECT ON FOOD SHIPMENTS TO NORTHERN COMMUNITIES

Mr. Keith Penner (Cochrane—Superior): Mr. Speaker, my question is for the Minister of Indian Affairs and Northern Development. Is the Minister aware that Canada Post recently announced a staggering 30 per cent increase in the rates that are charged for shipping perishable food items such as milk, fruit and vegetables into remote Indian and Inuit communities in northern Ontario and northern Quebec? What action is the Minister or his officials taking to persuade the Minister responsible for Canada Post, or the corporation, to roll back this huge hike in costs with respect to fresh food being shipped into these remote communities that are economically deprived as it is?

Hon. Bill McKnight (Minister of Indian Affairs and Northern Development): Mr. Speaker, the Hon. Member expresses a concern that is shared by myself. I will be entering into discussions with my cabinet colleague. However, the Hon. Member must be aware that actions taken by other corporations are not the responsibility of the Government. Crown corporations make those decisions independent of government.

REQUEST THAT MINISTER ACT TO REDUCE COSTS

Mr. Keith Penner (Cochrane—Superior): Mr. Speaker, of course I recognize that. Does the Minister think it is fair or right that Indian and Inuit people who live on fixed and very limited incomes should be faced with these big increases in the cost of fresh food? I want the Minister's assurance that he will work out some arrangement with Canada Post so that these enormous costs to these people in these remote communities can be reduced.

Hon. Bill McKnight (Minister of Indian Affairs and Northern Development): Mr. Speaker, again, I recognize the concern expressed by the Hon. Member. The enormous costs that he identifies are not known to myself at this time. I have said that I will enter into discussions to see what action can be taken. I also draw to his attention that it is my information that it is not just Inuit and Indian people but also non-native people who live in those areas who will suffer from the action that has been taken by a Crown corporation.

Mr. Speaker: In view of the time I would ask Hon. Members to make their questions as short as they can, keeping in mind the importance of the matter. The Hon. Member for Essex—Windsor.

Mr. Langdon: Mr. Speaker, that is a serious challenge.

* * *

CONSUMER AFFAIRS

INCREASE IN INSURANCE COMPANY PROFITS—REQUEST FOR INVESTIGATION

Mr. Steven W. Langdon (Essex—Windsor): My question is for the Minister of Consumer and Corporate Affairs. Statistics Canada has just reported a massive $616 million increase in profits, up to $1.4 billion, for insurance companies in 1986. Will the Minister launch an investigation through his Ministry to see how this huge jump in profits is tied to the 38 per cent

increase in car insurance rates which has taken place in the Province of Ontario?

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, I am not sure what legislative authority the Hon. Member thinks might rest with my Department to make that kind of investigation. Certainly if there is any evidence of collusion or competition factors which have led to this increase, any evidence in that regard would be welcomed by the Department and an investigation would take place by the Director of Investigation and Research. Beyond that, I am not sure what the Hon. Member has in mind. We do not have a profit control regime in place in Canada through which I could act in the way that the Hon. Member has suggested.

Mr. Langdon: Mr. Speaker, of course the Minister is responsible for the protection of consumers, and that could be the reason for such an investigation.

[*Translation*]

PROTECTION OF MOTORISTS—MEASURES TAKEN BY GOVERNMENT

Mr. Steven W. Langdon (Essex—Windsor): A supplementary question, Mr. Speaker. Is the Minister prepared to take urgent measures to protect motorists, and what is he doing now to protect them?

[*English*]

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, I would be pleased to give the Hon. Member a briefing on the consumer protection law within my Department and the responsibility within the Constitution that the federal Government has in this regard. However, I believe the actions which the Hon. Member is suggesting fall primarily within provincial responsibilities. I am at a loss what the Hon. Member might be referring to in terms of the authority. I am not the big brother protector of consumers.

Mr. Speaker: The Hon. Member for Eglinton—Lawrence. Again I ask Hon. Members to keep their questions short.

* * *

REFUGEES

SAFETY OF CHILEAN REFUGEE CARMEN QUINTANA

Mr. Roland de Corneille (Eglinton—Lawrence): Mr. Speaker, in the absence of the Secretary of State for External Affairs and the Prime Minister my question is addressed to the Deputy Prime Minister. Canadians want to know if the Canadian Government is offering any protection or is prepared to intercede on behalf of Carmen Quintana, a young Chilean refugee living in Canada, who was horribly set on fire last July by Chilean government soldiers and who has just returned to Chile to stand in solidarity with her people when she meets the Pope who is now visiting Chile.

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I am sorry but I will have to take that question as notice.

Mr. Speaker: The Hon. Member for Eglinton—Lawrence on a short supplementary question.

[*Translation*]

REQUEST THAT GOVERNMENT PERMIT CHILEAN REFUGEES IN ARGENTINA TO COME TO CANADA

Mr. Roland de Corneille (Eglinton—Lawrence): Mr. Speaker, is the Minister of State for Immigration, in co-operation with the Secretary of State for External Affairs and in a gesture of solidarity with the Pope who is now visiting Chile, prepared to announce today that he will permit the Chilean refugees in Argentina, who are desperately waiting for an answer from the Government, to come to Canada?

Hon. Gerry Weiner (Minister of State (Immigration)): Mr. Speaker, our answer was clear. Concerning the two individuals whom our officials have found and who are genuine refugees, we will do everything we can to bring them here as soon as possible.

A few others are independent immigrants and, apparently, the Government of Quebec will issue provincial selection certificates. In the normal course of the immigration policy, they will also be admitted here if they can meet the requirements related to medical and criminal records.

* * *

• (1510)

[*English*]

PHARMACEUTICAL INDUSTRY

SUPPORT FOR AMENDING PATENT ACT—DRUG PRICE INCREASE CONCERN

Mr. Ken James (Sarnia—Lambton): Mr. Speaker, I have a question for the Minister of Consumer and Corporate Affairs.

Mr. Speaker: I must advise Hon. Members that this will be the last question. I believe the Minister is still in the Chamber.

Mr. James: Mr. Speaker, my mail today contained a very interesting letter, a letter which detailed a Decima Research Limited poll commissioned by the Pharmaceutical Manufacturers' Association. The poll indicated that eight out of 10, or 82 per cent, of Canadians surveyed believe that the pending patent protection legislation is a good thing. This approval, however, is contingent upon adequate protection being in place to ensure that higher prices do not result.

My question is for the Minister of Consumer and Corporate Affairs. Can the Minister assure the enormously large majority of Canadians who support this legislation that Bill C-

22 contains provisions which will effectively guard against the drug price increase concern?

Some Hon. Members: Good question!

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Well, it may be that it comes after Question Period normally ends, but we've finally got a good question, Mr. Speaker.

The Drug Prices Review Board, Mr. Speaker, will absolutely keep all drug price increases to less than the cost of living increase, less than inflation—and, according to the poll, 82 per cent of Canadians approve of that.

I think a responsible Parliament should get that Bill passed as quickly as possible—

Some Hon. Members: Come on!

Mr. Andre: —as quickly as possible so that 82 per cent of Canadians will get what they want.

Some Hon. Members: Hear, hear!

Mr. Speaker: The Hon. Member for Windsor West (Mr. Gray) on the usual Thursday point of order.

* * *

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Hon. Herb Gray (Windsor West): Mr. Speaker, I would ask the Government House Leader (Mr. Mazankowski) for his customary statement on government business, hopefully for the entire next seven days.

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, we will today continue the debate on Bill C-22, and tomorrow we will have a further day on the Budget. On Monday, the House will sit only to hear the President of the United States, when he will be addressing a joint session of the Senate and the House of Commons.

An Hon. Member: Can we ask questions of the President?

An Hon. Member: Will we have Question Period?

Mr. Mazankowski: I am not sure what is the protocol in that respect. Perhaps the Right Hon. Leader of the Opposition (Mr. Turner) can enlighten us on that.

Mr. Turner (Vancouver Quadra): I would enjoy that.

Mr. Mazankowski: The other order of business, legislatively, will see us continue with the debate on Bill C-22, followed by debate on Bill C-37, that is, if the opposition spokespersons are available and are ready to go on it. Of course, in our usual way, we will always co-operate with the Opposition in ensuring that they have all of their troops in line to debate these very important issues.

The Acting Speaker (Mrs. Champagne): The Hon. Member for Cochrane—Superior (Mr. Penner).

Mr. Keith Penner (Cochrane—Superior): A point on the business of the House, Madam Speaker. Yesterday, the Deputy Prime Minister (Mr. Mazankowski) said that he will soon announce the details of the economic recovery package for northern Ontario. May I know whether "soon" will be some time next week? Will the announcement be made in the House in all of its detail, or will it be made in some other place?

Mr. Mazankowski: Madam Speaker, I am not sure what relevance that point has to House business—

Mr. Penner: It is right on. It is House business.

Mr. Mazankowski: Well, I am not so sure of that. We were talking about the legislative order of business—

Mr. Penner: Well, bring in the legislation. We will deal with that, too.

Mr. Mazankowski: Well, perhaps if we proceeded with Bill C-22 and a few other important pieces of legislation we would have more time to deal with the very important issue that the Hon. Member raises.

GOVERNMENT ORDERS

[*English*]

PATENT ACT

MEASURE TO AMEND

The House resumed consideration of Bill C-22, an Act to amend the Patent Act and to provide for certain matters in relation thereto, as reported (with amendments) from a legislative committee, and Motions No. 3 (Mr. Dingwall), No. 4 (Mr. Orlikow) and Nos. 5, 11, 13 and 15 (Mr. Dingwall, p. 4820).

Mr. Jim Manly (Cowichan—Malahat—The Islands): Madam Speaker, I am pleased to have the opportunity to speak on this second grouping of motions, and particularly on the motion put forward by my colleague, the Hon. Member for Winnipeg North (Mr. Orlikow).

Contrary to the information that was purported to be found in a sponsored poll, I do not think the majority of Canadians support this legislation at all, and the more they find out about it the less they are going to support it.

The fact is that up until 1969, when changes were made to the Patent Act that allowed for the production of generic drugs, Canada and Canadians were paying the second highest

prices in the industrialized world for prescription drugs. As a result of the changes that allowed for the production of generic drugs in Canada, Canadians are now paying the second lowest prices in the industrialized world for prescription drugs.The change in the price that is being paid for drugs, Madam Speaker, is directly attributable to the change in legislation which allowed for the production of generic drugs, and we do not want to see that forward move turned backwards. The Government apparently does.

The Government apparently has concerns, has priorities, other than the health of Canadians. The importance of prescription drugs to the millions of Canadians who depend upon them in helping them to deal with one health problem or another cannot be underestimated, and the costs of such drugs is of major concern to Canadians. Also, it is of major concern to provincial health care programs and provincial pharmacare programs. It is estimated that without generic drugs the costs of provincial pharmacare programs would increase by at least 20 per cent.

In Bill C-22 we are faced with legislation that is going to change that very positive provision that allowed for the production of generic drugs. This legislation would turn the clock backwards. Canadian people have to ask themselves why it is that the Government is doing this. It seems that it is some kind of fancy foreplay to the consummation of the free trade talks. It is in line with the elimination of FIRA; it is in line with the Government buckling under to the Americans on any number of issues.

The fact is, there has been a great deal of pressure from the American pharmaceutical industry and from the American Government to have the Canadian Government bring in these changes. That pressure was first applied to the Liberal Government. Some members of that Government were prepared to go along with it; others decided that they would try to stall it, and to that end they introduced the Eastman Commission. When the Eastman commission reported in June of 1985, it made significant recommendations, recommendations that I think completely cut the ground from under those who would turn the clock and make it more difficult to introduce generic drugs.

On the one hand, the Government is facing pressure from the American Government and the pharmaceutical companies to turn the clock back; on the other hand, the members of the New Democratic Party, along with Canadians from one coast to the other, have been rallying around this issue trying to emphasize the need to maintain the provisions of the Patent Act that allow for the production of generic drugs.

I have received countless letters in my office. Other members of the New Democratic Party caucus have received a number of letters, and I know that members of the other Parties have as well, including a great many Members on the government side. Why they are not acting on the basis of those letters, I do not know.

We have also had many petitions tabled in this regard. Some of the Progressive Conservative Members have been a little bit skittish about the tabling of some of these petitions, because they indicate very clearly that there is a very great concern about the way in which these very positive provisions in respect of the production of generic drugs are being negated by Bill C-22.

We are concerned, Madam Speaker, with Motion No. 4, among others, which would limit the exclusivity of patent protection of newly introduced drugs to four years. This four-year provision is a bit of a compromise. It is what was recommended by the Eastman Commission report. It is a much better provision than the provision in the legislation, which allows for 10 years.

The Eastman Commission points out the importance of some period of exclusivity. I should like to read a short passage from the Eastman report:

• (1520)

> The pricing behaviour of firms introducing new drugs in the Canadian market and abroad is typically to set high prices initially when the novelty and uniqueness of the drug is greatest so as to maximize its profitability. As competition develops from imitative drugs either with patents of their own or as generics in Canada, prices tend to decline and so increase the benefit of the new drug to consumers and taxpayers.
>
> An assurance of monopoly in the market at the most profitable early period after the introduction of a new drug ensures a satisfactory return and therefore constitutes an inducement to introduce the drug in Canada.

The Eastman report recognizes that there should be some period of protection for a new drug. It continues:

> The question is to decide on the appropriate length of a period of exclusivity during which the innovating firm can charge prices well above the cost of materials and manufacturing to create a gross profit that covers all other costs including the high initial promotion costs.

The question is, what is the optimum period for monopoly protection? The Eastman Commission dealt with that wherein the report indicated:

> The Commission was told at the Hearings by representatives of Merck Frosst that many drugs achieved large sales in the first year following their introduction and that drugs that took longest to establish themselves required from three to four years after which the growth in their sales slowed. This view is consistent with other information. The four-year of exclusivity that the Commission believes should be given new drugs reflects these estimates.

In other words, this four-year exclusivity period reflected in Motion No. 4 has not been pulled out of a hat. It was based upon the testimony of a pharmaceutical drug company before the Eastman Commission which indicated that the longest time it took for a drug to establish itself was some four years. It gives adequate protection for new drugs coming on the market.

We recognize that that is important. There should be adequate protection, but we do not think that there should be the kind of protection which allows drug companies to continue making profits after profits to the detriment of Canadians who must purchase the drugs.

In Bill C-22 the Government wants to give a period of 10 years of exclusivity for the manufacturers of drugs. Over a period of 10 years the makers of brand name drugs will then

have the opportunity to sew up the market in such a way that brand names will be so well established that even the introduction of generics will not have a sufficient downward impact upon the prices of those drugs. Even when generics are introduced, after such a long period they will not have a negative impact upon prices.

The American Association of Retired Persons was invited by members of my Party to appear before the legislative committee on Bill C-22. The Conservatives refused to allow the association to appear because they did not want to hear testimony from Americans about the way in which the system in the United States works to the detriment of average Americans who must purchase drugs.

I see that my time is up. I simply urge government Members to consider the implications of what they are trying to do by granting a 10-year period of exclusivity. It will mean that drug prices will remain high. They should look at the recommendations of the Eastman Commission which suggested a four-year period, based upon some solid reasons. They should listen to the voices of their constituents who urge them not to take this action which will result in higher drug prices for them and for their fellow Canadians. I urge government Members to pay attention to these issues.

[*Translation*]

Mrs. Thérèse Killens (Saint-Michel—Ahuntsic): Madam Speaker, I welcome this opportunity to speak to Bill C-22 and to defend the amendments proposed by the Liberal Party. I am referring to Motions numbered 3, 4, 5, 11, 13 and 15. In these motions we talked about the period of exclusivity. The Bill is proposing a 10 year exclusivity period, and as all members know perfectly well, we in the Liberal Party are proposing four years, as recommended by the Eastman report. As for the date of proclamation, the House will recall that in 1986, the Government was unable to follow through on its Bill. However, in the Bill tabled on November 6, the proclamation date remained unchanged, which means that the legislation is retroactive, which is totally unacceptable. It means that the legislation is retroactive to June 1986.

And finally, regarding the motion on the priority status for process and product patents, we are proposing this amendment because it will have a very definite impact on development in the technology sector.

I would like to start by discussing the period of exclusivity. As I said earlier, the Eastman report recommended a period of exclusivity of four years. The reason was simple. According to the Commission of Inquiry, it was necessary to encourage pharmaceutical companies to do research. The Commission was well aware of the pattern followed by pharmaceutical companies: as soon as they enjoy too much protection, they tend to waste the funds this protection affords them. This argument is part of the Eastman report and Hon. Members will find it on page 338.

Indeed, Madam Speaker, there is a description of the consequences of too little and too much protection. I quote from page 338:

> Another consequence of excessive patent protection and of the profits to which it potentially gives rise is to induce patent holders—

—the multinationals in this case—

> —to incur excessive costs of promotion through marketing and selling expenditures designed to stimulate demand and maintain their competitive position in the market.

Madam Speaker, it seems to me the Minister completely forgot this fact when he decided to give 10 years of exclusivity. This is a striking example of a recommendation which was totally ignored, and it flies in the face of a serious study which cost Canadians a pretty penny.

When he refused to answer our questions in the House the Minister promised he would give the committee all data on which he had based his decision. We soon realized he had no intention of doing that. The Minister simply told the committee that fours years of exclusivity was too short, and that was that. Where did he get this information? We did not find out in committee. I am sure that not one Conservative Member can tell me either, and that none of the departmental officials can give me a rational explanation. Why 10 instead of four years? Why not follow the Eastman recommendation? The only ones in a position to give us the answer are the multinationals because this decision gives them the upper hand.

A 10 year exclusivity period will have an impact on the profits of those companies. In fact, in his report Mr. Eastman provided a documented and wide-ranging explanation of the phenomenon associated with the protection a patent may afford. According to him, new drugs are always priced high to recoup development costs.

The shorter the exclusivity period, the higher the introductory price. When the exclusivity period is longer, the introductory price is lower, but it takes much longer to decrease.

My question is as follows: Is there anyone in the House who has made an assessment of the impact the Conservative Government's policy will have? How do we know which option will cost more? A short or a long period of exclusivity? No assessment has been made. Government Members may argue that the Opposition is wrong to say it will be expensive and that prices will go up, but what contribution has the Government made to this debate? Not a single Conservative has had the guts to rise in the House to speak to this Bill.

And furthermore, we have no indication of the impact the measures proposed by the Government will have aside from a partisan study by the Department.

Madam Speaker, Mr. Bill Haddad, a representative of the U.S. generic drugs industry who was refused permission to appear before the Committee, nevertheless came to Canada to describe to us the situation in the United States. He pointed out that research and development for most of the drugs originating in the United States had already been paid for by U.S. citizens. In fact, the multinationals were making so much

money they were researching the best ways to invest their excess profits. Considering all these factors, we can hardly accept a period of exclusivity for the duration proposed in the Bill.

As we all know, the Bill does not take into consideration the consumers of pharmaceutical products, and even worse, it fails to consider the needs of the biotechnological industry in Canada. I find it very difficult to accept the Government's defence of the need to adopt legislation that is similar to legislation in effect in the international community. The Government could have accepted, and it can still do so, the Liberal Party's amendment by which not only product but also process patents would be allowed as far as the biotechnological industry is concerned. This is a complex part of our amendments, but I wanted to have them included in the proceedings of the House because I think they are important. If the Government does not accept these amendments, it will be showing itself to be insensitive in the extreme and lacking in any understanding for the needs and the nature of the biotechnological industry in Canada.

Finally, I would like to talk about the drugs which, at the time the Government announced its intention to amend the Act last June, were still in the "pipeline". There were a number of specific provisions for the so-called pipeline drugs. In the new version of this Bill, the Bill that was tabled in the House several months ago in June, there have been no changes. An attempt was made to table the Bill in June and it was finally tabled in November, but nothing was changed which means that the Bill will be retroactive to June 27, 1986. That we cannot accpet. They could at least have changed this date for the date on which the present Bill was tabled, or as we state in our amendment, substitute the date of the royal proclamation. Once again, the Government has caved in to pressure from the multinationals.

This Bill does nothing at all for the whole sector of the generic and biotechnological industries, quite the contrary. This is why we are proposing an amendment to that effect. I want this to be very clear.

The 10 year exclusivity period is unacceptable, we believe that the four-year period recommended by the Eastman Commission is reasonable. Several interest groups share this view and gave us their support in the parliamentary committee. It is interesting to note that most interest groups are aware that it is necessary to provide better intellectual protection for patents, and this explains why they are prepared to accept changes to the legislation which dates back to 1969. Of course, they too realize the need for better protection, but they all agree that a 10 year period is too long and unwarranted. However a number of them would endorse the four-year period advocated by the Eastman Commission simply because most interest groups are reasonable and realistic.

The generic sector of the pharmaceutical industry told us it could quite probably have lived with a four-year exclusivity period for patent holders. We must bear in mind that the generic industry is the industry which copies.

My time has expired, Madam Speaker. Very well, I must accept your decision. I will be back for the next amendment. Thank you, Madam Speaker.

• (1530)

[*English*]

Mr. Nelson A. Riis (Kamloops—Shuswap): Madam Speaker, I am pleased to have an opportunity to speak to this particular motion. It refers to the problem about which many Canadians have registered concern time and time again through petitions, namely, that this Bill will give exclusive rights, I like to call it monopoly rights, to drug companies, largely foreign multinational drug companies, over a particular drug, which will result in higher costs than they would be under a competitive system. It does not take any imagination to recognize that if you have exclusive rights, monopoly control, you will not take advantage of that monopoly if you are in the business to make profits, to distribute to your shareholders. That situation, however, will occur in Canada in the future. I think back to the beginnings of the Canadian economy when the Hudson's Bay Company of Canada was given sole monopoly over the fur trading areas of all the lands drained by rivers going into Hudson's Bay. You could not compete with the Hudson's Bay in that area.

I find it surprising that the Minister with whom we are dealing in this matter is the Minister of Consumer and Corporate Affairs (Mr. Andre). Presumably the Minister of Consumer and Corporate Affairs is interested in competition in the market-place to keep the prices of prescription drugs as low as possible. One of the very tenets on which the Progressive Conservative Party exists is a commitment, belief and value of competition in the market-place. I have heard hundreds of speeches in this House that try to remind us all that competition of almost any kind is good. Yet this Bill is totally contrary to that because it excludes competition for 10 years. You would be aware, Madam Speaker, that it was Dr. Eastman himself, the author of the original study conducted by the then Minister of Consumer and Corporation Affairs in the Liberal Government, who suggested that it would be fair for a drug company, having discovered a new drug, to have a monopoly for four years in order to benefit from the research money invested. All right, one could perhaps make that case, but this Bill extends the monopoly not for four years but for 10 years. That perplexes many of us, and that is why we oppose this aspect of the Bill.

Time and time again during this debate Members on the government side have referred to a recent poll. It indicates, as it is alleged, that eight in 10 Canadians are in favour of the Government passing Bill C-22. This is a very serious problem as I see it. The poll released was commissioned by the Pharmaceutical Manufacturers Association and done through Decima Research. If you look at the poll itself, it is printed on the letterhead of the Pharmaceutical Manufacturers Association of Canada. All of the people one is asked to contact for further information are people with the association or the PR

people for the association. This poll done by Decima was not an objective poll. The poll differs from any other that I have ever seen. I really wonder about Decima because it often prides itself on being on objective polling agency. We know it does a lot of work for the Conservative Party and we know that the Conservative Party is interested in getting this Bill through as rapidly as possible.

Consider the bias, Madam Speaker, which surprises me. Social scientists who conduct these polls pride themselves on devising questions that are as value-free and as bias-free as possible. We know that it is probably impossible to be free of bias, but there are degrees of bias that could be tolerated. In the Decima poll, Canadians were asked to respond to this statement: "If brand name companies double research efforts in Canada, health care and quality of life will improve because of early access to new, high quality cures". Of course an average Canadian would support such a statement. However, I would like to know if this statement is even correct. It is loaded with unproven statements and real bias.

• (1540)

There is nothing in the Bill compelling companies to double research efforts. The companies simply say that they will increase research and development efforts by 10 per cent of sales by 1995. We know better than to suggest that companies like these could be taken at their word. If this is serious and the companies mean what they say, why not put in the legislation that this is a commitment to research and development in Canada that the pharmaceutical industry is prepared to make? The legislation is mute in this respect.

There is no guarantee that this research will be basic scientific research. We have heard that much of the research that will be taking place in Canada will be market and clinical research, with basic research being only about 10 per cent of all research. We will see research into how best to market pills, how to get more mileage out of a certain coloured pill. That is not the kind of scientific research we want to have take place in Canada as a result of the monopoly control that these companies will have.

The primary objective of pharmaceutical research is to produce drugs that are big sellers. Let us not kid ourselves by believing that this is not so. The best way to produce these drugs is by imitating best-selling drugs using a slightly different chemical structure for what is known as a minor therapeutic gain. There is nothing in the legislation that will guarantee research. As a matter of fact, as we know from previous debate in the House, there is not even a definition of research in the Bill.

For this poll to suggest that research will take place once this Bill is passed is highly questionable. Quite frankly, I do not think it does the credibility of the Decima polling organization any good at all. In fact, an allegation of asking highly biased questions is very, very serious.

I would like to refer to what I believe is a much more appropriate poll taken by Reid. Some weeks ago, this organization asked Canadians to respond to this statement:

> As you may know, the Government recently presented legislation which will give drug companies exclusive patent rights to manufacture and sell the drugs they invented for a longer period of time than they have now. Other companies will not be allowed to produce or sell less expensive copies of most drugs for 10 years. Do you yourself support or oppose this proposed legislation?

The results were interesting. In Canada as a whole, 58 per cent were opposed and 30 per cent supported it. In British Columbia, 66 per cent were opposed to it, in Alberta, 62 per cent were opposed to it, and in Manitoba and Saskatchewan, 69 per cent were opposed to it. In Ontario and Quebec, 54 per cent were opposed to it and in Atlantic Canada, 56 per cent were opposed to it. When Canadians were asked if they believe that multinational drug companies operating in Canada ought to have exclusive rights and monopoly control to sell their new products for 10 years, eliminating any competition in the drug market-place, thank goodness an overwhelming number of Canadians said no.

[*Translation*]

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Madam Speaker, I welcome this opportunity to take part at this stage in the debate on Bill C-22. Perhaps I should remind the House that we are now on the amendments that were regrouped by the Chair and which deal with—amendments Nos. 3 . . . I'm trying to find the page, I won't be long. Meanwhile, Madam Speaker, I would like to say it is always easy to use the polls to support a point one wants to make, and in fact I too was surprised that the Government would use a poll ordered by the multinationals to justify Bill C-22, especially since we all know that in January and last year, a poll by the Reid Report and another by Gallup clearly indicated that Canadians were very much opposed to this Bill. According to the Reid Report, 58 per cent of Canadians were opposed to this legislation. The question that was put to Canadians was quite clear: Do you support this Bill? In the Decima poll referred to by the previous speaker, the question put by the company conducting the poll was somewhat different. The question was:

[*English*]

"After hearing all the various arguments in favour and against the proposed Bill," even though we are not finished arguing the Bill, "is it your impression that the Bill is a very good thing, a good thing, a bad thing or a very bad thing?"

[*Translation*]

Madam Speaker, obviously, Canadians were going to say what they thought and do so freely, but it is not very convincing when we know there were two polls, one by Gallup and the other by Reid, that produced the opposite results, while today we have a poll that says that perhaps Canadians think it might not be such a bad idea to review the provisions for protecting pharmaceutical companies and allow them to retain patent rights on certain drugs.

In any case, Madam Speaker, we object because we believe—and we have always supported the Eastman report that was ordered by the previous Government and which recommends a period of four years. We think that is satisfactory and sufficient, and we believe, polls or no polls, that people should listen to the points we have to make before jumping to conclusions.

[*English*]

The ruling having been made, we are discussing Motions Nos. 3, 4, 5, 11, 13 and 15. These motions deal with a radical, retrograde proposal of product rather than process patents for pharmaceutical products. In the past, process patents have allowed generic companies which produce low cost copies of medications to improve upon methods of creating drugs for their own ease in producing the drugs and for gaining an advantage over competitors by producing the drugs in question at lower costs. The innovation process was endless and enormously beneficial to Canada.

We in Canada are very proud of having one of the best health care systems in the world. It is highly recognized for its quality, its universality and its transferability from province to province. It is accessible to all Canadians and, of course, it is non-profit, something of which we are very proud. We cannot say that that is the reality in the United States. We know that in the United States, there is no national health care program accessible to all Americans in a universal fashion. It is not transferable and it is therefore very difficult sometimes to be faced with sickness and disease. In Canada we feel very comfortable with the very sound system of health care we have developed over the years. That system is based not only on the services rendered by health practitioners, but also on access to a solid range of pharmaceuticals.

• (1550)

The myth that if we pass this Bill there will be $1.4 billion of research and development in pharmaceutical products sounds good. It looks fine on paper. However, we have never seen any commitment from the industry and we have yet to hear from the Minister how he will hold them to that commitment if it does exist. We are a small but proud country. We are not a large market, but we are a stable and very good market. As far as we in the Liberal Party are concerned, we have been very well served over the years by both the generic and the multinational drug companies which operate within our borders. The Eastman report was needed and the recommendations in it should be followed.

To get back to the amendments and what I call the radical retrograde step of proposing product rather than process patents for pharmaceutical products, what we are trying to do is to delete product patents from the legislation. As the law now stands, only process patents can be granted. Bill C-22 would allow product patents to be granted as well. Canadian biotechnology firms say that this change will effectively put them out of business. I want to refer to the transcript of the committee hearing of January 29, 1987, where a company called Cangene appeared. That company developed a drug, Interleuken 2. For those who are interested, when mixed with a prostaglandin inhibitor it looks as though it will be a real cancer cure. It reverses in-place, solid tumours. This is what the company said:

> Cangene is one of the few companies in the world that can do this, and we are ready to move to scale-up to clinical trials, and to manufacture. We have succeeded in this one instance, and there may be more, using Canadian ingenuity and Canadian money, operating under Canadian law.

It goes on and, referring to the Government, says:

> On the verge of our success, you propose to change the rules. Under the new rules, the Cangene process, already successful with one and perhaps successful with others yet to be tried, will be useless.
>
> It will be useless, because you, in the amendments, will allow product patents. The natural health-giving proteins will become the private property of a single company. The process used to make that protein, the Cangene process, will be immaterial.
>
> Under your new rules or the rules proposed in the amendments, the battle for the market-place will move into the courtroom, as it has in the United States. That will doom Cangene and Canada forever—from establishing a Canadian niche in the protein-based pharmaceutical manufacturing industry. Surely together we can write legislation which will not throw out the baby, Cangene, with the bath water.

My time has expired, Madam Speaker. I would like to continue on the next amendment.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mrs. Champagne): It is my duty, pursuant to Standing Order 66, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Cape Breton—East Richmond (Mr. Dingwall)—Pharmaceutical Industry—Affidavit of Chairman of U.S. Generic Pharmaceutical Industry Association—Request that Canadian Ambassador appear before Committee; the Hon. Member for York West (Mr. Marchi)—Immigration—Portuguese refugees—allegations concerning consultants and officials—Request for review of Department; the Hon. Member for Cowichan—Malahat—The Islands (Mr. Manly)—Fisheries—Request that Minister meet representatives of Star-Kist plant workers—Herring-roe fishery—leasing of licences.

GOVERNMENT ORDERS

[*English*]

PATENT ACT

MEASURE TO AMEND

The House resumed consideration of Bill C-22, an Act to amend the Patent Act and to provide for certain matters in

relation thereto, as reported (with amendments) from a legislative committee, and Motions No. 3 (Mr. Dingwall), No. 4 (Mr. Orlikow) and Nos. 5, 11, 13, 15 (Mr. Dingwall) (p. 4820).

Mr. Howard McCurdy (Windsor—Walkerville): Madam Speaker, the issue addressed in the amendments presently under discussion is that of intellectual property. Before examining the contrast between the Eastman report's recommendations and the Government's proposals in Bill C-22, let us once more remind ourselves of the impetus behind this legislation resulting from pressure exerted from south of our border.

Both you and Canadians generally know the history of the cosy get-together between the Prime Minister (Mr. Mulroney) and the President a couple of years ago which set this legislation in train. You will know of the frequent interventions of Mr. Yeutter to encourage Canada to recognize something called intellectual property. It was argued that Canadians offend against that property right held by Americans by virtue of our present patent legislation. You will know, too, that the U.S. Vice-President is a former member of the board of directors of one of the largest drug manufacturing companies in the U.S., to wit, Eli Lilly. You will also know that the Chairman of the President's Advisory Committee on Trade, E. J. Pratt, was president of another large U.S. multinational with interests in Canada. You will know that the legislation before us then represents an effort on the part of the Government to meet the demands imposed upon it by the Americans as a condition to the free trade negotiations in which the Government is presently engaged. You will know that in every respect the Government has, with great urgency, attempted to fulfil every demand placed upon it by the Americans.

It is interesting to note that the present legislation, which does so much offence to our system of public health, is not enough. You are as familiar as every other Member of Parliament with the list of demands the Americans have been mandated to make at these negotiations. Still appearing among those demands, irrespective of the existence of Bill C-22, is increased protection for American intellectual property. That includes their opinion that the legislation we are discussing today is not enough. Therefore, if Canadians are watching this debate with the assumption that Bill C-22 is all the harm that the Government will perpetrate upon them, then I am saying, and they ought to know, that there may yet be more of an attack on the system of drug availability which heretofore has been so consistent with the Canadian assumption that health services ought to be available to all irrespective of cost. I am sure you recognize that that is not an imperative in the American system.

• (1600)

It has been alleged by members on the other side, including the Minister of Consumer and Corporate Affairs (Mr. Andre) that in opposing this legislation New Democrats are somehow opposed to the concept of intellectual property. This is, of course, unmitigated nonsense. Intellectual property is not something which can always be bought and sold. We are talking about intellectual property which leads to some kind of product, some sort of good which reflects the productivity of creativity.

You and I know, Madam Speaker, that if one examines the history of intellectual artistic endeavour one will see that the most fundamental contributions have not led to patents or to a penny. Surely everyone in the House recognizes that when Newton conceived of a way in which to express the relationship between material bodies his notion about gravity did not lead to any patent. To be even more relevant to the present discussion, let us reflect upon the discovery by Fleming of penicillin. The discovery of penicillin did not lead to a significant penny for Mr. Fleming. When Selman Waksman discovered streptomycin there was a patent and royalties were paid for it, but they did not go exclusively into the pockets of the corporation. They went to the universities and led to more discoveries in the area of antibiotics. Selman Waksman gained only a modest living therefrom.

The concept of patents is, of course, to provide some stimulus for making available to the general population products of intellectual effort and to provide a stimulus for making those products available in the market-place. It is for the convenience of the population at large and for the stimulation of those who, by virtue of their intellectual endeavours, create something which might benefit the population, to encourage that kind of creativity, but it is not absolute. It has never been conceived of as absolute. If it were absolute, patents would exist in perpetuity as would exclusivity, and they do not.

The reality is that when exclusivity existed for 14 years prior to 1969, the drug companies used this protection literally to steal money out of the pockets of the poor. Their profits were unquestionably excessive. The robbery imposed upon those who needed medicine was vicious. A situation was created in which it was clear to everyone that something had to be done to change the situation. As a result, in 1969 the present legislation was adopted by the Parliament and the Government of the time. There followed a period during which Canada became the heir of the best arrangement in the world for making drugs available to those who needed them. You will, of course, recognize that the mechanism was the compulsory licensing of generic drugs.

According to the arguments presented by the Government one might have thought that the multinationals must have virtually gone into bankruptcy, that they were looking at poverty as a result of the legislation. The fact is that their profits changed not a whit. In 1985, they averaged 22 per cent, and one of them had profits over sales of 51 per cent. Therefore, they are profitable. In fact, this sector is more profitable than any other manufacturing sector.

One must ask why the Government would suggest 10 years of exclusivity. Why were the recommendations of Eastman ignored? Why would a Government respond not to the needs

of the people, not to the recommendations of a well and carefully prepared report, but to the demands of an American Government? It is sinful that a Government would behave in such a way. One must remember that this is a Government which 78 per cent of the population regards as an appropriate Party for the Opposition. I, too, share with the Canadian people their hope that some day the Party which is in government now will be as effective in opposition when we are in government as this Party is today.

Mr. Roland de Corneille (Eglinton—Lawrence): Madam Speaker, I rise to speak on Motions Nos. 3, 4, 5, 11, 13 and 15. These motions fall into two general areas. Motions Nos. 3, 13 and 15 profoundly affect the Canadian biotechnological firms which see this legislation as a grave threat to their survival. Motions Nos. 4, 5, and 11 fall into another grouping. Motion No. 3 deals with a subsection which reads:

> (b) where the invention is other than a process, to make or use the invention for medicine or for the preparation or production of medicine—

These motions are asking for the removal of these sections. I wish the Government would appreciate what the impact upon the biotechnological industry in Canada will be if these sections are not removed.

These motions are moved by the Member for Cape Breton—East Richmond (Mr. Dingwall) who has been spending a great deal of time listening to and studying the representations made by Canadian and multinational drug producers as well as all the organizations and people who will be adversely affected by the general trend and development of the Bill itself. The Bill is a threat, not only to companies operating in Canada and the pharmaceutical business, but also to the taxpayer, the provinces, and their budgets.

It is a particular threat to those in weaker positions, the elderly, those more prone to the need for drugs, those who are handicapped and disabled, and to poorer people of our population. It is certainly a threat to the disadvantaged groups which often turn out to be various people of certain races in areas of our country which are economically deprived. I am thinking, of course, at this moment of our native Canadians whom we have already so badly disappointed. There is already a crushing burden in so many ways upon those who are weak and poor in our society and the regions of our country which are not benefiting from the present increase in employment. The benefits being enjoyed in the Golden Horseshoe are not being enjoyed in areas like Newfoundland and British Columbia. It is for these disadvantaged that we speak because any increase in the cost of drugs ultimately, whether in the short run or the long run, will be a source of suffering for them.

• (1610)

We can talk about providing, perhaps, more research, and that case has not, to my mind, been proven. But even if there were more research in Canada, that does not solve the problem of the suffering that higher drug prices will mean to those who are poorer and less advantaged. It is for them that the Bill, which allowed Canadian companies to enter into the generic drug field after a reasonable period of time, was originally passed, so there would then be that kind of fair competition which would allow people in Canada to buy drugs at a reasonable price.

Members of our Party certainly are not opposed, in fact, welcome the idea that there be some decent profit for those companies which have had the courage to go into private enterprise and do the research for drugs and bring them on the market. Obviously, if we did not give some kind of rewards to such companies there would be no reason for them to do the research they do. At the same time, it seems to us Draconian to think we are going to give such complete protection to multinational foreign companies to continue almost endlessly, at least for the living life of the drug itself, to charge the kinds of prices they wish to charge.

I know the Government will say there are some forms of protection so that drug prices will not be unreasonable. Even those who are involved confess that it will be quite some time before the hearings are completed, before the value of the drug is really assessed, and we are not at all persuaded that through such a long process the interests of the public will be served, especially those who are less well off financially.

It seems like a tragic form of inverted logic, or a form of hoodwinking, when Members of the Government try to persuade the Canadian people that a 10 year protection is something that is required in order to provide worth-while research in this field. We know that multinational companies have been profiting rather well. We know they are still selling their products in this country. We certainly feel there is a need for some kind of fair competition.

We have been trying as a Party to follow the recommendations of the Eastman Commission which studied this matter. It suggests that there be a moderate approach to this whole question. On the one hand there would be respect for the need for research and adequate encouragement and, on the other hand, generic drugs would be provided to the Canadian public in a reasonable time period. Because of policies we have followed up to this time, Canadians have profited by lower drug costs. We have one of the best pricing systems in the world. Yet, the research which has been done has not been any less. In fact, I think we can, if we wish, provide incentives to Canadian companies to carry on research here. There would be plenty of opportunity to do so.

What will happen if this Government's Bill is passed, ultimately, is that multinational corporations will make a large profit, and the Canadian public will not be protected by the possibility of lower generic drugs being brought on the market, which means they will pay higher prices than they otherwise would. All of the abracadabra of the Minister who tries to play around with these words about what is more or less, will not fool the Canadian public one bit. If there is no competition through generic drugs we know that drugs will cost more than they otherwise would if there were generic drugs available. It is that simple and logical. Therefore, when we say that the cost

of drugs will be higher, that is what they will be, higher than if the Government did not pass this Bill. If this Bill is not passed, the cost of drugs will not go up, and they will cost more if this Government's Bills are passed in future years.

The cost of health care is going to increase over the years as we have a larger and larger aging population. We still have not come under this Government's great era of supposed economic improvement. The same number of people are at the poverty line. As the provinces try to pay the cost of drugs to take care of those who, in larger numbers, are going to need those drugs, obviously the taxpayers are going to have to pay more money. Canadians will have to pay more money at the pharmacy. I do not think the pharmaceutical industry enjoys one bit having to charge more. I am sure it has appreciated the pleasure of seeing the availability of drugs to the senior citizens and poorer people.

I would suggest that the Government should go back to the drawing board and at least consider these amendments which are before it for consideration. I hope these amendments will be allowed to pass.

Mr. Dan Heap (Spadina): Madam Speaker, I am very glad to have a chance to speak on this group of amendments. The amendment I am promoting, of course, is Motion No. 4. This clause of the Bill would give a monopoly of up to 10 years, depending on circumstances, to the producer or manufacturer of a new drug. Our amendment would reduce that monopoly to four years. This is based on the study by Professor Eastman which received a very wide consensus in the country. He argued there should be some time protection for the patent, but not as much as 10 years. He recommended four years on the basis of intensive study. Why? He said that at the end of four years it was appropriate to let competition from the generic drug industry, which by now is well established in Canada and employs many people, lower or at least prevent a rise in price. His study estimates that in 1983 alone the present legislation saved people $211 million. This means senior citizens, young people, and persons who are mainly dependent on these drugs, would have paid $211 million more in total had the present generic drug legislation not been in place. That is the kind of benefit that will be considerably lost if this new legislation goes through without our amendment which would restore some protection to the consumers.

The point of view of the Government of Canada, the Government of the United States and the multinational profit drug industry, is that not only will they lose money—which they do not emphasize very much—but they will not create so many jobs in Canada, they will not produce new drugs in Canada and there will be higher prices than otherwise for any new drugs which are produced in Canada or elsewhere. We cannot take those arguments seriously. The fact is that the drug industry, which promised 3,000 new professional class jobs, turned out to be flim-flamming the public through the Minister. Only 1,148 professional jobs will be created. The large majority of the 3,000 jobs would be lower clerical and manual jobs. Of course, the industry does not mention that by doing this the pharmaceutical multinationals would destroy or cut back the generic drug industry in Canada. This means that many jobs could be lost if the Bill passes without the adoption of the amendments we have proposed.

• (1620)

According to a study by the Consumers' Association of Canada the multinationals are doing very well at the present time in Canada in terms of their prices and their profits. If they wanted to establish research in Canada they have the profits with which to do it. When they say that to continue with the 1969 legislation would cost us these new jobs, they ignore the fact that before the 1969 legislation was enacted there were 12,645 jobs in the drug industry, almost none of them in the generic firms. However, in 1982, after the legislation had been in force for 13 years, there were 15,707 jobs, about 1,300 of them in generic firms. Thus if the 1969 legislation had any effect on employment, it was to encourage an increase of about 25 per cent or 3,000 new jobs.

With respect to whether research and development has slowed, the fact is that very little research was being done before 1969. There is little reason to suppose that the multinationals will change their habits. They now have highly centralized world-wide production with high technology and low labour components. It is not likely that out of friendship they will establish many operations in Canada that will produce jobs, especially good jobs. By the same token, it is not likely that they will develop any new drugs in Canada. They were not doing that before. With respect to new drug prices being lower if they are granted a 10-year monopoly, that has absolutely no basis in terms of the experience before 1969. So there is no reason to think that if we give the multinational drug companies a 10-year monopoly there will be any benefit to Canadians in terms of drug prices or in terms of new drugs.

With respect to the benefit in terms of jobs, there could very well be more jobs lost than gained. If they do put in place 3,000 new jobs, that would only balance the 3,000 jobs that were created as a result of the 1969 legislation. Such a move would simply replace those 3,000 jobs. So there would be no net gain in terms of jobs.

The best arrangement would be to keep the old Bill in place, or to make more cautious changes to it. If the new Bill is introduced, we will need the amendment which we are now discussing, which would cut the monopoly from 10 years to four years. Monopolies are a fact of life. Bell Canada is a monopoly. We all know the difficulty consumers have in terms of getting a fair shake for a fair price out of Bell. The gas companies are near monopolies. We all know the difficulties we have in seeing any real competition which would lower the price of gas. It will be the same among these multinational drug companies. They now bring in a profit of between 22 per cent and 59 per cent per year. They do not really need to take any more money from the senior citizens and the children of Canada who are the main beneficiaries of prescription drugs.

We have a good health system in Canada as compared to the United States, which is the home of the majority of the multinationals which deal in Canada. The health system costs less per person in Canada than it does in the United States. In fact, it produces a higher level of health for the people of Canada than the American system produces for its people. We are getting far more for our money in terms of health care than the people of the United States are getting for theirs. Part of the system that has produced this benefit for the people of Canada has been a result of the generic drug legislation which was passed in 1969 which kept a reasonable ceiling on the price of prescription drugs. Therefore, this amendment is to the benefit of millions of ordinary Canadians. It far outweighs any doubtful claim that the Government or the multinationals can make, or that President Reagan can make when he leans on our Prime Minister (Mr. Mulroney), that giving still more money to the monopolies will create extra jobs and new drugs and would, by some magic that the monopolies have never demonstrated, bring drug prices down.

I urge the House to adopt Motion No. 4 and the other amendments which are in the same spirit which would prevent the destruction, the erosion of the present generic drug legislation which has been of such benefit to Canadians during the last 18 years and which is basically very much needed by all Canadians, but in particular those most at risk, that is, senior citizens and children.

[*Translation*]

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Madam Speaker, I am pleased to speak to the amendement of my colleague for Cape Breton—East Richmond (Mr. Dingwall). I think it is important to remind our listeners what Bill C-22 is meant to amend. At present, as far as drug research is concerned, immediately after a new product has been introduced on the market, a so-called generic company can make a copy of the product and sell it cheaper. Such a legislation has been truly effective to meet the needs of Canadians. We should recall that that measure had been introduced by the Liberal Government in which Mr. Turner was Minister of Finance.

As a result of a review, especially at the request of the Quebec government and various socio-economic groups in the Montreal area, it was important to study the matter to see whether amendments should be made to protect jobs as well as research and discoveries made by our scientists.

Madam Speaker, I believe the amendment suggested by my colleague follows the recommendation that was made in the Eastman report following consultations, meetings with various parties involved and apparently with the approval of the majority. Unfortunately, as usual the Conservative Government and the Prime Minister yielded to the blackmail of both the American Government and the drug-producing multinationals, so they decided to allow a 10 year protection period, which is tantamount to inflating drug prices and hitting hard at lower and middle-income people. There are four million of them in Canada, and they have no private insurance protection, nor any kind of coverage provided by employers or the Government.

The Government may very well claim that prices will not go up, but this is not true, and the question which immediately comes to mind is this: If the Government is convinced that prices will not increase because of the 10 year protection, then why does it make allowance in the Bill for something like $100 million to be given to the provinces to compensate for the higher costs paid by health ministries? We know that in terms of social assistance and in hospitals this means those people would face higher prices.

Hon. Members will recall as well—and this is not surprising since it came from the Conservative Government—that the Government chose to tax sick people to the tune of 10 per cent. The tax on sick people is now up to 11 per cent, and these include people suffering from diabetes or cardiovascular and respiratory troubles, but pressure groups and the Official Opposition got together and forced the Government to back down once more in this case and withdraw this 10 per cent tax on sick people. But even a minimum of drugs must be kept in the family cabinet, say a father and mother, or a single-parent family with young children, and the fact is that these people must now pay this tax. So this means that in Canada, the more people are sick because of bad weather, the more the Conservative Government is happy, because the more money finds its way into the coffers. Their reaction is the same with this Bill.

I would strongly urge Conservative Members to consider amendment No. 5, put forward by my colleague, which would quite simply bring that down from 10 years to four or five. I would have the following question for Conservative Members: When we come up with an amendment, why is there no agreement? Let us not bow to pressures from multinational corporations. We say: Let us try that for four years, and after four years we will get together, make an assessment, see what impact this has had on consumers, what impact it has had on the drug industry, on research, and what impact it has had on the generic drugs industry. And based on that four or five-year experience—we can be flexible as to one year more or less—we can then see whether we should, based on that experience, go ahead and ask for a longer protection or reduce the protection, whichever way experience tells us.

Unfortunately, this Tory Government once more is going the wrong way about it. They say: We will protect you for 10 years. We guarantee that. You can rely on us, you have a ten-year protection. But five years down the road, we will make a review, to know whether this is sound. Why proceed that way? This Tory Government always proceeds backward. There is nothing new about it, if we look at the matter of de-indexing Old Age Security. I know, Madam Speaker, you do not appreciate it when I refer to Mrs. Solange Denis, but I will refer to her, and I will keep on referring to her. If we look at what happened with the Old Age Security pensions, the early retirement pensions and now with this tax on the sick in this

Bill, it is easy to see that once again the Conservative Government and the Prime Minister are anxious to please the rich, not the ordinary rich, but the very affluent and the multinationals, which explains that they have yielded to blackmail.

On the other hand, I should like to remind Canadians of the position put forward by the NDP which completely opposes any amendment, thereby going against the interests and concerns of Quebecers. As evidence of this, I have here the report prepared by the Minister's Advisory Committee on the Montreal Region Development. Recommendation 36 reads, and I quote: "To change without delay the Federal Patent Act which amends Section 41(4) to provide a greater protection to intellectual property".

Madam Speaker, I wonder why the NDP, which is fighting for the Auto Pact—something I support—which guarantees jobs mostly in Ontario but forces Canadians to pay more for their cars, now that it is the jobs in Quebec which need protection why does the NDP object in an anti-Quebec action to have this Bill amended so that people would agree to pay just a little bit more, in order to protect jobs, research facilities and our young people in Quebec.

Madam Speaker, I was present at the economic summit in Montreal, and the person sitting on the Advisory Committee on the Montreal Region Development—was Mr. Louis Laberge, who is president of the Quebec Labour Federation, la *Fédération des travailleurs du Québec* who also attended the NDP convention, therefore I strongly urge the NDP Leader, if he does not want to have the same image as the Prime Minister, to be intellectually honest and tell Quebecers once and for all: In the unanimous request made by the Liberal Parties, the Parti Québécois, the Montreal Civic Party, the Montreal Citizens' Movement, the three labour unions, and the Official Opposition of the Liberal Party, why is the NDP leader opposed to the demands made by Quebecers, why does the NDP leader simply refuse to listen and give an answer to Quebecers? He must respond clearly. He will have to put an end to such hypocrisy once and for all. Once and for all, if he wants to project the image of an intellectually honest man, something the Prime Minister cannot do, he will have to tell Quebecers, first why he is not prepared to provide a minimum of protection as most Canadians and all Quebecers want, and second why these people are going against the expert advice of the Eastman Commission—and my colleague from Saint-Michel—Ahuntsic (Mrs. Killens) has defended this cause. Let him state clearly the reasons why . . . if the NDP leader is right, all he needs to do is prove it to all Quebecers, meet with the Premier of Quebec and with the Leader of the Official Opposition in Quebec, but he must tell us why Quebecers are wrong.

Madam Speaker, if the New Democratic Party leader fails to reply and does not tell the truth to Quebecers, he will be courting disaster. This is his only chance to project a good image.

Madam Speaker, I sincerely hope that the New Democratic Party Members who are here will convey the message—and the message is very clear—to their Party leader.

Madam Speaker, I should like to get back to the contents. For what reason do Quebecers—there has to be a reason—why do all Quebecers, regardless of political faction—the Quebec Liberal Party and the Parti Québecois find it hard to share the same bed—but for what reason do these two . . . Madam Speaker, I have one minute left . . . Why are those two Parties, why is the FTQ and Louis Laberge, which is part of the Canada Labour Congress, why is Mrs. Leblanc, President of the *Fédération de l'Âge d'Or du Québec*, why is Yvon Charbonneau, hardly a Liberal and President of the Central Teachers' Union, why is Gérald Larose, President of the CSN, why are all these people who represent such divergent opinions agreed on the position taken by the Liberal Party of Canada and by the Leader of the Liberal Party of Canada (Mr. Turner), and thus asking for protection? It is simply because most pharmaceutical companies are located in Quebec, in the Montreal area. And that is where so many jobs were lost. I want to ask the New Democratic Party and the Leader of the New Democratic Party if he is asking Quebecers, and this is just in concluding, Madam Speaker, to pay more for their American cars to save jobs in Ontario, to accept the amendment proposed by the Liberals to save jobs and universities in Quebec.

• (1630)

[*English*]

Mr. Simon de Jong (Regina East): Madam Speaker, I rise today to support the amendment. Despite the claim of the previous speaker, the Hon. Member for Montreal—Sainte-Marie (Mr. Malépart), what this amendment does is to insert into the legislation what Professor Eastman suggested in his study, and that is, that patent protection be given for a four-year period.

The Hon. Member for Montreal—Sainte-Marie spoke with a fair amount of wind, but very little substance—and perhaps that is understandable, Madam Speaker, when one considers that the political Party of which I am a member, the New Democratic Party, is snapping at the heels of the Liberal Party.

Some Hon. Members: Hear, hear!

Mr. de Jong: For the first time, we have heard the members of the Liberal caucus from Quebec addressing the concerns of the New Democratic Party. They are not normally concerned with us—

An Hon. Member: You only got 61 out.

An Hon. Member: They represented thousands.

An Hon. Member: We had more on one Sunday than you had—

The Acting Speaker (Mrs. Champagne): Order, please. It is very difficult for the Chair to hear the Hon. Member who has the floor. I would ask all other Members to allow the Chair to at least to hear what the Hon. Member has to say.

The Hon. Member for Regina East (Mr. de Jong).

Mr. de Jong: Thank you, Madam Speaker. It is not surprising to hear the uproar coming from the Liberal benches. If we were not a threat, they would just laugh at us and ignore us. The fact is, we are a threat, and we continue to be a threat. We are closing in on them. And the reason for that, Madam Speaker, is the hypocrisy of the Liberal Party, and in particular the hypocrisy it exhibits when it comes to this particular Bill. This is yet another example.

This is the Party, Madam Speaker, of Mackenzie King, who said: "Conscription if necessary, but not necessarily conscription." In this case, we have: Bill C-22 if necessary, but not necessarily Bill C-22. It is a Party, Madam Speaker, that is trying to cover every conceivable position. Other examples are the Cruise missile and free trade.

• (1640)

The only way the Liberal Party could survive is if it were an octopus with many legs to cover many positions. However, in our society one must generally stand with both feet on one position—either one is for or against. One must let the people know where one stands. This is why I wonder whether the Liberal Party, after sitting so long on both sides of the fence, has some pain in its *derrière* and whether it is that pain which creates the outrage we heard this afternoon when its members attempted to address the motion.

What is our amendment? It is to amend Bill C-22 so that the pharmaceutical industry has four years in which it has exclusive patent rights. This is what Professor Eastman recommended in his study, one of the most exhaustive and competent studies of the pharmaceutical industry. In essence, it is what the former Minister of Consumer and Corporate Affairs advocated. At least he came close to it when he initially suggested six years. A little later, after a little more pressure from the multinationals, he suggested eight years. Now we see in the legislation that the Government wants the pharmaceutical industry and multinational corporations to have 10 years of exclusive rights.

We cannot go along with that. I think it perpetuates a rip-off of the Canadian people. Particularly it is a rip-off of those who are ill, the elderly, expectant mothers, people with chronic illnesses, and so on. We in the New Democratic Party just do not believe that those who are ill should be the object of exploitation, that their illness should allow others to exploit them for long periods of time. In fact, we find it immoral. Surely in this day and age it cannot be justified.

Government Members can claim intellectual property rights. I admit that when a corporation makes a breakthrough it should be rewarded fairly for the investment in the discovery of a new drug or whatever. I underline the word "fairly", because while the corporation will have invested in the new discovery, the public has also made an investment. We invest in our educational system. We invest in our university system. We invest in public research. This assists the corporations and allows for discoveries to occur. There is a public investment in all new discoveries. I maintain that the public also has an interest and a right to enjoy the benefits of new discoveries without being exploited. That is what Professor Eastman also stated.

When Professor Eastman appeared before the legislative committee on Bill C-22, the Hon. Member for Winnipeg North (Mr. Orlikow) asked him for his thoughts about the proposed legislation compared with what he recommended in his report. This is what Professor Eastman stated:

> I have to come clean with you; I still prefer the proposals I made . . . I realize that persuasive though a commission's recommendations often are, they are not always accepted.

We know that Professor Eastman recommended four years. What was the reasoning behind the four years? He stated that initially a brand new product comes out, not a copy or a variation of an existing drug, to address an illness in a new way. The first years are the years in which the largest amount of profit occurs. It is also the period of time when a large amount of promotion occurs to sell the new drug, to popularize the new drug, and to make the public aware of its availability. He stated that after the four-year period prices were well above what were the costs of producing and promoting the drug, that in the four-year period all investments made in the development of the drug were generally taken back by the corporation. In other words, it makes enough money in the first four years to cover more than adequately all expenses in developing the drug. This is why we asked the Government in our amendment to restrict the patent rights to only four years, not ten years.

Why should it be 10 years? Why should we allow the exploitation of the sick to continue for 10 years? Four years is enough. Four years will repay multinational corporations in a more than adequate way for the costs they have incurred in developing a new product.

Let me return to the central question: Why is the Government bringing in this piece of legislation? It knows that there are political risks. I refer to an article which appeared in the Friday, November 7, 1986 edition of *The Ottawa Citizen* entitled "Tories' medical drug bill a mistake". It indicates: "Bid to change generic drug law a political risk, says Andre". The Minister knows that it is a political risk despite the fact that he trots into the House with a phoney survey. He knows that Canadians are opposed to the legislation, yet the Government is willing to take the risk. I wonder why.

Perhaps the answer can be found in the following statement:

> "We've been exercising uncommon patience but even our patience wears thin", says Clayton Yeutter, U.S. Trade Representative, in April, when he called on the Mulroney administration to keep its repeated promises to make the changes the U.S. wants.

That is the answer to the question concerning why the Government is introducing legislation to which it knows Canadians are opposed, legislation which will increase the cost of drugs to Canadians and will increase the costs of Governments. The costs in jurisdictions with drug plans will increase. Either drug plans will cover less items or there will be less service, or there will be more public expenditure.

I see you signalling, Madam Speaker, that my time is up. I conclude by saying that the Government is under the pressure of the multinational corporations in the United States. It is buckling under because it finds that it is in its interest to support the multinationals rather than support Canadians. Therefore, I am opposed to the legislation and in favour of the amendment.

Mr. Sergio Marchi (York West): Madam Speaker, it is a pleasure to see you in the chair once again for this very important debate. It was very amusing to hear the Hon. Member for Regina East (Mr. de Jong) speak about the virtues of the NDP in the Province of Quebec and trumpet the some 1,500 individuals at its annual convention. If Canadians only knew that of the 1,500 people attending that conference only 61 were Francophones, only 61 were from the Province of Quebec—

Mr. Nystrom: Look at the polls.

Mr. Marchi: Let us not suggest that we are about to perpetrate something on the Canadian electorate that is not true. We must keep things in perspective. We must tell Canadians the facts. We must live with reality rather than with dreams. Therefore, when NDP Members begin to suggest that they are on the move, I would suggest that it is a lot of spinning wheels, a lot of façades, and a lot of pushing their Leader forward when everyone is questioning the policy behind their Leader.

• (1650)

If you looked at the polls—members of the NDP said, "Look at the polls,"—you would find that Canadians are very worried about having the New Democratic Party heading our national Government. Canadians are worried about the NDP's defence policies, about an increase in taxes, about its position on NATO, and about its position on nationalizing the banks. When that grand microscope addresses the NDP in a specific way, Canadians will know what the NDP stands for. I do not want to get side-tracked, Madam Speaker. I do not want to play the New Democrat's game.

The Acting Speaker (Mrs. Champagne): Order. I would like to remind the Hon. Member who has the floor that it is very difficult for the Chair to make the link between his comments and the motion being discussed. I do know, and I will say to the Hon. Member for York West (Mr. Marchi), that the Hon. Member for Windsor—Walkerville (Mr. McCurdy) was not making things easy for him.

Some Hon. Members: Oh, oh!

The Acting Speaker (Mrs. Champagne): We now have nine minutes left in the debate before we go on to the next item on the Order Paper. Perhaps we should all listen to the Hon. Member.

Mr. Marchi: I was just getting to the Bill when I was talking about the microscope, Madam Speaker. I was talking about the microscope in the labs, which brings us to Bill C-22.

The Acting Speaker (Mrs. Champagne): The Hon. Member for Don Valley East (Mr. Attewell) is rising on a point of order.

Mr. Attewell: Madam Speaker, could you enlighten us as to what *Beauchesne* has to say about lovers' quarrels going on in the House?

Mr. Nystrom: Jealous lover.

The Acting Speaker (Mrs. Champagne): The Hon. Member for York West (Mr. Marchi).

Mr. Marchi: Madam Speaker, here we are debating a very significant piece of legislation and the Hon. Member, inspired by the coming of spring, is thinking totally different thoughts.

Let us take a look at Bill C-22. If one used a microscope one would see a lot of strange things. One has a difficult time understanding how the Government can proceed with Bill C-22. Canadians are trying to find the legitimacy of a Government proceeding with Bill C-22, which will have, among other effects, the effect of raising drug prices.

Dr. Eastman suggested that a patent should be for no more than four years. But we have a Government which is trying to suggest that the watershed should be 10 years. We have to ask ourselves why the Government is supporting this legislation, why the patent should be for 10 years rather than four, why drug prices should be increased, why the protection and the interests of consumer becomes secondary to the interests of the large multinational corporations.

The question of drug pricing in Canada should not be based on whether you have the money to pay. The question should be maximum accessibility, maximum fairness, and the health of Canadians. It should not matter whether you are an old Canadian, a young Canadian, a rich Canadian or whether you are a Canadian who lives in western or eastern Canada. If we are to have reform in the area of drug pricing and if we have to have changes and modifications, they should be made to strengthen the accessibility and the affordability of drugs for all Canadians.

When we look at patents, we should not be looking at extending the number of years by which companies have a monopoly on those initial drugs introduced into the marketplace. The question should be on reforming the royalties, which would imply that other companies can also manufacture those same drugs and thus keep the prices lower. Under that type of system everyone would win. The drug companies would be making profits in the first four years, subsequent to which

they will collect royalties. Other companies would be able to manufacture the products, make dollars, pay royalties, and consumers would be paying reasonable prices for drugs.

That is the type of progressive discussion and the type of debate Canadians would support and rally behind. But when we have a Government that is moving simply to satisfy the large multinational corporations and is taking its marching orders from the large multinational corporations to the south whose interest Bill C-22 serves, you will not get the support of average Canadians.

We had a debate in this House not too long ago on the whole question of deindexation of senior citizens' pensions. The Government thought it would win because it assumed incorrectly that it was going against a largely unorganized passive senior citizen community across the nation. How wrong the Government was. How wrong that piece of legislation was. That was demonstrated not only in this House of Commons by the two opposition Parties but also out in the streets, in the rallies, in the meetings, through petitions, and in telephone calls and letters to parliamentarians and to organizations. We had an emotional debate. It not only focused on senior citizens but it addressed Canadians of all ages who were able to identify with the plight of senior citizens. Bill C-22 is of the same cloth, Madam Speaker. It will mobilize that same constituency. For those people who fought the good fight, this legislation has the same definition that drugs should be accessible and affordable to all. This, together with the health care system, goes hand in hand. We are proud as a country to have had Governments which had the conviction to bring in a medicare system second to none. We are proud when we hear that senior citizens in the U.S. have to pay an arm and a leg and have to mortgage everything they have in order to have an operation in the U.S.

Mr. Nystrom: Madam Speaker, I rise on a point of order. I hesitate to raise this point of order but if you would check the Standing Orders, I am sure you would agree with me that the Member who is speaking at present is speaking in general terms to the Bill before the House. He is not referring to the specific motion. It seems to me that it is important, if we are to have any sense of decorum in the House of Commons, any sense of progress in this debate and any intelligent logic for people watching us, that all Members should speak to the specific motion on the floor. I refer you to Motion No. 4, Madam Speaker. If you would check the record and consult with your experts at the Table you would agree with me that the Member is speaking in general terms. I think the Parliamentary Secretary would also agree that he has been doing that as well. The member should be referring specifically to the motion before us. If you would check Beauchesne and the precedents on this matter, I am sure that you would find that the Hon. Member who is in the process of speaking is clearly out of order. I think that reflects upon all of us in the House of Commons.

• (1700)

I hesitated to interrupt the Hon. Member because I know he had a few minutes left but I am sure that if you were to consult with the Table Officers, Madam Speaker, you would find that my point of order is legitimate and that the Hon. Member for York West (Mr. Marchi) was clearly out of order, something that is not appropriate for debate at this point in time.

Mr. Dingwall: Madam Speaker, in response to my hon. colleague from the New Democratic Party, I would say that he is way out of order. In fact, my hon. colleague, the Hon. Member for York West (Mr. Marchi), was not only addressing Motion No. 4 but he was also addressing Motions Nos. 3, 4, 5, 11, 13 and 15. I know that the Hon. Member would not want to mislead the House intentionally. He referred to the word "motion". Surely the Hon. Member will understand that we are talking about a group of motions.

For the benefit of the Hon. Member, I repeat that we were debating Motions Nos. 3, 4, 5, 11, 13 and 15. All members on all sides of the House can readily understand that the logic of the Hon. Member's train of thought in debate was perfectly in order with the amendments and motions put forward. I am sure the Hon. Member who just spoke would want to rise in his place to withdraw his ludicrous comments with regard to my colleague.

Mr. Marchi: And I was speaking with such great passion too.

The Acting Speaker (Mrs. Champagne): The Chair has listened carefully to both the Hon. Member for Yorkton—Melville (Mr. Nystrom) and the Hon. Member for Cape Breton—East Richmond (Mr. Dingwall), as she has listened to the very passionate speech of the Hon. Member for York West (Mr. Marchi). Having listened to speeches on this very interesting subject for most of the day, I think that most Hon. Members at times have somehow gone outside of the very strict limits of the motions being debated. I believe every Hon. Member wanted to have his or her say, and this is what has been done.

It being 5 p.m., the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS--MOTIONS

[*English*]

THE CONSTITUTION ACT, 1982

RIGHT TO LIFE OF UNBORN HUMAN PERSONS

The House resumed from Friday, February 13, consideration of the motion of Mr. Mitges:

That, in the opinion of this House, the government should consider the advisability of amending the *Constitution Act, 1982*, to include unborn human persons, and that the Governor General issue a Proclamation under the Great

Seal of Canada to amend section 7 of the Canadian Charter of Rights so that it reads as follows:

"7. Everyone including a human foetus or unborn being has the right to life, liberty and security of the person and the right not to be deprived thereof except in accordance with the principles of fundamental justice."

And the amendment of Mr. Domm:

That the motion be amended in paragraph numbered 7 in the English version, by adding immediately after the word "unborn" the word "human".

Mr. Lawrence I. O'Neil (Cape Breton Highlands—Canso): Madam Speaker, in speaking to this motion, I would like first to congratulate the Hon. Member for Grey—Simcoe (Mr. Mitges) for his continuous and courageous defence of the rights of the unborn child. I would also like to congratulate those who have spoken before me in favour of this motion. They have dealt with it in an eloquent and convincing manner on behalf of the unborn child. In particular, I would like to congratulate the seat-mate I first had when I came to the House, the Hon. Member for Willowdale (Mr. Oostrom), who on several occasions has spoken in support of the rights of the unborn child. I would also like to congratulate my present seat-mate, the Hon. Member for Niagara Falls (Mr. Nicholson).

During my election campaign, a pro-life debate was held and candidates were asked to put forward their positions on the important question of the rights of unborn children. In that debate, I outlined three particular reasons for my position on this issue. I said first that I accepted that human life is different from other life forms on earth. Second, I said that on secular, philosophical grounds, I opposed the destruction of unborn children. I said that this is not a religious issue but that it is a human issue that crosses all societies and all races. In fact, one of the chief proponents of increased recognition of the rights of unborn Canadians, Dr. Bernard Nathanson, is a leading pro-life advocate in North America and opposes abortion because it is the arbitrary destruction of human life. Dr. Nathanson is an atheist.

The core of my opposition to abortion on demand is a conviction that this is a violation of the civil rights of the unborn child. In earlier speeches in the House and particularly in the speech I made on January 17, 1986, in support of a private Member's Bill I introduced, Bill C-254, I put forward the case for support for the biological reality of life before birth. I said that the unborn child can sense pain, can respond to sweetness and sourness and can move. I put forward a description of the existing legal rights of unborn children and I made it very clear to all Hon. Members that when I speak about the legal rights of unborn children, I am not introducing a novel concept. Our existing body of law, both criminal and civil, recognizes that the unborn child has legal rights that can be enforced and that are being enforced in the courts today. I outlined to Hon. Members the wide abuse of our criminal law prohibition against abortion. Notwithstanding the prohibition against abortion that exists in Canada, there is a practice which in fact is abortion on demand.

Today's debate which focuses on a motion that calls for the entrenchment of the rights of the unborn child in the Canadian Constitution is one that is being watched widely by my constituents. Before I entered the House to speak today, I discussed this issue with a rural constituent of mine, Francis De Lorey, a very strong and courageous advocate of the rights of the unborn child. I spoke with others as well.

Today I will not repeat the arguments I made on earlier occasions with respect to legal rights or medical evidence. In my view, none of that is seriously disputed. I want to take this opportunity to deal with what I believe to be a false premise on which those who advocate abortion on demand base their argument, and that premise is that we as human beings have the right to control our bodies. That argument has a certain superficial appeal, but let us think a bit about it.

What is that right to control our bodies? Does any Member of the House have the right to be kept out of jail for committing a crime? Of course not. We do not have that right because our right to control our bodies is limited by the greater social interests of enforcing certain criminal laws. That is why we can be brought before justice if we commit a crime. We can be arrested. Where is our right to control our bodies if we can be arrested? Where is our right to control our bodies if we can be physically searched? We have no absolute right to control our bodies. The right to control our bodies is a limited one. It is limited by the rights of others and by the greater social good. We see this in many situations. We cannot, for example, speak in an irresponsible way. We have free speech, but we cannot publicly condemn other people and make false statements. If we do we can be called before the civil courts and penalized.

• (1710)

The right to free speech is a limited right. Therefore, when I speak to the argument being put forward, which has so much superficial appeal, that a woman has the right to control her body, I think it is a false argument. It is not borne out by our legal system or by the decisions made on a daily basis concerning the rights of individuals. This Parliament and others have decided that our rights can sometimes be limited. In the case of the unborn, we are talking about the most basic of all rights, the right of that unborn child to live. It is interesting that we talk about an "unborn child". By definition a child is a person. We admit that a person exists before birth.

To conclude, it is time that we amended our Constitution to reflect the biological reality and the legal revolution taking place in our society which recognizes that biological reality. It is time that Canadian jurisprudence explicitly reflected the right of the unborn child to life. In doing so it will reflect the balancing of civil and legal rights which is an ongoing part of the evolution of our society. I urge all Hon. Members to support this motion when it comes to a vote.

Mr. Svend J. Robinson (Burnaby): Madam Speaker, I rise to express my profound concern about and opposition to the motion presented by my friend, the Hon. Member for Grey Simcoe (Mr. Mitges). I recognize the strong and deep feelings

which he brings to this question. However, I must say that I believe the adoption of this amendment to the Constitution would bring profound difficulties to the Canadian system of justice. The implications in a constitutional sense are grave and far-reaching. Most important, the implications for the women of Canada who have the right to freedom of choice on this fundamental question are very, very serious indeed.

I want to note as well that the Hon. Member has also strongly advocated that a woman who knowingly, to use his words, snuffs out a life in her womb deserves to be punished the same as anyone else convicted of premeditated murder. When asked whether that meant he would support the death penalty for women who have an abortion when their lives are not in jeopardy, his response was, and I quote, "Absolutely". Here we have a Conservative Member of Parliament advocating the death penalty for women who seek safe therapeutic abortions. I find it extraordinary that not one of that member's colleagues has stood in the House to make clear his or her opposition to this incredible suggestion. What he is saying is that women who choose to have an abortion, and it is often an agonizing personal decision, must subsequently be themselves put to death for making that decision. What an incredibly offensive and destructive attack on the women of Canada. Yet that suggestion is greeted with total silence by his colleagues in the Conservative Party.

We in the NDP agree with the concerns recently raised by the Canadian Advisory Council on the Status of Women.

[*Translation*]

The President of the National Advisory Council on the Status of Women, Mrs. Sylvia Gold, recently criticized the lack of abortion facilities across the country and the serious problems arising from this situation. She pointed out that abortion facilities in Canada had deteriorated to the point that a number of provinces were facing a real crisis. For instance, in Prince Edward Island, women cannot have abortions. In Newfoundland, there are serious problems as well. There is one doctor who agrees to perform legal abortions, but now that he is ill, there no legal abortions are being performed in Newfoundland.

[*English*]

I think all Canadians would agree that we as a society have to take whatever steps we can to reduce the number of abortions in Canada. That means there must be effective sex education in our schools. There must be awareness, among our young people particularly and in society generally, of birth control. Groups such as the Planned Parenthood Federation of Canada must be supported instead of having their funding cut as occurred recently.

It is interesting to note that when the Supreme Court of Canada was hearing the appeal of yet another jury acquittal of Dr. Henry Morgentaler, Mr. Justice Willard Estey mused aloud that a person would have to be affected with what he called legislative blindness not to see that there are areas in the country where there is no access to abortion whatsoever. He said we have whole provinces that are carved out of the process. He asked if this was some kind of local option which has slid into the Criminal Code. Of course he was asking a rhetorical question. We know, for example, that there are nurses in the Province of Newfoundland who must spend considerable amounts of time on the telephone arranging for Newfoundland women to have their abortions in Montreal or Toronto. This happens some 40 times each month. One-third of the women of Newfoundland seeking abortions are teenagers. Many of them have never flown before or even travelled outside of the communities in which they were raised. One 14-year old was 10 weeks pregnant before she finally summoned up the courage to tell her mother. That is not an uncommon occurrence. Many Canadian women have been obliged to go to the U.S. for abortions which theoretically are medically insured, legal and available in Canada. If that is the case, why is it that in 1984 over 400 women from Prince Edward Island went to Maine for abortions? Why did 1,200 women from Ontario go to New York for the same reason? Why did 700 women from Alberta go to Washington state? Surely the time has come to recognize that this is a procedure which must be taken out of the Criminal Code as the Canadian Advisory Council on the Status of Women and the Canadian Medical Association have both recommended.

The Canadian Advisory Council on the Status of Women has three essential recommendations. First, an abortion must be recognized as a medical procedure that need not be performed in a hospital. Second, the federal and provincial Ministers of Health must approve publicly funded free-standing reproductive health clinics that would cover the whole range of the reproductive concerns of women. Third, that abortion be removed from the Criminal Code. I have tabled a Private Members' Bill in this session, just as I have in previous sessions, which would repeal the provisions of the Criminal Code dealing with abortion and leave this important decision to a woman in consultation with her doctor. By accepting these recommendations the Government would be preserving the health and well-being of women's lives.

• (1720)

The proposal which has been made by the Hon. Member for Grey—Simcoe to entrench this right in the Constitution of Canada could raise very serious concerns with regard to the implications of the interpretations of other legal rights in the Charter of Rights. Unfortunately, I do not have the time to pursue that particular issue, but I would like to raise briefly one other concern in this area.

There are Canadians who have recently learned of the activities of a particular organization called the Catholic Foundation for Human Life. This is a Canadian organization headed by a gentleman named David Little. Unfortunately, this organization uses treachery, deceit and dishonesty to lure pregnant women into its clinics. It suggests that if women come to their clinics they will be able to get objective advice with regard to abortions in Canada. Once they get into the office, they are instead shown films about abortion which

include a whole range of subjects, and it is suggested to them, for example, that they would be totally lacking in self respect if they went ahead and had a safe therapeutic abortion. It scares women and lies to women.

The Catholic Foundation for Human Life must be exposed for what it really is. In the United States a similar organization has been part of a congressional investigation. Action is being taken against it in the State of California for consumer fraud. In Canada other groups, including the well-known group, Birthright, have dissociated themselves from this particular organization. The founder of Birthright has said that their methods are harmful to the entire Pro-Life movement and that there is no reason to deceive at any time.

I hope that the Government and Members of Parliament will recognize that the time is long overdue for women in Canada to have access to safe therapeutic abortions, and for Canadians in general to have access to proper sex education and birth control devices. Freedom of choice must finally become a reality for all Canadian women.

Mr. Bob Corbett (Fundy—Royal): Madam Speaker, I am pleased to be able to take part in this debate this afternoon. I would like to congratulate the Member for Grey—Simcoe (Mr. Mitges) who introduced this motion. I go back quite a long way on this particular issue. It is one in which I have taken a great deal of interest over the years while I have been a Member of Parliament.

In January of this year I presented a petition to the House of Commons which was presented to me by a church group in my constituency. The petition asked this House to take action to protect the lives of unborn children. The petition contained dozens of names, and I am convinced that they represent only a small percentage of the people in my constituency, let alone Canada, who are concerned about the lives of unborn children.

It has become apparent to me, through the initiatives of the Hon. Member for Grey—Simcoe, that a great many Canadians are watching this debate with a great deal of interest and hoping that some action will be taken to provide greater protection for the unborn in our nation.

I support the need for an amendment to the Charter of Rights and Freedoms to provide that "a human foetus or unborn being has the right to life, liberty and security of the person and the right not to be deprived thereof except in accordance with the principles of fundamental justice". As you will be aware, Madam Speaker, in 1969 an amendment was made to the Criminal Code which permitted abortion under three basic conditions: one, if the life of the mother is endangered by the pregnancy; two, if the abortion is performed by a medical practitioner; and three, if the abortion application is approved by a therapeutic abortion committee in an approved hospital.

While the law provides for a therapeutic abortion if the life of the mother is at risk—and I believe that if such is the case the life of the mother must take priority—the rights of the unborn child are, by the same token, too loosely protected. Many doctors frequently ignore the life of the child when dealing with a pregnancy. It has been pointed out by other speakers that we should be dealing with a program of public education and accepting the responsibility of ensuring that unwanted pregnancies are avoided before conception. I believe that education, comprehension and prevention are certainly the most effective ways of avoiding unwanted children. I know that millions of Canadians share my view that abortion cannot be an acceptable method of birth control.

I am pleased that this motion has come before the House. In the constitutional debate of 1981 I spoke in the House of Commons and urged that the life of the unborn child be included in the Charter. As I said then, the fact that the Charter of Rights does not recognize the right to life and the rights of the unborn child is a very serious shortcoming. My position on this has not changed. I still urge the House to include such a provision in the Charter. I do not hesitate to point out that there are obviously those who disagree with me in my position on this matter. However, I have received a substantial amount of representation urging me to comply with the motion put forth by the Hon. Member for Grey—Simcoe. I believe that there is no doubt that a great many people believe that no one has the right to take the life of an innocent human being.

I would like to quote from some of the letters that I have received from my constituents. One reads:

> I am in full agreement with protecting the life of the mother. However, what I see happening in our country goes far beyond that. Abortions are being performed by the thousands in our hospitals as a matter of convenience to the mothers. It is common knowledge that in most hospitals the therapeutic abortion committees rubber-stamp the requests.

Another reads:

> Please take a firm stand against the awful crime of abortion and speak out for the cause of justice, life and rights of the unborn.

Yet another reads:

> What kind of society are we to allow killing of the unborn, unsuspecting fetus just because of their parents' selfishness and not wanting the responsibility to care and nurture them. This is what life is all about.

I have literally dozens of letters of this nature which have come to me from my constituents. There have been many charges made by pro-abortion support groups which basically say that pro-lifers are imposing their opinions on others. I do not believe that it is really a matter of imposing opinions of morality on others, but a question of defending the rights of those who cannot defend themselves. I submit that unborn children are human beings who, by reason of their physical and mental limitations, require special safeguards and care including appropriate legal protection.

Prior to 1969, the law was steadfast in its protection of unborn children. Unfortunately, as a result of the Criminal Code amendment in 1969 there has come to pass a loss of protection for unborn children. As a result of that, there have been hundreds of thousands of lives aborted primarily as a means of birth control. This has committed society to place the quality of life of one person, that being the mother, above the

protection of the existence of another, that being the unborn child.

• (1730)

The most basic right of all, the right to life, has become undermined. Canada's legal system upholds the principle that no one has the right to take the life of another innocent person. What we are seeing here is that innocent human life may be taken to protect the quality of life of a person more powerful, a person with choice. I submit that we can no longer, as a society, permit that kind of focus in laying the ground work and rules for what we know is just not the proper position for a caring society to take.

Mr. John Oostrom (Willowdale): Madam Speaker, I am honoured to have the opportunity to participate in this debate on the motion of my colleague, the Hon. Member for Grey Simcoe (Mr. Mitges) to amend Section 7 of the Canadian Charter of Rights in order that human foetus or unborn beings are given full protection of the law. Since 1969, when the Criminal Code was amended, Canada has been split into two distinct factions on the question of abortion. I strongly believe that life begins at conception and therefore must be protected, as my seat-mate, the Hon. Member for Cape Breton Highlands—Canso (Mr. O'Neil) so eloquently pointed out earlier on.

The question of the rights of the unborn has been with us since man has been able to affect his environment. Once man learned he could manipulate his surroundings and was able to apply his knowledge to further his existence, the question of life became his focal point. The Bible is very explicit on life. Deuteronomy 30: 19 states:

> I call heaven and earth to witness against you this day, that I have set before you life and death, blessing and curse: therefore choose life, that you and your descendants may live, loving the Lord your God.

All major religions have made the protection of life a major part of their beliefs. "Choose life" is what the motion before us today is all about. By entrenching the right to life of a human foetus, or the unborn, we will finally bestow the fundamental principles of justice on the innocent who have yet to be born.

My focus on this motion will be from a contemporary and scientific perspective, because I feel that science is much easier to understand and accept for most people as proof that life begins at conception and, as such, the rights of the unborn must be protected in the same way as our own rights.

Advances in science such as ultrasound and photographic histeroscopy have provided the solid evidence that life begins at conception, as Dr. Nathanson showed Members of Parliament on the Hill this week with his film *Eclipse of Reason.* The question as to when life becomes human is, never. Like life, humanity is continuous. Intrinsically and extrinsically, the sperm, ovum, the zygote and all the cells, tissue and stages which arise from the zygote, are human. None of them can every be categorized as belonging to any other species. Human life is not started, it is transmitted. There is no instant or interval of time between fertilization and birth when the unborn offspring is anything but human.

Flanagan writes in *The First Nine Months*: "From the first hour the human cells are distinctly human". The medical profession is in complete agreement with this statement. The international code of medical ethics states: "A doctor must always bear in mind the importance of preserving human life from the time of conception until death". Similarly, the declaration of Geneva reads: "I will maintain the utmost respect for human life from the time of conception".

It is apparent that human life is recognized as beginning at conception, and abortion must then be the taking of human life. An editorial in the pro-abortion journal *California Medicine* admits that abortion is the taking of human life. The editorial states:

> The reverence of each and every human life has been the keystone of the western medicine, and is the ethic which has caused physicians to try to preserve, protect, repair, prolong and enhance every human life.

Since the old ethic, fortunately, has not yet been fully displaced, it has been necessary to separate the idea of abortion from the idea of killing, which continues to be socially abhorrent. The result has been a curious avoidance of the scientific fact, readily accepted, that human life begins at conception and is continuous, whether intra or extra-uterine, until death.

The considerable semantic gymnastics which are required to rationalize abortion as anything but the taking of human life would be ludicrous if they were not often put forth under socially impeccable auspices. It is suggested that this schizophrenic sort of subterfuge is necessary because, while a new ethic is apparently being accepted, the old ethic, fortunately, has not yet been rejected.

The *Pro-abortion Journal* pulls no punches. It recognizes that the concept that life begins at conception is the tenet in which the majority of the population still believes. The only way to counter this is to describe abortion as socially acceptable and as a means for a woman to control her body. There is no thought given to the innocent life which is being barbarically terminated. Yet abortions continue to be carried out at an average of 60,000 a year. Stop and think, Madam Speaker, 60,000 innocent lives are terminated each year in Canada for no reason whatsoever.

One may recognize that in some cases an abortion must be performed to preserve the physical health of the mother, but the overwhelming majority of abortions are made for purely social reasons. One asks how a human who possesses the capacities for consciousness, rationality and cognition makes such drastic decisions when it concerns human life. There is no thought given to the moral and physical obligation which is owed to the innocent life. Only the self is considered when such decisions are made.

Abortion is becoming the main means of contraception. Abortion has allowed individuals the freedom from responsibility for their actions. Individuals must accept responsibility for

their sexual acts. The end result of intercourse, with ensuing pregnancy, should be acceptance of the unborn child as a unique gift. Avoidance of pregnancy by responsible use of our sexuality is the only alternative to abortion. In today's society, there should be no excuse for an unwanted pregnancy. Abortion cheapens the value of life. The ability to terminate a pregnancy with minimum discomfort gives individuals a lax attitude towards the sanctity of life. The greater ease with which abortion is conducted will serve to further desensitize the population to disregard the value of human life.

Respect for life is one of the cornerstones of our civilization. Any assaults on humans who are already born result in severe penalties on the perpetrators. Yet many in our society condone the barbaric acts inflicted on unborn human beings. We cannot have a double standard towards life. Either life is accepted as sacred for all or society runs the risk of cheapening the value of human life.

The main argument used to deny the unborn human the full protection of our laws is, meekly, that a foetus is not human because it cannot think. However, scientific evidence, to which I referred earlier, is clear that life begins when a sperm fertilizes an egg cell. Most pregnancies are not even detected until the sixth week. By then the baby's heart has been beating for three weeks, brain waves can be read, the nervous system has been complete for about two weeks and he or she is about to begin moving, although the mother will not feel it for another three and a half months.

There are on average over 20,000 abortions every year in Canada under nine weeks. Yet the foetus's brain is registering activity. The presence of the brain activity should be a major deterrent against abortion. Brain activity clearly indicates the individual's humanity, recognized even until death. By the eighth week the baby's skeleton, head, face, arms, legs, fingers, with finger prints, toes, circulatory and major muscle systems are complete. Yet abortions are done.

By the twelfth week, the baby already shows a distinct individuality in both appearance and behaviour, with the facial expressions resembling those of his or her parents. During the period between nine to 12 weeks an average of 35,000 abortions are carried out each year. However, abortions do not stop at 12 weeks. There are each year an average of 6,500 abortions carried out on unborn children over 16 weeks. In fact, there is no legal time limit on abortion. An abortion can be carried out at any stage of the pregnancy, up to the ninth month. This must be stopped.

• (1740)

With all the scientific evidence that has been accumulated and our moral history, it is clear that life must be protected. An unborn child presently has no protection. A criminal proven guilty has more protection under the law than the unborn. Just stop and think about it—a guilty criminal has more protection than an unborn human being. The unborn are innocent. Yet their fate is determined by very little or no consideration at all. Compare the consideration given the unborn to that a criminal receives in our justice system and it becomes apparent that something is very wrong with our morality.

Once life has begun it has the same right to reach its natural end. By destroying life to ensure one's economic and social success the human race is losing its honour and dignity. The human race which is now reaching for the stars must not be allowed to regress to the level where life has only a relative value.

I urge all Members of the House to give the unborn the right to survive. The Bible, and now science, have provided us with concrete evidence that life begins at conception. I will be supporting the motion which is before us. I urge all Members to do the same.

Mr. Bill Gottselig (Moose Jaw): Madam Speaker, I am very pleased to be entering into this debate this afternoon to put my thoughts and my position on abortion clearly on the record. I would like to acknowledge the contribution made by the Hon. Member for Grey—Simcoe (Mr. Mitges) for the introduction of this motion. I would also like to acknowledge the amendment, which was ruled on on January 26, 1987, which added the word "human" to this resolution.

I believe that the addition of the word "human" was very important to the wording of the motion. I think that one of the reasons people are advocating the pro-choice position is that they have tried for some time now to de-humanize the unborn child. By referring to the unborn child as a "foetus" they somehow indicate that it is something less than a person. There has never been any doubt in my mind that the unborn child is a human person and becomes one at conception.

Our individual biological system begins at conception and will end at death. It provides us with the very obvious fact that life is a continuum. At all stages of this continuum we are human, as the science of genetics can document. Thus our humanity does not depend on our size, our stage of development or our place of residence. Calling human beings "embryos" or "foetuses" serves the same purpose as calling them "adolescents" or "adults". These scientific terms are used to indicate where a person is in his or her development. They were never meant to imply that the unborn child is not human. As the infant is different from the adolescent in terms of development and dependence, so the foetus is different from the infant. Yet all are genetically human and therefore persons. When we consider that at the moment we were conceived our blood group, the colour of our eyes, the colour of our skin, our sex and all our inherited qualities were actually already determined, would it not then be logical to conclude that since we had our own blood group, the colour of our eyes and our sex determined that we began to exist at conception?

Another commonly held myth centres around the belief that whatever is legal is moral—in this case abortion. We all know, if we look back in history, that there were some regimes which tried to legalize, and in fact did legalize, things that they were doing but things that were very immoral. Probably the most

common example of this is what took place in Germany during the Second World War. Although Hitler did legalize what took place, it was certainly very immoral. It was roundly condemned by other nations of the world.

I think that most adults in Canada would realize that abortion is killing a human being. I understand that in the United States there is a law that states if a person is convicted of destroying the egg of a bald eagle then that person can be fined up to $5,000. I am sure that everyone understands the thinking behind this law. It is that if one destroys a fertilized eagle's egg then one has destroyed an eaglet since a fertilized egg represents a potential eaglet.

I think it is also important to realize that this debate really began in 1969 when some amendments were made to the Criminal Code. What really happened in 1969 is that Parliament completely replaced judicial control after the fact by medical control before the fact. This is the real change in the law as it concerns abortion. Even though the number of therapeutic abortions has increased significantly since the reform of 1969, it is not because the legal criteria allowing abortions was liberalized but because it was decided that the responsibility for applying the legislation would rest with the medical profession. Parliament did not, as some people still believe, liberalize the substantive conditions for access to therapeutic abortion by allowing it either on demand or for various other reasons such as having an abnormal child, incest, rape and so on. It merely removed the determination from the courts by means of a purely procedural technique which entrusted to an administrative body, in this case a therapeutic abortion committee, the task of judging whether such an abortion is necessary, while taking into consideration the traditional criteria of the danger such an operation could represent to the life or health of the woman.

There are some other interesting facts regarding abortion that I would like to read into the record. On January 30, 1984, while addressing the National Religious Broadcasters Convention the President of the United States, Ronald Reagan, said:

> —medical science doctors confirm that when the lives of the unborn are snuffed out, they often feel pain, pain that is long and agonizing.

This statement immediately provoked ridicule from many columnists and reporters who said things such as "appalling", "dubious fact from his store of demi-knowledge", "outright demagoguery" and "there is no evidence". One columnist even suggested that this was a "fact" culled from an anti-abortion journal. This revelation of the fact of foetal pain could not go unchallenged by pro-abortionists as research indicates that the more aware one is of the facts about life in the womb the less likely one is to tolerate abortion. Public knowledge of foetal pain, and everything else that really happens in abortion, would strip pro-abortionists of their self-appointed mantle of compassion.

As a result of this statement by the President, Dr. Irvin Nichols, Director of Practice Activities for the American College of Obstetricians and Gynecologists, purporting to speak for the association's 24,000 members, supplied *The New York Times* with this statement:

> We are unaware of any evidence of any kind that would substantiate a claim that pain is perceived by the foetus.

This statement was published in *The New York Times* of January 31, 1984. It prompted 26 other physicians, all specialists in the field, two of whom were past presidents of the American College, to denounce Dr. Nichols' official answer. They wrote the President the following:

> Over the last 18 years, real time ultrasonography, fetoscopy, study of the foetal EKG and foetal EEG have demonstrated the remarkable responsiveness of the human foetus to pain, touch and sound . . . The ability to feel pain and respond to it is clearly not a phenomenon that develops *de nova* at birth. Indeed, much of enlightened modern obstetrical practice and procedure seeks to minimize sensory deprivation of, and sensory insult to, the foetus during, at and after birth . . . Mr. President, in drawing the attention to the capability of the human foetus to feel pain, you stand on firmly established ground.

At the First International Conference on Abortion held in Washington, D.C., in 1967, world authorities in genetics, biochemistry, biology, medicine, law, ethics and the social sciences concluded that human life begins at conception. Their almost unanimous conclusion, 19 to one, was made as follows:

> The majority of our group could find no point in time between the union of sperm and egg, or at least the blastos stage and the birth of the infant, at which point we could say that this was not a human life.

Dr. Bernard Nathanson of New York, a former leading abortionist in the United States who presided over more than 60,000 abortions, came to the conclusion, with the use of ultrasound technology, that the foetus is an identifiable human being.

Dr. Heather Morris of Women's College Hospital in Toronto has said:

> The unborn human is still a human life, and not all the wishful thinking of those advocating repeal of the abortion laws can alter this. Only those who are irrational or ignorant of science doubt that when a human sperm fertilizes a human ovum, a new human being is created.

We are also heartened when we have decisions such as the one handed down by Justice Sandra Day O'Connor, a member of the U.S. Supreme Court, in her judgment of June, 1983, wherein she stated:

> I believe that the state's interest in protecting potential human life exists throughout pregnancy. Recent studies have demonstrated increasingly earlier foetal viability. It is certainly reasonable to believe that foetal viability in the first trimester of pregnancy may be possible in the not-too-distant future.

• (1750)

I should also like to point out to my constituents, Madam Speaker, with some pride, that on this difficult issue, I was prepared to make a choice, a choice that I believe is the right choice, and to stand up in this honourable Chamber and let that choice be known.

I should like to quote some words of the late Right Hon. Member from Prince Albert, Mr. Diefenbaker, who was well known in this Chamber, when he said: "I may sometimes have been on the wrong side of an issue, but I have never been on the side of wrong."

In my estimation, Madam Speaker, abortion is this type of issue.

I should also like to quote Edmund Burke, who said: "All that is required for evil to triumph, is for good men to do nothing." I think in this particular instance we could say: "for good parliamentarians to do nothing".

Every hour, eight unborn Canadians needlessly suffer an agonizing death. If we avert our gaze and close our ears to their "silent screams", can we claim to be compassionate human beings? The answer is obvious.

The unborn cannot help themselves, except as their tortured bodies offer evidence that moves those already born. If the suffering of the defenceless does not arouse our compassion and move us to act on their behalf, nothing ever will.

Madam Speaker, on behalf of the over 60,000 Canadian children who are aborted each year in Canada, I urge, not only Members of this honourable House, but all Canadians, to support the motion introduced by the Hon. Member for Grey—Simcoe.

Mr. Dave Nickerson (Western Arctic): Madam Speaker, before entering the debate proper on this important issue, I should like to read into the record a letter that was sent to me by Sister Marie Philippe, who is in charge of the Grey Nuns Provincial House in the Town of Fort Smith, in my constituency.

It reads:

Dear Sir:

I am writing this letter to you concerning the Private Member's Bill of Gus Mitges MP. His Bill proposes that section 7 of the Canadian Charter of Rights and Freedoms should be amended to read as follows:

"Everyone, including the human foetus or unborn being has the right to Life, Liberty and security of person and the right not to be deprived thereof except in accordance with the principles of fundamental justice."

I wish to make it clear that I totally support this initiative and amendment and respectfully request that you do the same.

And it is signed by Sister Marie Philippe.

Madam Speaker, I have received many letters, not only from other Grey Nuns but from people of many walks of life in my constituency, on this subject. Of course, I have to point out that I have received a few which take the opposite point of view to that which is set out in this particular letter. However, if the amount of mail in favour of this Bill is any measure, the Hon. Member for Grey—Simcoe (Mr. Mitges) would certainly seem to have the support of the majority of my constituents. I congratulate him for bringing to the floor of the House of Commons such an important subject. It is a subject that will require much more debate before amendments to the Criminal Code that meet with general acceptance by the Canadian population can be brought forward.

As Members of Parliament, we are all, at frequent intervals, asked to expound on our views on this subject, and I, like most other MPs, am pleased to do so.

My views are based on the concept of the sanctity of human life. I am of the view that abortions are not to take place except in certain very special circumstances. Exceptions that I can think of would include cases where the life or health of the mother is at stake, or in cases of pregnancy due to rape.

Abortions certainly ought not to be used as a form of birth control. I recall some statistics for the City of Toronto, where the number of abortions performed exceeds the number of live births. That is something that is wrong; that is something that is not acceptable.

I have some doubt as to the extent to which legislators' private moral concepts ought to be imposed, by law, on the public at large—and if time permits, I shall get back to that idea a little later in my presentation.

We certainly ought not to support the idea espoused by the New Democratic Party, one of abortion on demand. Quite frankly, I am appalled that a national political Party in Canada could take such a callous attitude toward human life.

I know that, generally speaking, Conservatives believe in individual rights—and surely each foetus is an individual; and I know that my socialist friends believe more in group rights, rather than in individual rights. But I cannot see how that would lead them to take the view that abortion on demand is something that should be permitted.

If one takes the Conservative view, if one believes in individual rights, in individual freedoms, one has to be very concerned with the whole question of abortion and what we are doing to so many unborn Canadians. I shouldn't think that the NDP would be so unmindful of those rights.

This question is one that is correctly argued on moral and ethical grounds. I think there is a moral and ethical basis to most of the laws of Canada. We cannot disregard those grounds. They are of paramount importance in a debate such as this.

Because morals and ethics are so intertwined with the question, the religious community takes a great interest in it. There was an article in today's *Globe and Mail* that pointed this out. The hidden suggestion in the article is that there was something wrong with that; that there was something wrong with people with firm and strong religious beliefs entering into this argument in the way that they do.

I do not take that view at all. That is why I started off this afternoon with a letter that had been written by a very well respected Grey Nun from my constituency. I think it is good that the church, and members of the church, takes such an interest in this question.

But apart from that, I feel that there are important practical reasons to discourage the practice of abortion in Canada. In my opinion, Canada remains under-populated. We have 25 million people in a country with an area of something like 4 million square miles. We have lots of land in which to expand. We can add many, many more people to our population.

In fact, the birth rate rate now is less than 2.1 per cent, the level necessary to keep the population stable; it is down to around 1.7 per cent. In my opinion, it ought to be national policy to keep up the birth rate, thereby adding to the population of Canada.

I notice, Madam Speaker, that my time is rapidly expiring. I hope that the few ideas and thoughts I have been able to put on the record with respect to this most important subject will prove to be of some value.

Some Hon. Members: Hear, hear!

[*Translation*]

The Acting Speaker (Mrs. Champagne): The hour provided for the consideration of Private Members' Business has now expired. Pursuant to Standing Order 36(2) this order shall be dropped to the bottom of the order of precedence on the Order Paper.

• (1800)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 66 deemed to have been moved.

PHARMACEUTICAL INDUSTRY—AFFIDAVIT OF CHAIRMAN OF U.S. GENERIC PHARMACEUTICAL INDUSTRY ASSOCIATION. (B) REQUEST THAT CANADIAN AMBASSADOR APPEAR BEFORE COMMITTEE

Mr. Dave Dingwall (Cape Breton—East Richmond): Madam Speaker, on March 27, 1987, I put a question to the Right Hon. Secretary of State for External Affairs (Mr. Clark) regarding an affidavit of Mr. William Haddad, Chairman of the Generic Pharmaceutical Industry Association of the United States which I had introduced the previous day. He asserted that in his deliberations with the Canadian Ambassador in Washington, when they met with Mr. Pratt, the President's Chairman of the Advisory Committee on Trade Negotiations, as well as the Chairman and Chief Executive Officer of one of the largest multinational drug companies in the world with profits for the first nine months in excess of $500 million, it was reported by the Canadian Ambassador that he could not determine whether or not Mr. Pratt was representing the interests of the United States and/or the interests of his own multinational corporation.

The Secretary of State for External Affairs took the opportunity to say that the affidavit was false. I then asked him to explain to the House what measures he undertook with the Canadian Ambassador in Washington in order to arrive at that particular conclusion.

For whatever reasons, the Secretary of State for External Affairs chose not to tell us in any detail what undertakings he took. Suffice it to say, from his perspective he said: "I spoke with the Canadian Ambassador and I believe him".

That is not sufficient. I would have thought that the Secretary of State for External Affairs would have outlined some detail of the investigations he undertook on behalf of the Canadian Government, in order to clarify some of the assertions regarding the generic industry in the United States as well as here in Canada in the duly notarized and signed affidavit which was witnessed by legal counsel.

In a supplementary question to the Minister I asked to have the Canadian Ambassador appear before the Standing Committee on External Affairs in order that we would have an opportunity to examine first hand the representations he had received from the United States Government, as well as from individuals in the United States pharmaceutical industry.

The reason or the rationale for that is that the Minister of Consumer and Corporate Affairs and International Trade (Mr. Andre) has persistently and consistently, inside and outside the House, said that he has not received any representations whatsoever from the United States Government and/or the pharmaceutical industry in the United States. We believe that to be patently false. We believe that some strong representations have been made to the Canadian Government. We know that the multinational corporations have lobbied long and hard to have changes and amendments made to our Patent Act.

For some reason the Minister of Consumer and Corporate Affairs, aided and abetted by the Secretary of State for External Affairs, refuses to acknowledge that those representations have in fact been made.

I have concluded from my investigations, from my knowledge of the file, and from the refusal of the Government to allow individuals to appear before standing committees to have the matter clarified once and for all, that the Government has something to hide when it comes to pharmaceuticals and the prices of drugs. It is clear that the policy now being put forward by the Minister of Consumer and Corporate Affairs was not written in Canada but in major cities in the United States, the homeland of the multinational drug companies. In my view the Secretary of State for External Affairs is being very catty with regard to the entire issue.

• (1805)

Furthermore, it is extremely interesting to note that when Members of the Opposition question the Government and the Prime Minister (Mr. Mulroney) with regard to the policy on Bill C-22 or amendments to the Patent Act, the Prime Minister never avails himself of the opportunity to stand in his place and respond. I am not suggesting for one moment that there is anything wrong with that, but it is an interesting observation that if the Prime Minister believes so strongly in the legislation being advocated by his colleague in the Cabinet, he will certainly want to avail himself of every opportunity to buttress, enhance and support his colleague.

The facts are very clear. They are as follows: Canadians, as a result of Bill C-22, will pay substantially increased costs for prescription drugs. There is no enforceable guarantee or commitment regarding research and development. There is no enforceable guarantee regarding the creation of new jobs pursuant to Bill C-22. What is obvious to every reasonable, ordinary Canadian is that this legislation is being promoted by multinational corporations which have won their way into the hearts of the Prime Minister, the Minister of Consumer and Corporate Affairs and, of course, the Secretary of State for External Affairs.

I hope the Parliamentary Secretary will come clean with Canadians as to why we are being forced to swallow this legislation written in another sovereign country, namely the United States.

Mr. Roger Clinch (Parliamentary Secretary to Minister for External Relations): Madam Speaker, I trust I will be able to clarify some of the allegations made by the Hon. Member for Cape Breton—East Richmond (Mr. Dingwall).

With regard to the affidavit sworn by Mr. Haddad on March 23, 1987, officials of the Department of External Affairs in Ottawa have been in contact with officials at the Canadian Embassy in Washington and, through them, with Ambassador Gotlieb. As a result, it has been ascertained that the contents of the affidavit do not conform to the recollection of the meeting held by the Ambassador and the Canadian officials who were present. Embassy officials meet frequently with representatives of special interest groups, like Mr. Haddad of the generic industry and Mr. Pratt of the brand name drug manufacturers as part of their normal responsibilities. There was no confusion at any time as to Mr. Pratt's role. His representations on this issue were made in his private capacity as chairman and chief executive officer of Pfizer Inc., and at no time did Mr. Pratt speak, or purport to speak, on behalf of the Reagan administration concerning Bill C-22.

As we have said before, the amendments reflect a careful balance between the concerns of the pharmaceutical industry, Canadian industrial development goals and the need to control health care costs. They are based primarily on domestic considerations and will increase research and development investment and create employment in a vital high-tech industry.

FISHERIES—REQUEST THAT MINISTER MEET REPRESENTATIVES OF STAR-KIST PLANT WORKERS. (B) HERRING-ROE FISHERY-LEASING OF LICENCES

Mr. Jim Manly (Cowichan—Malahat—The Islands): Madam Speaker, on March 3 of this year I asked the Hon. Minister of Fisheries and Oceans (Mr. Siddon) when he was going to put an end to the practice now prevalent on the Pacific Coast of leasing herring licences and doubling herring licences. The Minister replied that the herring industry advisory board did not recommend changes this year. I would like to point out that organizations representing over 90 per cent of the same fishermen in British Columbia, the people most vitally involved with the herring fishery, have recommended that those practices be ended. I refer specifically to the United Fishermen and Allied Workers' Union, the Native Brotherhood of British Columbia and the Prince Rupert Fishermen's Guild.

• (1810)

Theoretically, the licences available for herring fishing are non-transferable. There are a number of ways of circumventing this, the most common of which is probably the 99-year lease. There is no requirement for licence-holders to own vessels. A practice has developed of renting licences to speculators and companies. Gordon Bisaro, a lawyer specializing in fisheries, pointed out that in 1986, the standard rate for a 99-year lease on a herring gill-net licence was $18,000 and on a seine licence it was $125,000. This year, the going rate is $45,000 for a gill-net and $300,000 for a seine. This amount of money is being paid for a licence for which the licence-holder had to pay the Government $200 in the case of a gill-net licence and $2,000 in the case of a seine licence.

The trade in these licences has gone completely crazy. The rental charged for a gill-net licence for a single season is $10,000 and it is between $50,000 and $100,000 for a seine licence. Some of the people who own or control these licences through 99-year leases have no connection whatsoever with the herring-roe industry or with the fishing industry itself for that matter. In some cases, it makes more sense for a licence-holder to sit on the beach and rent out his licence for $100,000, letting someone else do the work while he collects the money.

In addition to that, in 1981 the Government introduced a system of area licences. The coast has been broken down into several different areas and a licence covers just one of those areas. In recent years, there has been a doubling of licences. One person might control licences for more than one area. In order to pay for this, the people who work as crew members on seine boats are required to bid in for their jobs. In effect, they are required to buy their jobs. This is an immoral and uneconomical situation.

Because of the doubling of licences, many people who would traditionally work in the herring industry are unable to because other people control licences for more than one area. This year, up to 400 people who would traditionally work in the herring industry are sitting on the beach because they cannot afford to pay anywhere between $3,000 and $10,000 just for a chance to work on one of those boats as a crew member. That is a completely immoral situation.

As I pointed out, the organizations that represent the majority of the seine fishermen in British Columbia, the United Fishermen and Allied Workers' Union, the Native Brotherhood of British Columbia and the Prince Rupert Fishermen's Guild, have all indicated that this situation should be changed. The Minister has known about this problem since at least January 14, 1983, when he sent a letter to Bill Procopation, the business agent for the United Fishermen and Allied Workers' Union. The letter reads as follows:

Dear Bill:

Thank you for sending me a copy of your letter to the Minister of Fisheries on the subject of roe herring licensing.

The two-licence system definitely raises some serious concerns, and it is a matter of interest to a number of Progressive Conservative M.P.'S.

• (1815)

It then goes on to talk about some correspondence he has had. It is signed:

Yours very truly,
Tom Siddon, MP
Richmond—South Delta

That was when he was in opposition. He was aware then of the very serious nature of the problem. He pointed out that other Conservative MPs were aware of it as well. Yet so far no action has been taken. We have to ask why.

The Government was elected on the basis of its promise to create jobs. It has instead allowed the loss of jobs in the herring industry to continue.

I would like to emphasize the fact that this is a growing problem. In 1983 there were 30 doubled licences. That increased to 54 in 1984. By 1985 there were 75. It dropped slightly in 1986 to 67. This year there are at least 79. We do not know where the people who have the leases on those licences are located. In some cases it is speculators, in others it is the companies. The purpose of area licensing when it was introduced in 1981 was to prevent boats from racing from one area to another. It was an attempt to share the wealth and organize orderly management of the resource. However, it is very obvious from the statistics I have presented here, and which members of the industry have presented to the Minister, that the situation is not working the way theory says it should. It has completely broken down. It is working to the detriment of the industry and the workers.

I want to emphasize that there is something wrong with an advisory process when the largest organizations representing the fishermen on the coast cannot get the Minister to act to solve an obvious problem which he has known about for four years. He says the Herring Advisory Council has not recommended action for this year. However, it is absolutely critical that action be taken and that this situation not be repeated in the herring industry next year.

Mr. Roger Clinch (Parliamentary Secretary to Minister for External Relations): Madam Speaker, as the Hon. Member pointed out, when this double licensing plan went into effect it was intended to prevent boats from moving from one area to another and infringing upon the rights of others. It was meant to spread the resource around, share the wealth, and allow for some management of the stocks. We know there were some problems with the plan at the outset. I know the Minister is very concerned about this.

With reference to the matter of the advisory process, I am in complete agreement with the member that the process must be made to work. The people concerned must be able to sit down with officials from the Department of Fisheries and Oceans and the Minister in order to come up with some recommendations acceptable to all concerned. The concern of this Government is to consult with the fishermen and others concerned on the West Coast and come up with some way of resolving the problem to everyone's satisfaction.

I know the Hon. Member has been very patient in this regard and I know he will continue to be patient and make his representations and those of his colleagues known to the Minister. I am sure the Minister will be willing to sit down with the Hon. Member and other interested parties in order to resolve the problem through the advisory and consultative process.

[*Translation*]

The Acting Speaker (Mrs. Champagne): The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 11 a.m. pursuant to Standing Order 3(1).

The House adjourned at 6.20 p.m.

HOUSE OF COMMONS

Friday, April 3, 1987

The House met at 11 a.m.

Prayers

STATEMENTS PURSUANT TO S. O. 21

[*Translation*]

CITIZENSHIP

REQUEST THAT DELAYS IN DEALING WITH APPLICATIONS BE REDUCED

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, today I should like to speak on behalf of some of my constituents who have expressed concern about the inordinate amount of time it takes to obtain Canadian citizenship.

I am told that under normal circumstances the Royal Canadian Mounted Police or the Canadian Security Intelligence Service need three months to file an investigation report.

This sounds like a long delay, but in some cases the authorities do need time to do their work. Well, Mr. Speaker, it would seem that of late these delays have been as long as eight months, and this is unacceptable.

For example, Mr. Georges Tymowski wrote to me recently to inform me that, although he signed his application on June 16, 1986, he is still waiting for the results of the security investigation to complete the process. Mr. Ahmad Awale is another applicant who has been waiting for a long time for the completion of the investigation.

This is an unacceptable situation, Mr. Speaker, because it is prejudicial to people who need access to certain Government services such as passports.

I hope the Government is aware of the problem and will take every measure required to redress the situation.

• (1105)

[*English*]

FORESTRY

PROPOSED ESTABLISHMENT OF WESTERN FORESTS SCIENCE CENTRE

Mr. Ted Schellenberg (Nanaimo—Alberni): Mr. Speaker, almost half the Members in this House represent ridings whose economies are dependent on the forest industry. To a great extent our nation's future is tied to the future of our forests.

Professor Les Reed and others at the University of British Columbia are discussing putting together a new facility called the Western Forests Science Centre.

Such a world-class facility would involve the forest industry, academics, and Government. It would greatly enhance the capability of the UBC forest faculty to teach and to attract the very best post-graduate students and visiting scholars.

More than that, Mr. Speaker, it would give the forest community in British Columbia a tremendous psychological shot in the arm.

And where would the funding for the Western Forests Science Centre come from? The recently imposed export tax, of course. Only 5 per cent of the funds the Province of British Columbia will receive this year alone would be required.

To paraphrase the poet:

I think that I shall never see
A poem, lovely as a tree . . .
But more than that, I hope there'll be,
A Forest Science Centre, at UBC!

* * *

EXTERNAL AFFAIRS

CONSTRUCTION OF NEW EMBASSY IN WASHINGTON—USE OF NON-UNION LABOUR

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, as Canada focuses on its relationship with the United States during the visit of President Reagan, I want to draw attention to Canada's use of non-union labour in the construction of the new Canadian Embassy in Washington.

The Embassy is being built by union contractors except for three crafts, one of which is the sheet metal workers, who are

being paid substandard wages, with no health or other benefits.

Because many of these workers lack experience and training, there is concern that some of their work will not pass inspection, and that safety and health problems will result.

Since December of last year union officials have tried to meet with our Ambassador to discuss the problem. While the Embassy has agreed in principle to such a meeting, it has never set the time or the place.

I urge the Government to instruct our Ambassador to arrange this meeting in the near future so that the problem can be resolved.

We need to have good relations not only with American officials but also with the American people, including working people.

* * *

[*Translation*]

OFFICIAL LANGUAGES

MEASURE TO IMPROVE SITUATION

Mrs. Suzanne Duplessis (Louis-Hébert): Mr. Speaker, this week, the Commissionner of Official Languages has submitted his report for 1986.

As a French speaking Member of Parliament, I am sensitive to the Canadian language problem and I am very pleased to commend the Committee on Official Languages for the excellent work done under the chairmanship of the Hon. Member for Charlevoix. I commend Members of that Committee for their tremendous work.

However, much remains to be done and this is why I very much look forward to the tabling of the Official Languages Bill, which will have to reflect this country's linguistic duality and clearly state our commitment to French-speaking and English-speaking minorities in Canada.

* * *

[*English*]

SHIPBUILDING

CRITICISM OF GOVERNMENT POLICY

Mr. George Henderson (Egmont): Mr. Speaker, the Government's current standing in the polls is no accident.

During the 1984 election campaign the Tories made many promises which they have since broken.

Nowhere is this record more horrendous than in its treatment of the Canadian shipbuilding industry.

• (1110)

In fact the Conservatives have not only broken their promises, they have slashed the shipbuilding industry assistance program, and they have slashed the performance improvement grants just when these programs were most needed.

The situation is even worse for shipyards in Atlantic Canada. In my province there is the Georgetown shipyard. The future of its workers is not solely a provincial responsibility as some would suggest. At a recent meeting the Council of Maritime Premiers expressed their impatience with the federal Government which has turned a blind eye toward Atlantic Canada. I call upon the Government to get off its seat and take some action.

* * *

AIR SAFETY

WORK OF CANADIAN AVIATION SAFETY BOARD

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, since its inception in 1984, the Canadian Aviation Safety Board, through its independent investigation of accidents and its recommendations, has done much to advance air safety in Canada.

Canadian aviation activity is very high with 26,000 civil aircraft and 1,300 licensed airports handling annually some 54 million passengers. In 1986 there were 495 aircraft accidents in Canada, 73 of which involved fatalities.

The recent annual report of the board shows a favourable continuing downward trend in the accident rate, but unfortunately accident survivability remains unchanged.

Let us encourage the board in its important work of making air travel in Canada even safer than is presently the case.

* * *

NATIONAL PARKS

LYELL ISLAND—CONTINUATION OF LOGGING

Mr. Jim Fulton (Skeena): Mr. Speaker, many Canadians think that a settlement has been reached between the Haida people, the federal Government, and Victoria regarding Lyell Island, Windy Bay, and a National Parks reserve in South Moresby.

Despite a declared six-week moratorium on logging permits on Lyell Island, logging continues right down into the area sought for a national park. Last month the Hon. Member for Okanagan—Similkameen (Mr. King) had a letter published in British Columbia which falsely claimed that the B.C. Tory caucus was "unanimous in its support of the western forest products solution". That Tory Member forgets that at least

five Tory MPs do not hold that view, including yourself, Mr. Speaker.

The Prime Minister (Mr. Mulroney) met with the B.C. Premier recently and obtained his support for an early settlement of the boundaries for the park reserve, including all of Lyell. Next week the federal and provincial Ministers of the Environment meet to finalize the boundaries and move forward with compensation and economic development projects for the park, Sandspit, and the islands generally.

However, just hours before a settlement we discover that there are secret plans to go ahead and log Windy Bay, other parts of Lyell Island, and the small islands to the north and west of Lyell. Canadians were led to believe that all of Lyell would be included. We are sadly learning otherwise.

Mr. Speaker: I must say that all Hon. Members know that the matter raised by the Hon. Member for Skeena (Mr. Fulton) is of course a very serious one about which many people have very strong views.

However, I would ask Hon. Members when they make statements not to refer in one way or another to what they may think the view of the Speaker may be on any particular matter. I would ask for that courtesy.

Some Hon. Members: Hear, hear!

* * *

CHILD CARE

A DEFENCE OF TRADITIONAL CANADIAN FAMILY—STATISTICS QUESTIONED

Mr. Bill Gottselig (Moose Jaw): Mr. Speaker, I rise today in defence of the traditional Canadian family, the family which many Members opposite have said is like the dinosaur—extinct. I refer, of course, to the recent statements pertaining to the issue of child care, statements that only 16 per cent of families are traditional, by which it is taken to mean that only one parent goes to work and the other parent stays at home to care for the children.

I do not know from where Hon. Members have obtained their information. However, I would point out that the figure obviously does not relate to families with young children. In fact 44 per cent of families with children under the age of three years have one spouse at home full-time. Thirty-eight per cent of families with children three years to five years of age have a spouse at home full-time.

The traditional Canadian family is not dead. I should like to know who the Opposition is including in its figures. Is it including retired couples, or Aunt Mabel in the nursing home?

In so far as these figures relate to families with young children, they are way off base.

[*Translation*]

AEROSPACE INDUSTRY

ESTABLISHMENT OF CANADIAN SPACE AGENCY—POSITION OF QUEBEC

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, as a Member of Parliament from the Montreal area, I would like to join and support the Montreal Economic Community, municipal authorities in Montreal, the Leader of the Parti Québécois Mr. Pierre-Marc Johnson, and Quebec's Premier Mr. Robert Bourassa in saying unequivocally to the Prime Minister of Canada (Mr. Mulroney) that we do not and never will accept the argument being developed by the Conservative Government to justify their refusal to locate in Montreal the space agency, for the reason that the Government of Canada just helped save jobs at the GM plant in Sainte-Thérèse.

Mr. Speaker, it is important to remember that the grant extended by the Quebec Government is helping save the 5,000 jobs in Montreal, while the Federal grant is aimed at helping save 2,800 jobs in Ontario and create 2,600 new jobs.

In conclusion, Mr. Speaker, I say to this Tory Government that the whole Quebec population will unanimously refuse to be conned once more by this Tory Government.

* * *

• (1115)

[*English*]

FINANCE

CREDIT CARDS—HIGH INTEREST RATES CHARGED BY DEPARTMENT STORES

Mr. Reginald Stackhouse (Scarborough West): Mr. Speaker, in the past two weeks three chartered banks have heeded Parliament's call to cut interest rates on credit cards.

When are major retailers and department stores going to show that they have some responsible corporate citizenship too? They are still levying a whopping 28.8 per cent interest on unpaid balances whether a balance is $40, $400 or $4,000. One department store pushes its charge cards by saying it will help the consumer with a new home, a new baby, a new decor, a new hobby, a new style, but it does not add "at the same old interest rate". Another says that it is easier and faster to use the charge card than to write a cheque. It is, Mr. Speaker, until you pay 28.8 per cent interest.

Oral Questions

LABOUR RELATIONS

CHANGES TO BRITISH COLUMBIA LABOUR LEGISLATION

Ms. Pauline Jewett (New Westminster—Coquitlam): Mr. Speaker, yesterday the Social Credit Government in British Columbia proposed radical changes to B.C.'s labour legislation. These proposals will bring sweeping changes to union certification, dispute settlement, the protection of workers by unions, and they will increase the Government's powers to intervene in labour-management disputes.

The changes were introduced with absolutely no consultation with the B.C. Federation of Labour which represents a quarter of a million workers in the province. They are ill considered, disruptive proposals that will create mistrust, insecurity, and increased conflict.

We in the New Democratic Party call on the B.C. Government to withdraw these drastic changes to labour law, to study far more carefully and thoroughly any future changes to labour legislation, and to consult fully with the B.C. Federation of Labour before making any changes in the province's labour legislation.

* * *

CHILD CARE

CHILDREN IN KINDERGARTENS AND NURSERY SCHOOLS

Mr. Ross Belsher (Fraser Valley East): Mr. Speaker, there has been a lot of recent media comment on the dangers of the so-called informal market in so far as child care is concerned. I would like to point out that some of this unlicensed care includes nursery schools, junior kindergartens, and kindergartens, none of which are considered licensed.

Teachers in these facilities are often better educated than licensed child-care workers. May I ask you, Mr. Speaker, and the Canadian public, are we really to believe that children in these facilities are at risk?

ORAL QUESTION PERIOD

[*Translation*]

CANADA-UNITED STATES SUMMIT

NUCLEAR ARMS NEGOTIATIONS—UNITED STATES PRESIDENT'S ADDRESS TO PARLIAMENT

Right Hon. John N. Turner (Leader of the Opposition): When preparing for the meeting between the Prime Minister and the President of the United States, will the Deputy Prime Minister recommend that the Prime Minister inform the President we are pleased to hear there are negotiations between the super powers, especially on intermediate nuclear arms, and that we hope Star Wars will not prevent these negotiations from progressing? Will the Prime Minister recommend that the President review the status of these arms negotiations in his speech here in Parliament?

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, that will certainly be one of the topics to be discussed when the Prime Minister and President Reagan meet. The issue of arms control and east-west relations are certainly issues in the international forum that require attention. As to whether the President will be specifically referring to this in his address to the House of Commons, I am not in a position to indicate to the right hon. gentleman, but assuming the prominence which this issue takes in terms not only of the bilateral discussions that will be going on but indeed the international importance, I would suspect that reference will be made.

EFFECT OF U.S. ACTIONS ON CANADIAN AGRICULTURE

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, will the Prime Minister in his discussions with the President of the United States impress upon the President the grave difficulties caused to Canadian farmers by the U.S. Farm Bill and its export subsidies, and the trade war between the United States and the European Economic Community? Will he also urge the President to include this issue in his address before Parliament because there is grave concern in Canadian rural communities and in the country generally?

• (1120)

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, indeed that will be an issue raised as it has been raised on many other occasions. I would like to draw the attention of the Right Hon. Leader of the Opposition to the initiative taken by the Minister for International Trade in New Zealand where she outlined a five-point program on behalf of the Canadian Government. Clearly, on behalf of the Government she has taken a leadership role in trying to work toward a common approach to address this very deep and disturbing issue as it relates to the future of the grains and oil-seeds industry in Canada. It will be dealt with at the multilateral trade level, and I am sure it will certainly be dealt with at the Venice summit. The Minister is organizing a meeting of several of the exporting nations to be held in Canada to develop that common approach and to treat this issue so that on common ground the exporting nations can speak with one voice.

CANADIAN SOVEREIGNTY IN ARCTIC

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, when the Prime Minister meets the President will he urge President Reagan and the American Government to recognize Canada's sovereignty in the Arctic? Would he also urge the President to make an explicit statement before Parliament when he addresses us on Monday indicating that the American Government explicitly recognizes Canada's unconditional sovereignty over our North?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, as the right hon. gentleman is aware, there are some obvious differences of opinion on this particular issue. I can assume that what will be sought is an attempt to find common ground to deal with this issue. I think the bottom line from Canada's standpoint is that we will be looking for ways and means to preserve Canada's interests, which will certainly not be bargained away.

We have taken a very strong position with regard to the issue of sovereignty and the entrenchment of our sovereign rights in the North. That was evidenced by the announcement that we will proceed with the building of the Polar 8 ice-breaker, the delineation of the straight baseline, and other major initiatives that have been announced by the Secretary of State for External Affairs.

* * *

[*Translation*]

HOUSE OF COMMONS

PRESENCE IN GALLERY OF HON. GÉRARD LATULIPPE, QUEBEC SOLICITOR GENERAL

Mr. Speaker: Order! I would like to draw the attention of the House to the presence in our gallery of the Hon. Gérard Latulippe, Solicitor General of the province of Quebec.

[*English*]

PRESENCE IN GALLERY OF PAST PRESIDENT OF U.S. ASSOCIATION OF FORMER MEMBERS OF CONGRESS

Mr. Speaker: I also wish to draw the attention of Hon. Members to the presence in the gallery of Senator Edward Moss of Salt Lake City, Utah, a past President of the U.S. Association of Former Members of Congress and the guest of honour last night at the meeting of former Members of the House of Commons and the Senate.

Some Hon. Members: Hear, hear!

* * *

ENVIRONMENTAL AFFAIRS

ACID RAIN—REQUEST FOR U.S. PROGRAM TO CUT EMISSIONS

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, my question is directed to the Deputy Prime Minister. On the eve of the third summit would the Deputy Prime Minister reassure the House and Canadians that the Prime Minister will not be sidetracked by Washington's insistence on research and demonstration but that the Prime Minister will forcefully, openly and publicly ask the President to launch a program of cuts in acid pollution that will be parallel to Canada's program launched by this Government in 1984? Will he ask that the program have a target date, percentages, and the specific purpose of implementing and supporting what we in Canada are doing to come to grips with this very important ecological issue?

• (1125)

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, the Hon. Member insists on repeating the same question. It has been very adequately answered by the Minister of the Environment and indeed by the Prime Minister. I fail to see what benefit he expects to derive from repetition.

May I simply reiterate that the statement of the Prime Minister in a recent speech in Quebec clearly outlined the position of the Canadian Government. I think the Hon. Member would recognize that considerable progress has been made and the objective of the meeting this weekend will be to further that progress. The bottom line is simply this, and I quote: "Our objective continues to be a bilateral air-quality agreement between Canada and the United States with specified emission control targets. We will not be fully satisfied until we achieve that objective." I do not think it can be any clearer than that.

Mr. Caccia: The reason for the repetition is that the Government is hesitant about giving the assurance that it will make this request openly and publicly of the President.

TRANSBOUNDARY POLLUTION

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, my supplementary concerns the progress to which the Deputy Prime Minister has referred. Does the Government realize that at this rate of progress transboundary acid rain pollution will not be reduced by one ounce well into the 1990s if we are still following the recipe prescribed by Washington, namely, further research and further demonstration?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, that is the view of the Hon. Member and he is certainly entitled to it. I think there are many people who would not share that view, including people south of the border. I happened to watch an expert on *Canada AM* this morning who differed very fundamentally with the Hon. Member.

Mr. Caccia: The coal industry, yes.

Mr. Mazankowski: I think the Prime Minister has made the commitment, and we require a commitment from Congress. As the Prime Minister and the Minister of the Environment have indicated, we have to use our best efforts to implore Congress to move and support the administration, and see that this resolution is sought from and confirmed by Congress. It, too, has a very important role in this exercise.

DISASTERS

FLOOD DAMAGE IN NEW BRUNSWICK

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, my question is directed to the Deputy Prime Minister. Devastating floods in New Brunswick have caused widespread damage to both public and private property. The damage is beyond the power of the communities or even the province to handle adequately. I presume the Government has been in touch with local authorities. Can the Minister tell us what kind of aid the Government will provide to meet the emergency, prevent further damage, and help with rebuilding? When can the people of New Brunswick expect that help?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, clearly the Government shares the concern about these floods. As the Hon. Member is aware, Emergency Planning Canada has a program in place which is triggered by a request from the provincial Government. There is a funding formula in place. Certainly the Government of Canada would be prepared to receive a request and honour it, commensurate it with that formula.

CANADIAN PACIFIC RAILWAY STATIONING OF TOXIC CHEMICAL FREIGHT CARS ON FLOOD THREATENED BRIDGE

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, my supplementary is directed to the Minister of Transport. Will he launch a full public inquiry into the incredible action of CPR officials in placing 17 rail cars, including 13 filled with toxic chemicals, on the railway bridge at Perth-Andover in order to counterbalance the pressure from ice and flood water? When the bridge collapsed those cars fell into the river and now present a very clear environmental risk. There is a real danger to the fish habitat and a possible danger to drinking water. Will the Minister be launching a full public inquiry to get to the bottom of this issue?

• (1130)

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, the Canadian Transport Commission will naturally be making a full inquiry into that situation. As I understand the facts, the cars did not break. They contained ammonium sulphate and potash. The contents could harm fish but it is expected the water will dilute them sufficiently that there will be no harm caused. It will, of course, be the responsibility of CP to retrieve these cars from the river. There will naturally be a full inquiry.

LIABILITY FOR DAMAGE TO FISH HABITAT

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, I will direct my final supplementary question to the Minister of Fisheries and Oceans. Will he assure the Canadian public that CP Rail will be liable for any damage to fish habitat which results from this incredible action on the part of CPR?

Hon. Thomas Siddon (Minister of Fisheries and Oceans): Mr. Speaker, I certainly find it astonishing, as I think do most Canadians, that 13 cars of chemicals, diammonium phosphate and ammonium sulphate, were used in the face of a five-metre flood crest to attempt to stabilize the bridge. I have asked my officials and those of the Department of the Environment, on behalf of my colleague who is not in the House this morning, to estimate immediately the possible risk to fish habitat and human health as a result of any of these chemicals dissolving in the river, and to determine immediately what recovery methods might be necessary if any of the cars are found to be leaking. I have asked that this assessment be done immediately and, furthermore, that we determine what authorities were granted for the parking of these rail cars on the bridge in this way.

[*Translation*]

FLOODS—REQUEST THAT FUNDS BE SPECIALLY PROVIDED TO HELP AFFECTED REGIONS

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, I have a question for the Deputy Prime Minister and I would like to remind him that Quebec is also trying to cope with some major natural disasters.

About fifty municipalities are experiencing flooding, including the Beauce region, Saint-Raymond-de-Portneuf, Sainte-Anne-de-la-Pérade and La Malbaie, to name only a few.

Earlier the Minister referred to a general agreement between the federal Government and the provinces under which assistance was available for these regions. However, my specific question is: Has the Government set aside funds especially for requests of this kind? And may we expect financial assistance from the Government of Canada to be forthcoming, to help Canadians in the stricken areas?

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, there are always funds set aside for these types of emergencies. That is consistent with the formula which has been established to provide assistance to communities through the provinces in cases like this. There is a formal procedure and the request comes from the respective provincial Governments. A cost-sharing formula on a per capita basis is applied.

If, after an assessment of this level of damages, they are considered sufficiently high to trigger that particular formula, a request would be forthcoming from the Province of Quebec and the federal Government would examine it and respond in kind.

[*Translation*]

INQUIRY WHETHER GOVERNMENT DISPOSED TO CONTRIBUTE FINANCIALLY TO RESTORING EQUIPMENT AT MURDOCHVILLE MINE

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, I would like to draw the attention of the House to another

disaster that has struck the people of the Gaspé. There was nearly $10 million worth of damage as a result of the fire in the mine at Murdochville, which raises some doubts as to the future of the mining operation. The people in the area are worried about losing their jobs.

I therefore want to ask the Deputy Prime Minister whether the Government is prepared to help finance repairs to the equipment at the mine at Murdochville, in order to protect the 700 jobs that are at stake, considering that the Murdochville mine is the principal employer in a region that already has an unemployment rate of nearly 25 per cent.

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I think the Minister of Energy, Mines and Resources outlined to the House a full report on this issue yesterday. The mine is operated under the jurisdiction of the provincial Government of Quebec. The Commission of Health and Safety within the Department of Labour is the functioning body which would investigate all aspects of this. I am not aware of any request for federal aid on this particular issue. However, the Minister of Energy, Mines and Resources has indicated that the federal Government and his Department have co-operated in dealing with this issue. I assume the door has been left open.

Mr. Speaker: I have just been advised that the Deputy Prime Minister must, for pressing and important matters, leave the Chamber in a few minutes. If there are questions to be directed to the Deputy Prime Minister, I hope Hon. Members will make them short and succinct in order that those questions can be asked.

* * *

[*Translation*]

ACID RAIN

MEASURES PRIME MINISTER SHOULD DEMAND OF UNITED STATES GOVERNMENT

Mr. Robert Toupin (Terrebonne): In view of the absence of the Prime Minister, Mr. Speaker, I will direct my question to the Deputy Prime Minister. He may notice that I return time and time again to the same issue. Throughout Canada, a great many groups of Canadian men and women have emphasized on several occasions the urgent need to settle the acid rain problem and to send the president of the United States a clear and definite message to that effect. Even the Quebec National Assembly has unanimously adopted a resolution to that effect.

My question is this: At his forthcoming summit meeting with Mr. Reagan, what specific, concrete and immediate action will the Prime Minister require of the American Government with a view to reducing the sulfur and nitrous oxide emissions?

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, if the Hon. Member had listened to the answer I gave to a previous question he would know that I responded to that question. The bottom line was outlined in the speech made by the Right Hon. Prime Minister in the Province of Quebec. He will certainly find that. Perhaps he can read *Hansard* tomorrow and get the answer.

[*Translation*]

Mr. Toupin: This reply is totally inadequate, and the Deputy Prime Minister must realize that proper action is extremely important, not only to protect our environment, but also the physical health of Canadian men and women, not to mention the financial health of our industries, including the maple syrup industry in Quebec and elsewhere in Canada.

COMMITMENT DEMANDED FROM UNITED STATES PRESIDENT

Mr. Robert Toupin (Terrebonne): What sort of commitment for concrete and immediate action will the Prime Minister require and ask of Mr. Reagan?

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I am sorry that the Hon. Member found my previous answer improper. For his benefit I will again read the response that I gave. The Prime Minister has maintained all along, and it is the position of the Government that: "Our objective continues to be a bilateral air-quality agreement between Canada and the United States with specified emission control targets. We will not be fully satisfied until we achieve that objective".

That is exactly what the Prime Minister will be impressing upon the President to achieve. There have been some very major bilateral accomplishments over the last couple of years. On February 4 Canada and the United States, along with Ontario and New York, signed a declaration of intent coupled with the Niagara River Management Plan to see a 50 per cent reduction of loadings of persistent toxic chemicals. On May 14, 1986, a waterfowl management plan was signed. A joint declaration of intent regarding a memorandum of understanding—

Mr. Speaker: Order.

Some Hon. Members: Order, order!

Some Hon. Members: Hear, hear!

Oral Questions

FISHERIES

BRITISH COLUMBIA SPORTS FISHERY TAGGING PROGRAM

Mr. Ted Schellenberg (Nanaimo—Alberni): Mr. Speaker, my question is directed to the Minister of Fisheries and Oceans. Last weekend in Penticton at the meeting of the B.C. Wildlife Federation the Minister announced a new tagging program for sports fish and sports fishermen. Why has the Minister brought in that program at this time? Where will the dollars collected through that program go? I hope they will go back into enhancing the resource.

Hon. Thomas Siddon (Minister of Fisheries and Oceans): Mr. Speaker, the chinook or spring salmon stocks of Canada's West Coast are a very precious mainstay of our recreational fishing industry and are harvested as well by our commercial and native fishermen. In the face of growing abundance of other commercial stocks the survivability of these stocks continues to decline. Therefore, we must mount a major effort to keep better records of who is catching fish where. As well, we must fund a major research and enhancement effort to restore these stocks to traditional levels. Therefore we have announced a one-dollar-a-tag initiative to be introduced next year after appropriate consultation with all affected groups.

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[*Translation*]

PUBLIC WORKS

REQUEST FOR EXPLANATION OF PLACE VINCENT MASSEY LEASE RENEWAL

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, my question to the Minister of Public Works deals again with the lease renewal contract for Vincent Massey Place, in Hull. Yesterday, in the House, to justify a $15 million gift to Mr. Tessier, the Minister of Public Works told us that the lease would have expired in three years from now.

Is the Minister prepared to admit that he made a mistake yesterday, because the lease still has another eight and a half years to run? Is he prepared to admit that it was a gift from the Government to one of its friends, out of Canadian taxpayers' money? Moreover, could he explain to us why another contract for $106,000 has been awarded to the same Mr. Tessier to renovate a room on the fifth floor? How could he justify all that?

• (1140)

[*English*]

Hon. Stewart McInnes (Minister of Public Works): Mr. Speaker, the original lease in 1973 was signed by that Government.

Mr. Boudria: Yes, it should have been kept.

Mr. McInnes: We were obliged to pick up the tab for these renovations, to respond to the Fire Inspector. That is a policy we have followed in other buildings in Ottawa, and the same policy was followed here.

An Hon. Member: Kickback.

Mr. McInnes: The Hon. Member has been investigating this particular matter for weeks. All he has produced to the House is innuendo and scurrilous, false accusations. I suggest that if he has knowledge that anybody was involved in improper political interference, he go out of this Chamber and make the accusations and take the consequences.

Some Hon. Members: Hear, hear!

Mr. Boudria: I did not mean to get the Minister all excited.

GOVERNMENT POSITION

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, let me try to get it straight. The House should know that the Minister initially refused to give me the documents concerning the building. Is the Minister telling us that the fact that Mr. Tessier has, for 25 years, been the friend of someone working for the Prime Minister, that Mr. Tessier gave healthy contributions to the Conservative Party, that government officials overturned decisions—

Mr. Mazankowski: Sleaze!

Mr. Boudria: —overturned decisions in favour of Mr. Roy's friend are all just happy coincidences in this cosy leasing arrangement, or is it the lease that they could do for a friend?

Hon. Stewart McInnes (Minister of Public Works): Mr. Speaker, there are an awful lot of suggestions there. Let the Member go out of the House and restate exactly what he said, and take the consequences.

Mr. Guilbault (Saint-Jacques): You are stuck in the corner.

Mr. Crosbie: Senator McCarthy-Turner.

* * *

SOVEREIGNTY

ACCESS TO NORTHWEST PASSAGE BY U.S. VESSELS

Ms. Pauline Jewett (New Westminster—Coquitlam): Mr. Speaker, my question is directed to the Deputy Prime Minister or the Acting Secretary of State for External Affairs who, I believe, is the Minister for International Trade. This week in *Maclean's* letters column, the Secretary of State for External Affairs wrote: "There is no truth to the assertion that Canada will give unlimited access to all U.S. vessels to use the Northwest Passage". Is it the position of the Government to give unlimited access to U.S. vessels to use the Northwest Passage?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I have not read the report to which the Hon. Member refers. I will check and get back to her on it.

GOVERNMENT POLICY

Ms. Pauline Jewett (New Westminster—Coquitlam): Mr. Speaker, I quoted the Minister so that the Government would know that the Cabinet position has been stated in his letter. However, it is not clear. Therefore, my supplementary question is based on the same quote by the Secretary of State for External Affairs. If the Government is not giving unlimited access, is it preparing to give limited access to some or all U.S. vessels in Canadian Arctic waters?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, as I indicated earlier in response to a question posed by the Right Hon. Leader of the Opposition, the issue of Arctic sovereignty and the question of access to the Northwest Passage are a matter that will be discussed on a bilateral basis between the President, the Prime Minister and, clearly, the Secretary of State for External Affairs. While we recognize that there are some different views on this—

Mr. Guilbault (Saint-Jacques): What is your policy?

Mr. Mazankowski: Our policy has been clearly stated by the Secretary of State for External Affairs in the House on a number of occasions and it is a heck of a lot better than your policy was. You never had a policy on it.

Mr. Speaker: Order. The Hon. Member for York Centre.

* * *

PUBLIC WORKS

PLACE VINCENT MASSEY LEASING CONTRACT

Hon. Bob Kaplan (York Centre): Mr. Speaker, my question is directed to the Deputy Prime Minister. For the last two days he has listened to the unfolding of the Duroc-Tessier matter, in particular to the defence made of it by the President of the Treasury Board. Do the Acting Prime Minister and the Prime Minister support the behaviour and treatment given to this contract by the President of the Treasury Board?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, what I do not support are the actions of Hon. Members opposite who are violating the terms of conduct that were outlined by their Leader which are, first, before you involve yourself in scandal mongering you should know the facts, and second, you should know when you have made your case.

It is interesting to note that *The Globe and Mail* this morning states, when the allegations were hurled across the floor of the House about the involvement of Mr. Bernard Roy, that when asked outside the House:

> —Mr. Robinson said he had no hard evidence linking Mr. Roy to the lease negotiations—

And:

> —Don Boudria said only that someone had exerted pressure—

But that:

> He, too, acknowledged he did not have evidence—

Now put up or shut up.

Some Hon. Members: Hear, hear!

Mr. Crosbie: Put up or shut up.

Mr. Speaker: I know that Hon. Members on both sides of the House, those who are helping the Hon. Member for York Centre put his question and those who are trying to help the Minister answer the question, will allow the Hon. Member to put his question and let the Minister deal with it.

MINISTERS' POSITION

Hon. Bob Kaplan (York Centre): Mr. Speaker, I want to thank the Deputy Prime Minister for the lecture, but Ministers have a responsibility to answer questions. The simple question was whether the Deputy Prime Minister or the Prime Minister support this explanation of what the Opposition considers a totally unacceptable transaction. If they do not support it, have they looked into it? Are they taking corrective or disciplinary action? It is a simple question.

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker,—

Mr. Crosbie: Senator McCarthy.

Mr. Mazankowski: —the questions that were put to both Ministers yesterday were answered fully and comprehensively. What I object to and find very disgusting is the gutter politics that the Liberal Party, led by the Right Hon. Leader of the Opposition, is engaged in. I think he should live up to his word.

Some Hon. Members: Hear, hear.

Mr. Crosbie: Out of the gutter. Senator McCarthy lives in the person of John Turner.

Mr. Guilbault (Saint-Jacques): John Crosbie is there also.

An Hon. Member: Get out of the gutter, John.

Mr. Mazankowski: Gutter politics.

Mr. Turner (Vancouver Quadra): Just answer the questions.

Mr. Gauthier: You are an expert in gutter politics.

Mr. Mazankowski: Prove it.

Mr. Speaker: This exchange is exciting and interesting, but I especially want to impress upon Members on one side of the

Chamber that while this exchange goes on, interesting as it may be, other Members are not getting their chance to put their questions. The Hon. Member for Essex—Windsor.

* * *

TRADE

AGRICULTURAL SUBSIDY WAR BETWEEN UNITED STATES AND EUROPEAN COMMUNITY

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, first I want to welcome the Minister for International Trade back to the House of Commons. Farmers across Canada are losing their family farms because of the subsidy war which is taking place between the United States and the European Community. Will the Minister tell us of any concrete steps which have resulted from the discussions which took place during her trip to try to alleviate this very serious situation?

Hon. Pat Carney (Minister for International Trade): Yes, Mr. Speaker. I am glad to report to the House that this issue was discussed in some detail at the Trade Ministers' meeting in New Zealand. There was a great deal of support generated for the Canadian position which consists of the five principles referred to by the Deputy Prime Minister and which form our guidelines in the short and the long term to start ending this trade war in which we are the victims. I will make sure that the Hon. Member has a copy of those five principles.

• (1150)

The Chairman of the Cairns Group of Fair Agricultural Traders, which is composed of the 14 countries which support agricultural reform, and I, have agreed to hold a meeting of the Cairns Group in Canada toward the end of May at which time this issue will be addressed before the summit meeting. In that way we hope to keep attention on the problem of agricultural reform before the summit.

MINISTER'S POSITION

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, it seems to me that there is a great deal of discussion and not nearly enough concrete action which is taking place on this issue. Will the Minister assure the House that in the discussions that will take place with the Reagan cabinet Ministers who are here this weekend she will raise this issue urgently and toughly and try to obtain a commitment from the United States to roll back that support which is so badly hurting so many Canadian farmers?

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, I disagree totally with the Hon. Member's suggestion that no concrete action has been taken on this matter. Our Prime Minister was the very first person ever to take the issue of agriculture to the summit, which is something he did last year in Tokyo. The Prime Minister took it for the first time to the economic summit and he put it on the world agenda. In New Zealand, as I said, I took a position that was developed by the Canadian Government which would, if adopted by other countries, lead to the cease-fire which we all seek. For that reason I would like to outline briefly in layman's language these five principles. The first is that agriculture policies—

Some Hon. Members: Order, order!

Miss Carney: —must become more price-responsive. The second is that support should—

Some Hon. Members: Order, order!

Mr. Speaker: Order, please. I hesitate to interrupt the Hon. Minister who has come back from an important trip, but there are other places and occasions when a Minister can make a statement.

* * *

REFUGEES

COST OF HOUSING REFUGEES IN TORONTO

Mr. Sergio Marchi (York West): Mr. Speaker, my question is for the Minister of State for Immigration. It concerns the $360,000 rental contract that the Department signed with a Toronto apartment owner for the housing of refugees. While other tenants in the same building are paying $340 and $400 respectively for one and two-bedroom units, the Government has agreed to pay the landlord $740 and $790 respectively for these units, which is more than double the current market value. How can the Minister justify the gouging and squandering of taxpayers' dollars in such a reckless manner?

Will he assure the House that he will renegotiate the contract so that the rents can be brought down to a legitimate and realistic level thereby allowing the housing of twice the number of refugees? Will he provide a responsible and accountable expenditure of taxpayers' dollars?

Hon. Gerry Weiner (Minister of State (Immigration)): Mr. Speaker, I am having difficulty understanding how little the Hon. Member knows about his own community in which he is supposed to live. A proposal call was made. We required temporary accommodation and certain specific services. The person who was the lowest bidder was offered a contract. That is normal procedure. That is what we have done in this particular case.

APARTMENT RATES

Mr. Sergio Marchi (York West): Mr. Speaker, it is not normal to pay twice the amount. If the Minister were to call the Toronto office or one of his CMHC friends they would have told him that.

I want to ask the Minister again why the Government paid double the rates when for the same units similar rates were deemed to be illegal by the Ontario Rent Review Board only

two months ago. In addition to renegotiating the contract will the Minister institute a full review of these real estate dealings in these apartments so that we may avoid in the future unnecessarily lining the pockets of landlords with millions of dollars while immigrants and refugee settlement programs under this regime are suffering?

Hon. Gerry Weiner (Minister of State (Immigration)): Mr. Speaker, is the Hon. Member against the principle of offering a contract to the lowest bidder? Does he not understand the services we require? We have 24-hour-a-day reception services. Landlords must be willing to loan money to these people who are in their buildings. We have daily cleaning of the premises with a change of towels provided. All of these things that are required are in the contract, and this person was the lowest bidder.

Mr. Marchi: You got suckered.

* * *

AIR TRANSPORT

CANCELLATION OF CHARTER AIRLINE LICENCE

Mr. Jim Fulton (Skeena): Mr. Speaker, my question is for the Minister of Transport. Three years ago federal bureaucrats wrongfully cancelled Fred Turner's charter airline licence in the Northwest Territories. Two years ago Cabinet recognized the error and ordered the return of the licence along with an offer of $15,000 in hush-money. Three weeks ago the Hon. Member for Regina West, Fred Turner, and myself met with the Minister to find an acceptable settlement. Since that process had no terms of reference that would have provided a settlement, will the Minister show the compassion for which he is known in this country and appoint an independent body to settle the matter through binding arbitration with fair terms of reference?

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, with reference to the hon. gentleman's question, first, I want to correct him. Federal bureaucrats had nothing to do with this matter whatsoever. This matter started with a decision taken by the Canadian Transport Commission on April 4, 1984. That is a quasi-judicial body. It is not a part of the ordinary government structure in the country. I do not think we could describe it as a body made up of federal bureaucrats. A decision was taken in accordance with the powers granted to the Commission by the House. That decision was reviewed later by the Governor in Council and changes made to it.

The position of the Crown is that there is no liability on the part of the Crown. Mr. Turner has taken legal action against the Government. An *ex gratia* payment was offered to him. I have had the matter reviewed twice by members of my own staff. I wanted to be sure that we were justified in the position that we were taking. I think that is the case. I cannot see any reason to interfere. Because the matter is *sub judice* it is hard for me to say anything more about it publicly.

CROSBIE SHIPPING LINES QUERY

Mr. Jim Fulton (Skeena): Mr. Speaker, my supplementary question is this. If Crosbie Shipping Lines had its licence to operate wrongfully taken away and subsequently Cabinet overruled that decision and gave the licence back, but during that period of time Crosbie Shipping Lines lost $2 million, would the Minister of Transport accept $15,000 in hush-money? Is it not about time that he applied the same rules to Fred Turner as he would apply to himself or any other small businessman in this country?

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, I do not know what the relevance is of Crosbie Shipping Lines, or whether there is a Crosbie Shipping Lines, or whatever. I have never had anything to do with any decision that affected the Crosbie Shipping Lines. This is the type of McCarthyism that we see repeatedly in this House.

Some Hon. Members: Oh, oh!

Mr. Crosbie: What is the relevance of a Crosbie Shipping Lines? It is a scandalous attempt to impute that—

Some Hon. Members: Order, order!

Mr. Speaker: The Hon. Member for Montreal—Sainte-Marie.

Mr. Crosbie: Mr. Speaker, with respect—

Mr. Gauthier: Sit down, John. We've been recognized.

Mr. Crosbie: I have not finished answering the question.

Mr. Gauthier: You never even started.

Mr. Speaker: The Hon. Member for Montreal—Sainte-Marie.

* * *

[*Translation*]

TRANSPORT

AMERICAN RAILWAY COMPANIES' ACCESS TO CANADIAN NETWORK—GOVERNMENT POSITION

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, my question is directed to the Minister of Transport and I hope he will respond with fewer buffooneries than he did just now.

On February 12, the Minister of Transport of the Quebec Government sent us a copy of a letter to his federal counterpart. Yesterday a brief was tabled and he stated that, as a result of some of the provisions of Bill C-18, the Canadian Government is on the verge of granting American transport

companies using rail lines unconditional access to our railway network. My question is the same as Quebec Transport Minister Marc-Yvan Côté's: As Canada is attempting to negotiate a free trade agreement with a partner who has no intention of handing us anything on a silver platter—restrictions on lumber, pork, potash and what not—how can the Minister offer him, without any concession on his part, unconditional access to our rail lines?

• (1200)

[*English*]

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, I think that that is the most confused question that I have ever been asked in this House—

An Hon. Member: It is very clear. You are confused.

Ms. Jewett: You had better get on with the answer.

Mr. Crosbie: I do not know what the question is, Mr. Speaker. I do not know what American company has been offered what concession over Canadian rail lines.

The hon. gentleman has divided his question into "malé" parts, and he doesn't know what any one of those parts means.

If he is referring to Bill C-18 and Bill C-19 now before the House of Commons Transport Committee, I suggest that the hon. gentleman attend some hearings, learn something, and then come back and ask another question.

Some Hon. Members: Oh, oh!

[*Translation*]

INQUIRY WHETHER GOVERNMENT WILLING TO INTRODUCE AMENDMENTS TO BILL C-18 RECOMMENDED BY QUEBEC MINISTER OF TRANSPORT

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Clearly, Mr. Speaker, the stupid reply of the Minister shows that the Minister of Transport did not give any consideration to the letter of the Minister of Transport of the Quebec Government, because in the quotation I have here those are the questions which were asked by the Quebec Minister of Transport. This shows clearly that the Minister is not interested in Quebec, he who stated during the leadership race that speaking French or Chinese pretty well amounts to the same thing. He has no knowledge of Quebec.

Some Hon. Members: Order, order!

Mr. Malépart: My supplementary question to the Minister is this: Is he—

[*English*]

Some Hon. Members: Order!

Mr. Bouchard: Where is your control, John?

Mr. Turner (Vancouver Quadra): Where is his control?

[*Translation*]

Mr. Speaker: Perhaps the Hon. Member might ask his question?

Mr. Malépart: My supplementary question to the Minister is the question asked by the Minister of Transport of Quebec. Is he prepared to amend Bill C-18 as recommended by the Quebec Minister of Transport to make sure that the Quebec Government and the other provincial administrations will be consulted before any changes are made?

The Quebec Minister of Transport sent him a letter on February 12, is he now prepared to respond favourably to the requests of the Quebec Government?

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, he is unbelievable. The Hon. Member is behaving like a clown.

[*English*]

You are a "fou".

Mr. Speaker, a few days ago I met with the Minister of Transport for Quebec and the Ministers of Transportation representing the other provinces. We had an excellent conference here about a week ago. We answered all questions. It was agreed that the legislation would be proceeded with.

I listened to their suggestions in respect of any changes they thought the House of Commons committee might consider. I will be meeting with the House of Commons Transport Committee next week, to review with that committee those amendments that we think should be made.

I have listened to the suggestions of the Minister of Transport of the Province of Quebec, who is supporting our legislation, although he does suggest that some changes might be made.

We have the support of all 10 Ministers across the country, as well as the Ministers of the two Territories. As a matter of fact, eight of the provinces signed a Memorandum of Understanding the other day with respect to safety on the highways, and Ontario and Quebec—

Some Hon. Members: Order.

Mr. Crosbie: The Leader of the Opposition doesn't like to listen to progress.

Mr. Gauthier: You are making a speech.

Mr. Crosbie: You are always making speeches. Why can't we make one in return?

Mr. Gauthier: You have a big mouth; that's all.

[*Translation*]

Mr. Speaker: I would advise Hon. Members that the time allotted for the Oral Question Period has expired.

[*English*]

PRIVILEGE

ATTENDANCE OF MINISTERS DURING QUESTION PERIOD

Hon. Herb Gray (Windsor West): Mr. Speaker, I want to raise a question of privilege arising out of today's Question Period.

It seems to me, Mr. Speaker, and I think that Canadians generally will agree, that the primary obligation of Ministers is to be in this House to account to the Canadian people through the questions raised in the daily Question Period.

We do not, as is the case with the United States, have what is commonly called there a system of checks and balances, a system whereby the power of the executive can be checked by the action of the legislative branch, except in a series of limited ways, especially where the Government is supported by a very strong majority.

I have said that there are some ways, and chief among them is the challenging and the holding to account of the Government during the daily Question Period. When we have the daily Question Period, Mr. Speaker, and the Prime Minister (Mr. Mulroney) is absent, and the Deputy Prime Minister (Mr. Mazankowski) is absent, and the larger part of the Cabinet is absent, then the basic concept—

An Hon. Member: Two days in a row.

Mr. Gray (Windsor West): —then the basic concept of parliamentary Government of holding the Government to account on behalf of the Canadian people through Question Period cannot be carried out. We have seen this unjustified and unacceptable absence, not just one day—today—but two days in a row. I say, Mr. Speaker, that the Ministers—

Mr. Speaker: Order, please. The Hon. Member, who is a distinguished Member of this House, and who speaks with a high degree of responsibility for the Official Opposition, is raising a matter which is clearly important. The Chair is in perhaps a little bit of difficulty because there is a tradition of the House that the presence or absence of Members is not remarked upon, and the reason for that, as is understood by all Hon. Members, is that there are many places that Members have to be in order to carry out all of the obligations that go with their office. I would hope that the Hon. Member would keep this in mind in his further remarks, which the Chair is most certainly going to listen to.

There is perhaps a fine line here that the Hon. Member has to walk, and I will most certainly hear him; but, I think we should all remember that there is this tradition. There may very well be good reasons for one's absence, and that is why absences, for the most part, are not commented upon.

The Hon. Member for Windsor West (Mr. Gray).

Mr. Gray (Windsor West): Mr. Speaker, I understand the point you have made. Let me say this. I think that you should interpret that concept in a way which enables Members to raise the issue of the absence of the most senior members of the Ministry in a consistent fashion, because if Members of this House could not raise that matter for your attention, then we might find a day when no members of the Ministry are here for Question Period, or only one or two of the most junior Ministers.

I think, Mr. Speaker—

Mr. Speaker: Perhaps I can assist the Hon. Member.

I would hope that all Hon. Members, and certainly the Hon. Member for Windsor West (Mr. Gray)—because he does speak, as I have said, with dignity and importance on behalf of the Official Opposition— would understand that I am only putting out a caution. I have said in other places and at other times, as have most of the Members of this place—and I say this not only for the interest of Hon. Members but also for the public, which is always watching—that Question Period is perhaps, at its best, the finest accountability session of any free country, and I want to assure the Hon. Member and the Right Hon. Leader of the Opposition (Mr. Turner) that the Chair is very conscious of that.

Mr. Gray (Windsor West): Mr. Speaker, I shall conclude by saying that I hope that the Government, the Ministry, takes into account not only what I have said, but what you have said, Sir, perhaps with greater eloquence than myself, with respect to the the importance of Question Period, and the fact that it cannot work unless the Prime Minister or the Deputy Prime Minister and the most senior members of the Ministry are here, on a consistent basis.

This institution, Mr. Speaker—

Some Hon. Members: Hypocrisy.

Mr. Gray (Windsor West): —is the foundation of our parliamentary system, our system of parliamentary democracy—

Mr. Crosbie: It is not—

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

An Hon. Member: You are grandstanding, Herb.

Mr. Gray (Windsor West): The Minister of Transport (Mr. Crosbie) said—and I hope that *Hansard* records this—that Parliament is not the foundation of our system of parliamentary democracy.

Some Hon. Members: Shame on you!

Mr. Crosbie: I did not.

Some Hon. Members: Resign!

Mr. Crosbie: I did not.

Mr. Gray (Windsor West): I think, Mr. Speaker, that explains the cavalier attitude—

Mr. Crosbie: Mr. Speaker—

An Hon. Member: Sit down, John.

An Hon. Member: Resign!

Mr. Speaker: Order, please. The Hon. Minister of Transport (Mr. Crosbie), on a point of order.

• (1210)

Mr. Crosbie: Mr. Speaker, I rise on a point of order. That statement, I never made—

Mr. Gray (Windsor West): You certainly did.

Mr. Crosbie: —and I am not going to allow the Opposition House Leader to make it for me, or his Leader, Senator McCarthy Turner.

Some Hon. Members: Oh oh!

Mr. Crosbie: Keep your Opposition House Leader under control.

Some Hon. Members: Withdraw.

Mr. Crosbie: Not likely. He has that little germ cell up every day.

Some Hon. Members: Oh oh!

Mr. Speaker: I ask the Hon. Minister to reconsider very carefully what he said. While I am not going to refer to a list of words which are parliamentary or unparliamentary to decide what is appropriate in the Chamber from time to time, I will use as much common sense as I can muster, no matter who may say something which has by its implications very, very regrettable connotations. I hope the Hon. Minister would, now or at some appropriate time, indicate to the Chamber—

Mr. Crosbie: What did I say to him?

Mr. Speaker: I do not think calling any Hon. Member, whether it is the Right Hon. Leader of the Opposition (Mr. Turner) or any Hon. Member, a user of McCarthy tactics is acceptable in this Chamber. We all know what it means. It was a very unpleasant period of the life of a very friendly nation. Nobody doubts what it means. It is an unpleasant and very disagreeable term indeed.

The Hon. Minister may not wish to say anything at this time, but I would invite the Hon. Minister to consider that. When he feels it is appropriate I would certainly hear him.

Mr. Crosbie: Mr. Speaker, as you know, I am certainly quite willing to take your advice, and I withdraw the words you object to in connection with the Leader of the Opposition.

Mr. Speaker: I want to say to Hon. Members that the Chair deeply appreciates the statement of the Minister. The Chair also appreciates that when we have moments such as on this occasion—and Hon. Members will have noticed it, and I hope the public notices it—Hon. Members did the Chair the courtesy of remaining silent, allowing the Chair to do the best it could on behalf of all of you to pass over, perhaps, what was a rough moment.

Some Hon. Members: Hear, hear!

Mr. Gray (Windsor West): Mr. Speaker, in conclusion, if the Minister of Transport (Mr. Crosbie) says that what he said was misunderstood and he did not use certain words, I will certainly accept that in the spirit in which you called upon us to act in this place.

However, I want to say finally with regard to my question of privilege that I hope in future members of the Government, especially the Prime Minister, the Deputy Prime Minister, and senior Ministers—no matter what are their duties or their schedules, especially with regard to cabinet committees,—will give priority, and it must be given, to attendance in the House for the Question Period.

This is one of the key ways Canadian people expect us to hold the Government to account. Unless it is there to operate fully, I submit that our House of Commons, and therefore our parliamentary democracy, is on the road to being undermined. That would not be in the interest of the country now or in the future.

Mr. Doug Lewis (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I think there is no question but that parliamentary democracy is being undermined by the conduct which is allowed by the executive of the Liberal Party to its Members—

Some Hon. Members: Order.

An Hon. Member: Sit down.

Mr. Turner (Vancouver Quadra): The Speaker is on his feet.

Mr. Speaker: The point which is being raised by the Hon. Member for Windsor West (Mr. Gray) is simply that today, or perhaps on some other occasion, it is his view and the view of members of the Official Opposition that not sufficient members of the Cabinet were present in Question Period. That is the position. It has nothing to do with other things.

The Hon. Member for Windsor West is saying that Question Period is essential to our democratic way of life. I have said, and I know all Hon Members will agree with me, that at its best Question Period is the finest accountability session of any free country in the world. It is ours.

The Hon. Member has made his point. Perhaps it is necessary to make another point. It may well be. There may be reasons for the absence of Ministers. I have also suggested, and

I know the Hon. Member for Windsor West had heard me and commented on it, that it is not the tradition here to comment on the absence of members, because we all know that members must be in many places doing the duties which they were sent here to do, and across the country, by their electors.

The narrow point, the point that I am hearing, the point I want to address, and no other point, is simply that the Hon. Member says that some or not enough cabinet Ministers were present. That is the point being addressed, and that is the point to which any Hon. Member who wishes to rise on this particular matter ought to address his or her words.

Mr. Lewis: Mr. Speaker, with that admonition I will completely restrict my remarks to the point in question and not engage in any partisan commentary inside the House.

There is absolutely no obligation for any Minister to be in his place because questions are asked of the Ministry. Every effort is made by our Government to brief Acting Minister's, at 10.30 and 1.30 every day, on the questions of the day.

Third, Ministers have other obligations as do members of the Opposition; they may be ministerial obligations, they may be constituency obligations, or they may be personal obligations.

Fourth, I invite contrast only in this case of comparison with the United Kingdom where, as Hon. Members know, Ministers appear in the House on rotation—

Mr. Penner: Oh.

Mr. Lewis: That might have been a partisan comment.

Mr. Crosbie: The Mother Parliament.

Mr. Speaker: I think the Chair has asked all Hon. Members to hear each other on this point. The Hon. Parliamentary Secretary has accepted the admonition of the Chair, for which I thank him. He is putting forward an explanation, which he is absolutely entitled to do on a matter of this importance. I would ask all Hon. Members to allow the Parliamentary Secretary to finish his remarks.

Mr. Lewis: Mr. Speaker, I was making the point that in the United Kingdom the Ministers appear on rotation. I happen to prefer our system because it gives the Opposition a better opportunity to keep a Minister and an issue on the front burner. We accept that. It happened today in the case of a lease question. Those Ministers in question, on an issue which was dealt with yesterday, were here.

In the United Kingdom, the Minister of Transport appears on a Tuesday and then two weeks hence. Actually, I think our system is better and I suggest no change. However, I suggest, given our system and given that Ministers try to be here most of the time to answer questions, that there are occasions when they must be elsewhere. That was accepted by our Party in opposition.

Mr. Prud'homme: Oh, no.

Mr. Fennell: Yes.

Mr. Prud'homme: I will talk about that.

Mr. Lewis: Perhaps, outside.

Mr. Prud'homme: Inside. I do not talk outside.

Mr. Lewis: It cuts both ways. The point has been made. I think we understand what has been said. We will continue to make every effort to have Ministers in the House to be accountable to the country—and we have no difficulty with that—and to be accountable to the Opposition.

I will save the rest of my remarks which might be partisan for another time.

• (1220)

Mr. Ross Belsher (Fraser Valley East): Mr. Speaker, I have listened with interest to the comments of Hon. Member for Windsor West (Mr. Gray) on the absence of the Prime Minister (Mr. Mulroney) and the absence of the Deputy Prime Minister (Mr. Mazankowski). I think the Hon. Member failed to realize or to acknowledge that the Deputy Prime Minister—I believe this is the first time I have witnessed this—sent a notice to you that he would have to leave the Chamber a few minutes early. The Hon. Member for Windsor West alleges that the Deputy Prime Minister was not in the Chamber. He did not even acknowledge that prior notice had been given that he would be leaving the Chamber. I think the Member for Windsor West does this House a disservice, having been given the courtesy of the notice, by not acknowledging it when he rose on his question of privilege.

Mr. Speaker: I thank the Hon. Member for his intervention. The Chair has listened with interest and with complete attention to all of the interventions. I do want to say one thing to all Hon. Members and it is this. The Chair did receive a notice during Question Period—and for whatever reason a Minister or Member leaves it is not my place to comment on it, but one has to assume that whenever a Minister or any Member leaves this Chamber it is appropriate and legitimate—that the Hon. Deputy Prime Minister (Mr. Mazankowski) had to leave because he is travelling to another part of the country today. The Chair made the announcement, not because the Chair is taking any position that it is appropriate or inappropriate for any particular Minister to be here during Question Period, but because the courtesy was extended to the Chair I felt that same courtesy ought to be extended to the Chamber.

I think the matter has been adequately discussed and I will consider the representations that have been made. I want to assure all Hon. Members in this place, especially the Hon. Member for Windsor West (Mr. Gray) who has spoken on behalf of the Official Opposition, and any others who may have strong views about this, that it is the opinion of the Chair, which I think is shared here, that Question Period is indeed a very important part of our Canadian democracy. It is perhaps

the most vivid accountability session of any democratic country in the world.

ROUTINE PROCEEDINGS

[*English*]

VETERANS AFFAIRS

COMMEMORATION OF SEVENTIETH ANNIVERSARY OF THE BATTLE OF VIMY RIDGE

Hon. George Hees (Minister of Veterans Affairs): Mr. Speaker, next week we will be marking one of the most important dates in our history. Seventy years ago this Thursday, April 9, Canadians from coast to coast, standing shoulder to shoulder, moved forward against the strongly entrenched positions at Vimy Ridge in France. By the end of the day, the Canadian Corps stood triumphant at the top of the ridge.

This triumph is the acknowledged birth of Canada as a nation. Brigadier General Alex Ross was to describe what happened in this way:

> The barren earth erupted humanity. From dugouts, shell holes and trenches men sprang into action, fell into artillery formations, and advanced to the ridge . . . It was Canada from the Atlantic to the Pacific . . . I thought then—that in those few minutes I witnessed the birth of a nation.

Our victory was not without cost. Over 10,000 Canadians were casualties in the one day battle, 3,500 of whom were killed. Four Canadians earned the Victoria Cross, three of them posthumously.

As part of my mandate to perpetuate the memory of Canada's wartime sacrifice, I will be leading a delegation of 10 Vimy veterans to Vimy Ridge next week. We will be paying homage to those who fell at Vimy, and, indeed, to the over 66,000 Canadians who were killed during the Great War.

Finally, Mr. Speaker, I wish to make all Hon. Members aware of a very special carving now on display in the lobby outside the Chamber. This carving, a replica of the Canadian Memorial at Vimy, was presented to me by the Royal 22nd Regiment. It was expertly crafted by Master Warrant Officer J.A.P.R. Laplante of the 22nd's 1st Battalion. I am told that Master Warrant Officer Laplante put in well over 1,000 hours of carving time. The result is simply magnificent. I therefore recommend it to Hon. Members' attention very much indeed.

Some Hon. Members: Hear, hear!

[*Translation*]

Mr. Gaston Isabelle (Hull—Aylmer): Mr. Speaker, as the official Opposition critique for Veterans Affairs, I consider it a great honour and take great satisfaction in joining the responsible Minister in commemorating that historic feat, seventy years ago on April 9, at the Battle of Vimy Ridge during the First World War.

Mr. Speaker, on that day, at 5.30 a.m. at sunrise, under a ceaseless barrage of fire, iron and steel, Canadian divisions launched the attack on Vimy Ridge, headed by ten battalions marching abreast which lead the attack, while flurries of wet snow swept the cold and somber battle ground. April 9, 1917 was truly a landmark in our history as a nation.

Canada entered the First World War as a nation that was still young. It had always existed in the shadow and under the trusteeship of the two mother countries, France and Great Britain. However, when the Armistice was signed at the end of this terrible conflict, Canada had succeeded in carving out a niche for itself among the nations of the world and was recognized and invited as an independent country to attend the peace negotiations.

Mr. Speaker, blood and iron forged a new nation on that day, an independent Canada, a Canada that was respected and that earned the privilege of ranking among the great nations of this world.

Mr. Speaker, all Canadians are grateful to the 600,000 men and women who answered the call of their country during the First World War.

Vimy Ridge is a symbol of their sacrifice and their courage. That is why every year, so many Canadians go back to Vimy to attend a service commemorating this great battle, in front of the splendid monument that stretches up to the sky, as though to carry up to heaven our prayers commemorating all who fought at Vimy.

Mr. Speaker, perhaps I may quote the Right Hon. Mackenzie King, the Prime Minister at the time, who said in the House on March 27, 1923, before the monument was built, and I quote:

> The future will look on the battle grounds of the Great War as the altars of a holocaust, and none will shine more brilliantly in our memory and our history than Vimy.

And that is also why the seventieth anniversary of the Battle of Vimy Ridge is a day of special celebration, a day of gratitude and a day of prayer.

Mr. Speaker, I want to wish the Minister "bon voyage", and I would ask him to express to the handful of men and women who will accompany him, as veterans who fought on April 9, 1917 at Vimy, our profound gratitude and our sincere thanks for the example they have set to the whole world through their acts of heroism and their exceptional courage.

We will be with you in our prayers.

• (1230)

[*English*]

Mr. Neil Young (Beaches): Mr. Speaker, on behalf of the New Democratic Party, it is an honour to join the Minister of Veterans Affairs (Mr. Hees) and the veterans affairs critic of the Official Opposition in saying a few words about Vimy Ridge. If ever a conflict deserved to be called the war to end all wars, it was the 1914 to 1918 war. It was sheer slaughter from beginning to end. Canada alone lost over 60,000 troops in that war. We just have to look at Vimy Ridge itself to

appreciate the massive losses. It is estimated that 150,000 French troops were killed attempting to take it. Subsequently the British army also attempted to do so and was decimated. Then along came the Canadian troops to see what they could do against this seemingly entrenched natural fortress. It was quite a challenge for an inexperienced volunteer army. However, it was there at Vimy where all the divisions of the Canadian corps came together for the first time to fight as a single unit. The rest, as we say these days, is history. It is certainly history worth recalling and applauding.

There are over 14,000 veterans of the First World War here in Canada today. Next Thursday let us remember just what this very special group of veterans achieved for Canada. We should never forget their contributions and sacrifices and we should always be grateful.

At this point, Madam Speaker, I would like to offer my own congratulations to the Minister for heading that delegation of war veterans back to Vimy Ridge.

* * *

[*Translation*]

TELESAT CANADA

TABLING OF ANNUAL REPORT, 1986, AND REFERENCE TO STANDING COMMITTEE

Mrs. Claudy Mailly (Parliamentary Secretary to Minister of Communications): Madam Speaker, pursuant to Standing Order 67(2), I am pleased to table the 1986 annual report of Telesat Canada.

Also, pursuant to Standing Order 67(4), this report is deemed to be referred to the Standing Committee on Communications and Culture.

* * *

[*English*]

PETITIONS

RIGHT TO LIFE OF UNBORN BABIES—PROTECTION OF CHARTER OF RIGHTS AND FREEDOMS

Mr. Ross Belsher (Fraser Valley East): Madam Speaker, I have the honour to present to the House petitions from some 100 people, the majority of whom are from Surrey, British Columbia. These concerned people call upon Parliament to support Motion M-37 which would allow unborn babies to be protected by the Charter of Rights.

OPPOSITION TO PROPOSED CHANGES TO PATENT ACT

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Madam Speaker, in conformity with Standing Order 106, I have the honour to present three petitions. The petitioners exercise their ancient and undoubted right to say, whereas the proposed changes to the Patent Act will affect directly all Canadians who are not protected by private and governmental medicare programs, whereas the federal Government's proposal will raise the costs, already high, of provincial health care programs, whereas the monopoly granted to innovative pharmaceutical companies will prevent competition from generic companies and will result in an increase in drug costs and prices and will severely restrict the ability of average Canadians to buy necessary prescription drugs, and whereas proposed changes to the Patent Act are another example of the Canadian Government's concession to free trade negotiations with the United States at the expense of every-day Canadians, the undersigned, your petitioners, humbly pray and call upon Parliament to reject these proposals which will increase prescription drug prices for Canadians.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

Mrs. Claudy Mailly (Parliamentary Secretary to Minister of Communications): Madam Speaker, the Parliamentary Secretary to the Deputy Prime Minister and President of the Privy Council (Mr. Lewis) does not seem to be here at the moment. I suppose all questions will stand, for the moment.

The Acting Speaker (Mrs. Champagne): Shall all questions stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

THE BUDGET

FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The House resumed from Tuesday, March 17, consideration of the motion of Mr. Wilson (Etobicoke Centre) that this House approves in general the budgetary policy of the Government.

The Acting Speaker (Mrs. Champagne): I wish to inform the House that because of the Ministerial statement, Government Orders will be extended by eight minutes beginning at 1 p.m.

Hon. William Rompkey (Grand Falls—White Bay—Labrador): Madam Speaker, it has been a long time since the Budget and, apart from the fact that the Budget lends itself to being forgotten, many people may have forgotten what was in it. What was not in the Budget was brought home very dramatically to me yesterday when a Budget was brought down in the Newfoundland House. It is very timely for me to

be able to make some comments on the federal Budget today because that Budget painted not only an austere picture but even a tragic picture of what is happening in this country.

I would like to read from an article in this morning's *Globe and Mail* which summarizes for Canadians what is happening in Newfoundland. Bear in mind that the Government in that province is of the same political stripe as the Government here in Ottawa. The article reads as follows:

> Finance Minister John Collins presented a $2.8-billion budget yesterday that freezes construction of new government buildings and predicts dire consequences for Newfoundland's ailing economy unless Ottawa comes through with more money.
>
> "The 1980s decade has not been kind to Newfoundland and Labrador," he said. "We should not be asked, nor would we agree, that our people should be thankful to receive half the Canadian loaf.
>
> "After 38 years, we remain the archetypal have-not province."

I suggest that it is relevant that we are continuing the Budget debate today. I say in all sincerity to Hon. Members opposite that there is a responsibility for us here in this Chamber and on the treasury benches to be cognizant that there is a province in Canada that is in very, very serious financial straits. Some people would even say the province was on the verge of bankruptcy. I suggest that the treasury benches take a very close look at what is happening and at their own fiscal and financial policies.

● (1240)

Let me give some indicators of what is happening at the federal level. The Government told us in the budget debate and thereafter that something like 400,000 or 500,000 new jobs have been created. I remind the House that the Newfoundland unemployment rate is more than 20 per cent. With the exception of about 6 per cent, all of those new jobs have been created in central Canada. That is a very distinct reality. Given that one measure of the success of the Government's financial policies is job creation, then it has failed miserably.

The Government has not had a regional development policy. I have seen no evidence in this Chamber of any policy over the last two years. Between 1984 and 1986 the Government reduced regional development expenditures by 25 per cent. Not only that, there has been a consistent and conscious effort to cut government programs and spending. There may be a rationale for that, but I submit, as I have before, that when you have a national policy which cuts across the board without regard for its effect on the regions, then it is a double burden on those less favoured regions which depend more heavily on government services and programs. No one likes dependency but it is a fact of life. When you slash across the board you hurt the weakest. That is the reality. You cannot have a single policy. If you do, you entrench regional disparity. I again use the example of Procruste's bed. He was a Greek innkeeper who had one bed. If the guest was too long for the bed he cut the person to fit. If he was too short, he stretched him to fit. That is the policy of the Government for the whole country. I submit that when that happens you entrench regional disparity. That is exactly what is happening. That is why in my province, which is not economically self-supporting, we now have a three-year freeze on construction, expansion and renovation of public buildings. The worst part of that is that it applies to nursing homes, hospitals and schools.

Two days ago my province celebrated 37 years in Confederation. When Joey Smallwood led the fight for Confederation in Newfoundland he told us we would gain the advantage of receiving services equal to the rest of the nation. Yet yesterday's budget in Newfoundland told us that for three years there is going to be a complete and absolute freeze on most new construction, including nursing homes, hospitals and schools. What is Confederation all about? Are we all equal? Do we have the right to expect services and policies from the Government of Canada which will advance our interests and allow us to develop as a people? That is not happening because the Government has absolutely no policy for regional development.

Let me give a few other examples. We have seen a cut-back in equalization payments. Those payments are a fundamental lever of federal policy for righting regional disparity across this country. Oh, yes, the Minister of Finance (Mr. Wilson) told us recently that something like $180 million in equalization overpayments, caused by demographic changes, will be forgiven. However, it is not new money. It is of no help to an ailing economy. There has been a cut in Established Programs Financing for education and health care. Newfoundland, as did the rest of the country, expected an increase of 7 per cent. That was the five-year agreement between the federal Government and the provinces. The federal Government unilaterally abrogated that agreement and instead of a 7 per cent increase we will receive only 5 per cent. That may seem trivial when you look at it superficially, but in Newfoundland it means we will receive $187 million less than we had expected or budgeted for schools and health services.

In delivering his budget yesterday the Newfoundland Minister of Finance said:

> We should not be asked, nor would we agree, that our people should be thankful to receive half the Canadian loaf.

I repeat, the brutal reality is that for three years the expansion of nursing homes, hospitals and schools will be completely frozen. That is the tragic reality.

Newfoundland has the highest rate of taxes in Canada, including a 12 per cent sales tax, yet taxes will increase by $600 to $800 for the average family as a result of the last federal Budget. There has been a one-cent increase in the federal tax on diesel and aviation fuel.

The simple fact is that the Government has one single underlining principle, and that is to let the private sector do the job. Yet that is not working and it is time the Government woke up to that fact. We have a province which is struggling, not to progress but simply to stay alive. I cannot make that point too strongly. That is not rhetoric. I hope the treasury benches will realize that.

What initiatives has the Government taken? It has said that it believes oil will be the salvation of Newfoundland. I hope so, but there is no evidence of that so far. Yes, it is true the Atlantic Accord was signed. Yes, it is true that $66 million has been spent on development as a result of that Accord. What we have not seen is any movement toward development of the oil field itself. We are told there is a deal in the making. We are told there is an offer. We do not know and that is part of the problem. We cannot get information on what the Government is doing and the hard cold facts of what it plans for the province. We are told there is a deal between Mobil and the federal Government. We are told that that deal will involve Mobil spending something like $900 million in a $4.3 billion development program for the Hibernia field. However, Mobil will be able to recover that investment after three years. That has been described as a jammy deal for Mobil. We do not know what that company's response will be. As far as we can tell, the Newfoundland Government has approved the offer. As far as we can tell, Mobil is studying the offer and will respond some time before June. Yet how many Newfoundlanders know the facts of that deal before it is announced, if it ever is? That is very important to us because our future will hang on it. What will the advantage of that deal be to the people of Newfoundland? As far as I can tell that is what the Government is hanging its hat on. We will have to be very vigilant over the next few months and ensure that we ask the proper questions and scrutinize this deal very closely indeed. There has been no consultation on this matter. It has been very difficult indeed to get information on what the Government is doing.

• (1250)

The Government has encouraged and possibly twisted the arm of Petro-Canada to go ahead with some drilling this year. We know that the SEDCO 710 will be drilling off the coast of Newfoundland this year. However, that rig would have to be out there anyway because, as I understand it, it is still under contract to Petro-Canada and it would have to be used somewhere, albeit not necessarily on the Grand Banks. Therefore, that initiative alone is no indication that there is a willingness and dedication by the Government to go ahead.

In the meantime the Government is going ahead with the privatization of the very arm of government which it is using to suggest that it is serious about the development of the oil field off Newfoundland. At the same time as the Minister of Transport (Mr. Crosbie) announces the initiative by Petro-Canada to drill further on the Grand Banks, the Government is putting Petro-Canada up for privatization. I believe that is another indication of the ingrained philosophy which is not in the best interest of that province.

I believe the strength of Canada has been that we have always had a mixture of private and public sector initiatives, a mixed economy. Petro-Canada was created to take risks which other private companies would not take, to go where other private companies would not go, to take initiatives on behalf of Canadians. The very vehicle which was created for those purposes is now up for sale.

I suggest that it is time the mentality of the Government change and it realize that the approach of solving regional disparity through the private sector is not working. The Government must come up with a different approach. It must reassess its position and ensure that it has policies which will help a province, not only to advance, but to hold the place it now has.

I have heard the Minister of Transport, who is Newfoundland's representative in the Cabinet, talk about the benefits of free trade. That is another initiative which the Prime Minister has said will be the salvation of the region. Yet there is no hard information as to how that free trade deal with the U.S. will impact on the regions. There are all sorts of indications that it will not be a help to the regions. The fact is that we are getting no clear indication from the Government on exactly what the facts are and what the impact will be.

I appreciate this opportunity to put those things on the record today because, in light of the Budget which came down in the province yesterday, it is urgent that this House and, in particular, the treasury benches, realize that the ball is in their court. The power is in their hands to advance a policy for that province which will not only enable it to make progress but enable it to remain in Confederation.

[*Translation*]

The Acting Speaker (Mrs. Champagne): Questions, comments. The Hon. Member for Louis-Hébert.

Mrs. Suzanne Duplessis (Louis-Hébert): Madam Speaker, with all due respect to my Opposition colleague the Hon. Member for Grand Falls—White Bay—Labrador (Mr. Rompkey), I would like to make a few comments and ask him a question about his speech.

First, he stated a number of times in his remarks that this Government, our Government, had no regional development policy. I am personally very much surprised to hear him say such a thing, in view of the fact especially that since we came to power we have given concrete examples—and have results to prove it—that we are committed to developing the various regions across Canada.

Let me refer to an example that happened recently. When this Government awarded the CF-18 maintenance contract in the Montreal area, we thereby insured the future of aeronautics research there, at that specific location.

Currently, as vice-chairperson of the Committee on Research, Science and Technology, I am very well informed of this Government's future policies on scientific research and technological development.

And I can state, Madam Speaker, that together with the Minister of Regional Industrial Expansion (Mr. Côté), who is to announce very soon a long-term regional development policy, the Government is currently consulting with various

departments in order to put forward to Canadians a policy that will be of benefit, a policy that will not be a duplication, and that also calls for most departments to make suggestions to avoid duplication and to ensure that all regions and all department components come up with a development that will enable us to ensure the future of all Canadians, long-term wise and for years to come, into the 2,000's.

Madam Speaker, I would like to point out to the Hon. Member that he stated we have created almost no new jobs. I would like to tell him again that we have created at least 705,000 jobs, 80 percent of which are permanent.

Madam Speaker, he said that currently the economy is ailing. Well, if we have an ailing economy, this is quite a performance because under the Liberals the economy was dying.

Madam Speaker, I would like to ask a question to the Hon. Member for Grands Falls—White Bay—Labrador, as a Liberal Member. Instead of constantly suggesting that everything this Government is doing is wrong, I would be extremely pleased to hear at some point from him positive proposals to the Government for a better regional development policy.

Mr. Gauthier: You have been elected, Madam.

[*English*]

Mr. Rompkey: Madam Speaker, I thank the Hon. Member for her question and I do believe I have some very positive suggestions to make. With regard to new jobs, as I said in my remarks, it is true that new jobs have been created. The Government has said that it has created something like 400,000 new jobs in Canada.

Mr. McInnes: Seven hundred thousand.

Mr. Rompkey: Seven hundred thousand new jobs, that is right, but I ask the Regional Minister how many jobs have been created in the Atlantic area. The fact is that statistics show that only 6 per cent of those new jobs have been created outside central Canada. That is exactly the point I am making. I am making the point that there is not a regional development policy.

If I had to make a specific suggestion it would be to restore the balance to the regional development envelope which was decreased by $3 billion between 1984 and 1986. If the Member does not want to take my word for that she can take the word of the Premier of Newfoundland who is a Member of the same Party as Hon. Members opposite. The policy of the Government is, first, to hope to hell that the private sector will do the job all across the country and, second, if you have to have a regional development policy of any kind, let it be broker politics. It is not possible to operate a country on brokerism. There must be a consistent, co-ordinated and well developed policy that recognizes that there are less favoured people and more favoured people in this country. That is the reality. If regional development simply operates on brokerism and the Government simply operates its regional development policy on the basis of where it will get votes, it will not work. We do not have any votes and cannot offer the Government anything. We only have seven seats in Parliament so what power do we have in broker politics?

• (1300)

Our only hope is the vision that the creators of Canada had in 1867 and the vision of people like Joey Smallwood in 1949. That is our only hope that we will get a fair deal.

I made the point that we are not getting a fair deal because the jobs are not being created in Atlantic Canada. The problem lies in the fact that the regional development envelope of the Government has decreased.

Mr. Heap: Madam Speaker, I was very interested in the remarks of the Hon. Member. I was reminded of the figures I have heard which show that the education tax in Newfoundland and the other Atlantic provinces is considerably higher as a proportion of the gross domestic product than in the other provinces. As well, personal income tax is considerably higher as a proportion of provincial revenue than it is for other provinces. This certainly underlines the point the Hon. Member has been making, that there is a very serious situation facing the Atlantic Provinces even in regard to equalization payments. I agree with his points, particularly in response to the question.

As someone from Toronto, I can say that it is not enough to acknowledge that there are a lot of jobs in Canada and ignore the fact that hardly any of them are in Newfoundland or the Atlantic Provinces.

There is another matter on which I would like him to comment. Vast resources have been taken and are still being taken from Newfoundland and Labrador. These include mineral, forest, hydro, fish and oil resources which at a glance may seem to make the people of that province at least well served, if not rich. I must come to the conclusion that those resources are not under the control, let alone ownership, of the people of Newfoundland and Labrador. Will the Member comment on the budgetary action, or tax action, or other action which might be taken, not merely to put revenue or income into Atlantic Canada's hands but to restore to them control of those resources which they used to control in their own provinces?

Mr. Rompkey: Mr. Speaker, that is an excellent question and I thank the Hon. Member for it. If I could put it simply, I would say that when one has very little to begin with one has to mortgage very heavily. We have had so little to invest that we have had to mortgage heavily throughout our history. That fact remains. For example, the investment in mineral development has been by large American firms. While there are some royalties and jobs from this, the levers of economic power are in the hands of large American multinationals.

It is a fact of life that we are linked inextricably with the Province of Quebec with respect to hydro power. We share the same continent and we share the Ungava Peninsula. If that power is to flow to a reasonable market, it must go through the Province of Quebec. Therefore, we had to mortgage again and, while one may agree or disagree with it, that mortgage is a fact of life.

What about the fish resource? While I may sound partisan, as a result of initiatives this Party took when we were the Government of Canada, Newfoundland is finally regaining some financial control in the fishery because in the past two weeks Fishery Products International—a company we set up as a majority partner when we were the Government—has been privatized and is very profitable. That is what must happen. The levers of financial power, whether private or public, must go back to the people and that process must be accelerated in all those resources.

The point I have been making to the Government is that a *laissez-faire* approach will not necessarily work all across the country. There are areas which need the economic power of the Government in order to make progress. I believe that is still true in my area, as it has been not only for decades but for centuries.

The Acting Speaker (Mrs. Champagne): The period for questions and comments is terminated. I would seek consent of the House to call it one o'clock.

Some Hon. Members: Agreed.

The Acting Speaker (Mrs. Champagne): It being 1.08 p.m., I do now leave the chair until 2 p.m. this day.

At 1.08 p.m. the House took recess.

[*Translation*]

AFTER RECESS

The House resumed at 2 p.m.

The Acting Speaker (Mrs. Champagne): Resuming debate. The Hon. Member for Lévis (Mr. Fontaine) has the floor.

Mr. Gabriel Fontaine (Lévis): On February 18, 1987, Madam Speaker, our Minister of Finance (Mr. Wilson) tabled his Budget, his message to the Canadian people. He was contemplating expenditures of some $122 billion. The Minister indicated on that occasion the additional taxes which he would impose on Canadians and, for the first time, we witnessed a budgetary tax increase of less than 1.5 per cent of total spending, that is to say, less than $1.5 billion out of $122 billion in total spending, which proves that our Government is well aware of the need to ease as much as possible our taxpayers' burden. Also, Madam Speaker, I should add that out of this $1.5 billion, we are going to obtain $1.2 billion from major corporations; those paying over $15,000 per month in deductions at source from their employees paychecks, will have to pay these deductions twice a month, so that the Government will collect $1.2 billion more without Canadians having to pay a single cent out of their own pockets.

Finally, the Government will also increase the prices of gas and tobacco, for a total of approximately $1.5 billion out of $122 billion.

Before breaking down further these revenues and commenting on the Budget, it is advisable to consider what we are going to do with this $122 billion budget.

There are three major spending categories, and the most important one, the one to which our Conservative Government will allocate the greatest funds, concerns social programs. As a matter of fact, Madam Speaker, out of a $122 billion budget, $57 billion will go to the needy through all sorts of social assistance and benefits, including old age security pension, unemployment insurance, youth assistance, etc.

We are going also to spend $28 billion to pay the interest on the debt which was accumulated by our predecessors, leaving $37.1 billion to meet the needs of the other Departments.

With its message, our Government has shown Canadians its great concern for gradually reducing the Government's deficit. In 1985-86, our deficit was $34.4 billion; it was $32 billion in 1986-87, and we foresee for 1987-88 a deficit of $29.3 billion.

Madam Speaker, it should be emphasized that we have managed to reduce our deficit and as much as 63 per cent of that reduction resulted from cutting down on Government spending through better quality management. This was formally acknowledged by Mr. Dye, the Auditor General of Canada, when he tabled his first report. Everybody knows that, every time the Auditor General tabled his reports dealing with quality control and Government management, he used to criticize the previous Government and the Liberals for their mismanagement. Now in our case, Madam Speaker, for the first budget which we were entirely responsible for in this House, the Auditor General has indicated that we have considerably increased the quality of our financial management.

Our budget has taken into account, Madam Speaker, a very small increase of program expenditures, that is we have increased the program expenditures by less than 2.8 per cent, or at a lower rate than the inflation rate which is between 3.9 and 4.1 per cent. That again represents a very significant effort.

And what are the tangible effects of that control and reduced deficit?

Firstly, we have contributed, and every Canadian can appreciate it, to a very significant reduction of interest rates. As we know, Canadians will never forget that in 1981, they paid 22 to 24 per cent interest rates on their loans and we have seen last week that the bank rate had decreased to 7 per cent.

So if we compare the interests paid under the Liberal Government and those paid today, there is a very significant difference. All Canadians can appreciate it when they borrow to purchase durable goods such as a car, a house, etc. And this has surely and clearly an effect at the beginning of each month when Canadians make their mortgage payments.

• (1410)

There are also other tangible consequences of our good management. I now refer to the 705,000 new jobs created by Canadians and not by the Government. The Government has offered favourable conditions to Canadian entrepreneurs and businessmen, encouraging them to invest in this country. This has an entirely different effect than that of the infamous Canada Work programs under which the Liberal Government created jobs lasting four months and then the people would be back on become unemployment for eight months. As opposed to that, we got organized, and our message was heard, especially by small businesses because 70 percent of those 705,000 new jobs that were created are due to small and medium size businesses. And that, Madam Speaker, we achieved despite the slump in the international price of oil. That oil price slump created many problems in Western Canada, and despite a very significant level of job losses in the oil industry and oil and gas exploration, we still created 705,000 jobs. And that job creation was also achieved despite the very sharp decline in the prices of farm commodities. That has created many problems for our farmers, but despite all that we succeeded in creating many new jobs. And those 705,000 new jobs were also created despite an increasingly protectionnist mood in the United States against some of our exports.

All of that, Madam Speaker, clearly was favourably reflected in terms of the level of economic recovery in Canada. And we are going to pursue along that road, we will pursue deregulation, and we also will pursue privatization of some corporations. Let us remember how much de Havilland and Canadair have cost Canadians. Billions of dollars were sunk, and the Liberals even passed special legislation to write off Canadair liabilities billions of dollars that were later transferred to the Canadian Government deficit.

We are going to keep on improving legislation, and we are not going to put forward legislation that solely reflects the interests of marginal people in this country. Our legislation, our positions will increasingly be aimed at the total Canadian population, because the total Canadian population pay the bill when we legislate in some areas. So we will take that total population into account.

We will keep on modernizing our financial services. We made possible, actually we brought barriers down, we opened the doors between the various financial institutions like brokerage firms, insurance companies, banks, so that you will now be able to obtain various financial services from a single business place. This is simply in tune with the new, modern ways of doing business, a kind of attuning Liberals did not feel to be pertinent. We have done it. And we did it while protecting for instance services offered by our insurance agents, our local insurance brokers who are still exclusive insurance retailers.

In addition to our goals of good management and deficit control, we will remain committed to two major national matters. I am referring to the matter of trade liberalization with the United States. I will also refer to the matter of tax reform. It is important for our Government to sign an agreement with the United States to ensure that our exporters, who over the past few years have developed a market worth $95 billion a year . . . It is important for us to keep this market and, with the Government's help, we are going to keep it through a definite agreement with our American neighbours, in spite of the negative attitude of both the Socialists and the Liberals.

Moreover, Madam Speaker, we are going to make a sustained effort to come up with a tax reform in an attempt to discourage some of them who seem partial to the American tax system from leaving Canada permanently to pursue their business in the United States which would be detrimental to our country. Therefore, we are going to make sure that our tax legislation will fit within the North America framework to prevent this brain drain. Through our tax proposals, we are going to encourage the ant rather than the cicada. You certainly know the fable, Madam Speaker. The cicada sings all summer long but comes winter and it is totally without resources. It decides to turn to its neighbour, the ant, which is more the thrifty type. So far, our tax system favoured for decades by the Liberals did not encourage the ant but the cicada. It did not encourage Canadians to invest, to use their savings to create new business ventures, because they had to pay too much tax on their savings. We, on the other hand, understand that the ant is more important than the cicada; consequently, we intend to give back to the ant the desire to get involved in business. We are going to amend our tax system accordingly.

Madam Speaker, we are also going to ensure, through our tax proposals, that Canadians pay significantly less income tax.

The Minister of Finance's message is directed also to Quebecers. We can say that Quebecers will enjoy an international banking centre, and those in Montreal East will witness the rebirth of the petrochemical industry. We know that the F-18 will be built in Montreal and that shipyards in Eastern Canada and Quebec will get a new start. There have been formal commitments of over $1 billion to Versatile Vickers shipyards, in Sorel, and my own shipyards in Lévis and Lauzon.

The day before yesterday, Madam Speaker, this Government also announced that the plant in Sainte-Thérèse—and I see that my colleague, the Minister for External Relations (Mrs. Landry) is here—would continue to employ 5,500 Quebecers in Quebec and that the same plant would also guarantee 5,400 jobs in Ontario. Many of these jobs are in the riding of the Leader of the NDP, the Hon. Member for

Oshawa (Mr. Broadbent), who did not make the slightest gesture to co-operate with our Government on reaching an agreement with the union so that the Government of Quebec and our Government could each contribute $110 million. The Leader of the NDP did nothing at all, nor did he intervene when we made our proposals on the pharmaceutical industry.

And what about the position taken by the members who are supposed to comment on our budget? I am thinking of the Hon. Member for Laval-des-Rapides (Mr. Garneau) who had nothing to say about the international banking centre. Madam Speaker, he knows what I am talking about. I am referring to an article that appeared in *Le Devoir* on January 30, 1987: "The banking centre project is unacceptable". That was the Hon. Member for Laval-des-Rapides. And that from a Quebec Member and a former Minister of Finance in the Quebec Government! The Hon. Member for Laval-des-Rapides did not take a very clear position either on the F-18 issue. And the same applies to his remarks on our trade with the United States. He ignores the position taken by his colleagues in the Quebec Government who are of the same political persuasion. He is at odds with the position taken by the President of the Liberal Party of Canada, Mr. Roberts, and we would have appreciated a more clear-cut position on his part in the matter of the Sainte-Thérèse plant.

Maybe that is why the Hon. Member for Laval-des-Rapides has to force people to come and listen when he is a guest speaker. I would like to quote part of a letter that was sent to people in the riding of Saint-Jean by the Liberal Party of Canada. There was a complaint about the absence of elected officials and mayors. The letter goes on to say: "Considering that situation—the fact that they stayed away for two years—your presence or absence on May 1, 1987 at our supper will be noticed and noticeable". Elected officials are being forced to come and finance the Liberal Party, probably with the proceeds of municipal taxes.

And what about the party leader's comments on our Budget? He has no comments at all except for a few negative remarks. I think that before trying to comment sensibly on our Budget, he should first control his caucus. He should show he takes a clear stand on our negotiations with the Americans, on Canada's defence and on tax reform, which is a way of keeping capital and human resources here in Canada for the benefit of Canadians.

• (1420)

The Hon. Member for Ottawa—Vanier (Mr. Gauthier) may laugh at this, but I would like to listen to his response later today. When the Leader of the Liberal Party talks about the Budget he should tell us just how he would pay the $11.3 billion his day care program would cost. And how would he pay for his regional development distribution program? That I would like to know. I would also like to hear what he has to say about former Canadian Government Finance Minister Macdonald teaming up with Mr. Lougheed of Alberta to support the firm position of Canadian businessmen in favour of free trade.

Mr. Gauthier: Resign, incompetent!

Mr. Fontaine: We do not hear the Leader of the Liberal Party talk about that. How much are we going to have to pay for the guaranteed income scheme they proposed in caucus? We do not hear him talk about that.

He should talk about the finances of the Liberal Party of Canada before commenting on anything else. In conclusion, Madam Speaker, if I may I should like to say a few words about the socialists, for I have something for them as well even though few of them are in the House today. They ought to shed some light on their own sources of financing. Let them tell us why they continue to remain silent about the fact that they obtain their funds in a way which is probably questionable, illegal, from Canadian workers' pay deductions. Madam Speaker, I would refer to the July 1986 ruling of Ontario Supreme Court Justice Wise that it was against the law to draw funds from the union dues of Canadian workers who do not belong to a union.

I would like to hear their side of the story. I would also like them to comment on their new awareness, their new understanding of the Province of Quebec. In 1981 they ignored Quebec, they did not know our province is different, but now they are prostituting themselves in a way, Madam Speaker, by telling us that Quebec is not a province like the others.

My last words are about their convention where they had 43 delegates from Quebec, a province with 75 ridings. They did bring a lot of western Canadians east to Montreal, but for their own convention they were unable to attract as many delegates as there are ridings. So before they lecture us, Madam Speaker, I would like to hear their explanations about the fact that they represent Quebec as well.

What is their position on Labrador, Madam Speaker, on aircraft test flights? I see that my time is up. I conclude by sending a message to the Party leader: Let him explain how come a socialist can draw a salary of $101,700, be driven around by a chauffeur, and still remain a socialist? That is food for thought.

Mr. Gagliano: Madam Speaker, I have a question to put to my colleague. At the outset of his comments, he congratulated the Government for having collected $1.2 billion, thanks to its famous conjuring trick of which everyone is aware today since even financial experts are criticizing the Government for having manipulated the financial data in the budget.

Considering that my colleague has praised the Government, I am compelled to put to him the following question: Of course, everyone agrees that the Government is levying $1.2 billion from businesses. I should like also to point out to him that a building contractor in Quebec with 20 employees is also subject to that new measure which does not increase taxes nor reduce expenditures. However, during the financial year, the Government will be collecting $1.2 billion before March 31,

1988 and what will be the effect of such a measure in the next budget between April 1, 1988 and March 31, 1989 after being levied only once? Is it not a red herring? The Minister of Finance (Mr. Wilson) had to collect $1.2 billion to reduce or at least give the impression of reducing his deficit under $30 billion, but what is the purpose of such manipulation which is not approved by accountants themselves?

Mr. Fontaine: Madam Speaker, I do not understand why the expert in small and medium size businesses of the Liberal Party, the Hon. Member for Saint-Léonard—Anjou (Mr. Gagliano) cannot explain and understand how the Government without increasing taxes will collect $1.2 billion.

As you know, Madam Speaker, business people try more and more to accelerate the turnover of funds and to speed up the collection of accounts receivable. What is true for private enterprise is also true now for the Canadian Government. It is only sound management that Canadians be now asked for a timely and accelerated remittance of source deductions, because payroll deductions do not belong to businesses. From the moment the deductions take place, they belong to the employee, Madam Speaker, and all we proposed was to move to twice-monthly remittances, thus saving us some expenses and increasing our cash, our revenues by $1.2 billion.

Finally, I have this to say to the Hon. Member who just accused our Government of fiddling the accounts. I have already explained that there was no such thing, but I would like to remind him about the playing around of the Liberals when they wanted to conceal losses to the tune of billions of dollars that Canadair and de Havilland had accumulated. They passed a legislation that waived those losses which they included in Canada's consolidated deficit. That's tampering with the accounts. As well, I would like to refer my Liberal colleague to previous Auditor General's reports. Year after year, he pointed out that important and significant expenses were not accounted for, objecting to the fact that the Government would defer until later years the inclusion of theses expenses, and noting that liabilities did not show some well identified debts. Then, Madam Speaker, one could talk about manipulation.

Mr. Boudria: Madam Speaker, I listened with great interest to what my colleague had to say. I am slightly worried that he should get so hot under the collar; this does not do his blood pressure any good, and as I manage to remain quite calm in this House, Madam Speaker, as you have surely noticed, you can understand my concern.

I would like to ask the Hon. Member opposite, on the same subject to which the Hon. Member for Saint-Léonard—Anjou (Mr. Gagliano) referred when he asked him a question earlier, a very important question, which is normally the case, as you well know, when the Hon. Member for Saint-Léonard—Anjou gets on his feet, I would like to ask him the following question regarding payroll deductions which are then remitted to the Federal Government and which are now to be paid twice a month rather than once. The Hon. Member will recall that the Canadian Association of Municipalities had recently written a letter to the Minister of Finance, and had in fact met with the Minister some time before the Budget was tabled, at which time it had asked him to channel supplementary funding to municipalities to improve municipal infrastructures. What happened in fact, Madam Speaker, as you well know, given your objective and non-partisan stance, and as the Hon. Member opposite knows also, I am sure, what happened was that the Government brought in a Budget which took more money away from already impoverished municipalities which needed extra funding and had informed the Federal Government of their needs only a short time before. Can the Hon. Member explain why his Government has taken money away from municipalities rather than give them the money they had asked for?

Mr. Fontaine: Firstly, Madam Speaker, the Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria) would be well advised to get acquainted with the Canadian Constitution and understand it, because it does not provide for development between municipalities and the Governement of Canada. Such a matter is a provincial reponsibility. I know that the Liberal party to which my colleague belongs has limited knowledge of the Constitution. Indeed, it entirely forgot the existence of a Canadian province in 1981. The Liberals should have known better.

In conclusion, I will say that the $1.2 billion that the Government is collecting, Madam Speaker, is money which is being collected more rapidly to which it is entitled and which was kept by the companies that were making to the Government monthly remittances of less than $15,000 in salary deductions. They will now make their remittances twice monthly. Now this is a measure of fine management and I am quite proud of it in spite of the allegations made by my Liberal colleagues.

Mr. Boudria: Madam Speaker, I would like first to remind the Hon. Member opposite, as he should know, that we had previously federal-provincial agreements in Canada, for the purpose indeed of helping municipalities. I know that, what with Conservative confrontation with provincial Governments, it is not very realistic to expect that now. But all the same, I would like to remind the Hon. Member opposite that it did happen.

Second, concerning his little comment at the end of his remarks about the Constitution, I feel it is totally unfair for the Hon. Member to criticize Conservative members who also supported the 1982 Constitutional resolution. I would think that if I were a Conservative Member in this House, I would be quite offended by the comments made by the Hon. Member for Lévis (Mr. Fontaine), because a large majority of those Members indeed supported the Constitutional resolution. I would hope that his colleagues next to him would ask for immediate apologies.

Mr. Fontaine: Madam Speaker, when the Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria) refers to

cooperation with cities and municipalities, I will point out that we are aware this is an area of provincial jurisdiction, and on this side we will not resort to measures and scams the way Liberals used to do in order to build all kinds of capital projects in the various cities and municipalities in Quebec through scam agencies with a view to protecting the interests of supporters, Liberal organizers. That happened right across Canada, and do not ask me to refer to that here, because I will also refer to the most partisan use you made of the Laprade Fund. I have no reluctance to answer you on that.

Mr. Gauthier: Have you forgotten Oerlikon, Gravel, Stevens?

The Acting Speaker (Mrs. Champagne): Order, please. The period for questions and comments has now expired. Debate. The Hon. Member for Spadina (Mr. Heap).

• (1430)

[*English*]

Mr. Dan Heap (Spadina): Madam Speaker, I am very pleased to have an opportunity to take part in this Budget debate. The Tory Budget before us is a two-Canada Budget. It divides Canadians into two groups, the rich and the rest of us. As some of my colleagues in the New Democratic Party have already pointed out, this Budget does little or nothing to address the inequities between the different regions in Canada, the subject of a speech made by the Hon. Member from Labrador this morning. It does little or nothing to end the terrible cycle of unemployment and poverty that grips Atlantic Canada, British Columbia, parts of the Prairies, northern Ontario and parts of Quebec. That cycle of poverty and unemployment is not limited to the have-not regions of Canada but it is certainly more prevalent.

Even in Toronto, we see the trend between a two-Canada society, one Canada for the rich and one for the rest of us. It is nowhere more visible than in my riding of Spadina where the golden windows of a bank tower look over the houses and flats of working people and of the rooms of those who have no work.

There was no direct mention of poor people, or poverty in the Budget of the Hon. Minister of Finance (Mr. Wilson), nor was there a mention of poor people or poverty in the Speech from the Throne. This Government clearly would like to pretend that poverty does not exist, or does not exist in Canada. I can tell you, Madam Speaker, that poverty does exist in Canada, even in Toronto, even in Spadina within sight of the bank tower with the golden windows. There used to be an old song about how the banks are made of marble. That has gone out of style. Now we have gold windowed bank towers in Toronto, so the song will have to be updated.

However, in our Toronto, the Toronto for the rest of us, not for the banks and the rich, 165 food banks are needed to serve more than 200,000 free meals every month to those who simply do not have enough money to feed themselves. In our Toronto, 21,000 of those who depend on the food banks for nourishment are children. Those food banks did four times as much business last year as the year before. We are heading the wrong way.

There are 70,000 families currently waiting for subsidized housing, waiting in overcrowded and substandard housing. In our Toronto people are living and sleeping in the streets, in alley-ways, in abandoned cars and, in the wintertime, perhaps over a grate that brings up some warm air from some heating duct in one of the buildings. Others sleep in boarded up buildings. Increasingly the people who are forced to do this include young people, children as young as 10 or 12 years.

It is true that the nominal unemployment rate is declining in Toronto. I suggest that the official unemployment rate is a poor indicator of poverty. It is even a poor indicator of unemployment. We cannot really kid ourselves that the unemployment rate officially at 5 per cent or 6 per cent covers the people who have given up looking for jobs because they are not there. We cannot kid ourselves that it covers the people who are working part-time because that is all they can get, when what they want, are willing to do and need is full-time work. The Social Planning Council of Metropolitan Toronto has estimated that the real unemployment rate is probably one-third larger than the nominal unemployment rate in Toronto and elsewhere. In our Toronto, the number of people on general welfare has gone up 48 per cent over the past four years. In January, there were more than 50,000 people in metro on welfare.

Furthermore, our Toronto is a city where most women work. In our Toronto most working women have children. There is a tremendous shortage of affordable day-care, something that was noticed lately by a parliamentary committee, and then quickly forgotten since it was decided that the matter could be dealt with in a very slight and superficial way. The working women of Toronto know that that is not going to work. It will not support life as it can and should be lived by the working people in this country.

One of the ironies to which I have referred about the life in Spadina is that besides many such working people at the bottom of the scale and others at the middle of the scale, Spadina also contains Bay Street. It is my honour and privilege to represent Bay Street, the bank towers, the insurance headquarters, the oil company headquarters and many other such interesting institutions.

Mr. Manly: Did they vote for you?

Mr. Heap: Those are the symbols of the other Canada. My colleague asks if they voted for me. The people who work in those bank towers do not live anywhere close. They live farther away among the elite. They vote for the elite somewhere else. I will add though that during municipal elections when they could vote for me I was elected four times as alderman in the ward and was never defeated.

This is the symbol of the other Canada, the symbol of Canada for the rich, the Canada that is so ably represented by the Prime Minister (Mr. Mulroney), by the Minister of

Finance and by the Leader of the Opposition (Mr. Turner). This Budget serves the interests of the other Canada and ignores the needs of our Toronto. It did not deliver the programs which the working people of Spadina need. This Budget represented the needs of Bay Street. As a result of the Budget, for every $100 earned by a corporation the corporation will be paying $1 less in taxes than it did the year before. On the other hand, the working people in Toronto will each pay $2 more than last year in direct and indirect taxes on every $100 earned.

● (1440)

This Budget continues the regressive and unfair taxation measures that have marked this Government. The Hon. Minister of Finance increased taxes on the people who live in Spadina by an average of 13 per cent in this Budget. Combined with the increases in previous Budgets, the total tax increase borne by ordinary people comes to more than 50 per cent in the last two and a half years. The average family living in the shadow of the Toronto-Dominion Tower is being hit with a tax bill that is $1,300 higher than it was when the Government took office.

What about the companies with head offices in these bank towers on Bay Street? Who speaks for those companies? Of course, the Minister of Finance speaks for them. He used to work there and he speaks for them very ably. In this Budget, as in previous Budgets, he has reduced the share of taxes paid by Bay Street as compared to the share of taxes paid by the people who live in the rest of Spadina or in most of the rest of Canada.

The Government hopes to raise about $35 billion in new tax revenues by 1990. It intends to take almost all of that money out of the pockets of ordinary Canadians. It estimates new corporate tax revenues as making up only 1 per cent of that amount. Only 1 per cent of it will come from the wealthiest corporations in Canada. Is that fair? It is not. Is it good for the economy? We have been told to tighten our belts for another five, 10 or 20 years and that some day we will eat again. We should remember that it was consumer spending, not corporate spending, that brought us out of the last recession. The corporations were salting all their money away or spending it in other parts of the world. It was consumer spending that brought us out of the recession, and cutting back on the power of consumers to spend is not good for the economy.

My colleagues in the New Democratic Party have made recommendation after recommendation for ways the Budget could have been both fairer and more effective. The Budget could have seen that Bay Street carries at least as much of the tax burden as the people living in the shadows of those head offices. My colleagues in the New Democratic Party have advocated the reduction of the scale and importance of corporate tax expenditures. "Corporate tax expenditures" is an interesting term and refers to the money the Government spends on reducing a corporation's tax. In Toronto, we call them loopholes, give-aways, and ripoffs.

I would like to deal with one particular aspect of corporate tax expenditures. Last year, as the House may recall, the Hon. Minister of Finance was forced to revise his deficit forecasts. In the revision, about $1.2 billion of his shortfall was in corporate tax collections. That is to say, in a Budget that planned to reduce the tax burden on corporations, as compared to ordinary Canadians, he over-estimated the taxes corporations would pay. Last year, he over-estimated that figure by $1.2 billion.

How does the Minister of Finance, a smart businessman, make a $1.2 billion mistake? Last year the Hon. Minister said that it was because of unexpectedly low corporate profits. Had the Minister been somewhat more precise he would have said—as he said in the papers attached to the Budget papers which were not read by everyone—that the $1.2 billion error in 1986 was due to the unexpected application of something called a loss carry-forward.

What is a loss carry-forward? When a corporation has a loss or deduction that it cannot use in a given year for the purpose of reducing its tax, it can carry it forward and apply it to reduce its taxes in the following year. Working people are not allowed to do that. We cannot carry forward our losses in order to apply them where they would be more beneficial to us, but corporations, of course, can and they plan on it. The loss carry-forward means that the higher corporate profits are protected from taxes for many years to come.

If the Minister were to correct this problem, he would automatically find himself with a larger corporate revenue base for his taxes. Hence, he would have the ability to make the tax system fairer and to address some of the needs of the people who live in the shadow of Bay Street, whether that be in Spadina, Come-By-Chance or the Northwest Territories. If the Minister does not close up this and similar loopholes, then his promises of fairer taxes will ring as hollow in 1988 as they did in 1984.

It is hard to imagine anything less fair to the majority of Canadians than the present tax system. Already the majority of Canadian corporations pay no taxes. Some of them do not pay taxes because they are taking losses in the current year, and no one takes issue with that. However, many companies that do not pay taxes are profitable and do record positive net incomes on their balances sheets. Our NDP study of the tax system indicated that as many as half of all companies not paying taxes were profitable.

Some of these loopholes and tax expenditures might be justified if they provided efficient ways to create jobs, but they do not. Let me explain why this is so. First, if the House were to vote an appropriation of moneys as a grant for some purpose, there would be an elaborate accounting system that would give us a great deal of information on how effective the program would be. The Minister and the Auditor General would present reports to the House and perhaps the committee of the House studying the matter would look at how effective the grant would be. We might disagree but we would have the facts on which to base a reasonable argument. With these tax

expenditures, all we have is estimates in advance. We have no report and we have no real way of knowing if a company that has taken advantage of an investment tax credit has in fact created new jobs or has just shuffled the old ones around and pocketed the difference. We have no way of keeping track.

Second, studies have been done on the link between corporate tax cuts and private-sector job creation. These studies show a very, very weak link between the two, if any at all. In 1985, a study done by the Department of Employment and Immigration showed that if personal incomes taxes were cut by $1 billion, five times as many jobs could be created than would be created if corporate income taxes were cut by the same amount. That study was done by this Government and it was ignored. The same study indicated that if government spending were to be increased by $1 billion, six times as many jobs would be created as would be created by cutting corporate taxes.

Did the Government do that? Of course not. Instead, it has effectively reduced the portion of the tax burden paid by corporations while increasing that which is paid by individuals. This continues the trend followed by the previous Government ever since 1950. In 1950, the amount of income tax contributed by individuals and the amount contributed by corporations was about equal. Now, the immensely wealthy corporations contribute only one-quarter of the amount that is contributed by individuals to income tax. The Government has pushed that process still farther in the wrong direction.

What do I advocate? What should the Government do? It has obviously missed many chances already. It has missed the chance to announce specific employment targets, milestones on the road toward a goal of full employment for all Canadians. It has missed the chance to announce programs aimed at providing quality day care where it is needed. In this Budget, it missed the opportunity to increase the stock of housing for the homeless. It has failed to address the needs of the homeless in Toronto and elsewhere.

• (1450)

The Hon. Minister of Finance has reserved for himself the right to correct some of the inequities in this Budget. We hope he will address the needs of the people who live in the shadow of Bay Street, whether their address is Spadina, Come-By-Chance, or the Northwest Territories. I call on the Minister to right some of the wrongs in the tax system as embodied in this Budget.

I particularly call on him to undertake the following steps. First, he should establish a detailed annual accounting of the cost and benefits of this type of tax expenditure so they can be evaluated on the same basis as other government expenditures.

Second, he should restore a fairer balance in the tax system between what individuals give and what is given by the corporations and then cancelled through tax giveaways. We should never again hear the horror stories of profitable corporations who escape all or most taxes year after year. We have that situation in Spadina. At least two banks in some years paid no tax, although they each made hundreds of millions of dollars in profit. The Government of the day had the gall to give them, by way of a law made for its friends, a tax credit.

Third, the Minister ought to consider a minimum income tax on profitable corporations. He knows that consumer spending has been the driving force in pulling us out of the recent recession. To continue raising taxes on ordinary Canadians threatens our ability to extend that recovery. It threatens to return us to the recession. Tax expenditures on large corporations, which do not have to account for how they spend that money, do not help.

I see you are indicating that my time is nearly finished, Madam Speaker. I want to briefly mention three more points which should be considered. First, with tax reform of the kind I have described we would increase disposable income and the needed consumer spending. Second, we would have more money to deal with the social programs cut back by the Government, as represented by the Save Our Summers demonstration yesterday noon. When we have done that we might find that we had a little money to start reducing the deficit. The important thing in all of this is to build toward one Canada. Instead of polarizing Canada between the rich and the rest, we could build a Canada with equity in opportunity and condition for the people in Spadina, in Come-By-Chance, the Northwest Territories, the Gaspé, indeed, in every part of Canada where there are poor people.

The Acting Speaker (Mrs. Champagne): Questions or comments.

Mr. Stackhouse: Madam Speaker, it has been very worth while to listen to the remarks of my hon. friend, particularly because I had the pleasure of living in his riding for 10 years. It was a Liberal riding through most of that time, but I think it has gotten better recently. One thing characteristic of the Hon. Member is his concern for those who can be described as the poor. It is a concern that I am sure all of us share. Where we will disagree is in the way we attempt to meet the problem he has identified.

I think it is very important to recognize that this Canada of ours is not divisible by two. It is a misrepresentation of the Canadian scene for the NDP to say it is divided between the rich and poor. In between those extremes there are so many people of varying degrees of affluence and accomplishment that it is simply distorting beyond all recognition the Canadian scene to speak as he did. Where we have to get together is on how to cope with the problem suffered by a too large minority of our fellow Canadians. I suggest that, as correct as many of the points that he made were, there are some things which need to be added to the record. In the brief time allowed me I want to do that.

First is the way in which the economic policies of this Government have added to the prosperity and increased the number of Canadians who have raised themselves up out of

poverty through gaining employment and being able to provide for their families. Through their spending they contribute to the prosperity of others. That number has increased. That should be recognized for what it is. The most effective way of meeting the problem of poverty is meeting the problem of unemployment.

The second point I want to make concerns the way in which our social scene has been made a much more humane and helping scene because of the various pension reforms and other program improvements that have been part of this Parliament under the leadership of the Government.

The Hon. Member spoke about the inequities of the present tax system. In doing so he surely heralds the advent of the tax reform we will see in this Parliament. I certainly hope he will dedicate his support to that reform which we will hopefully see in this Parliament within this calendar year. I trust that reform will remove many of the inequities he has identified. More importantly, it will provide us with a tax system which will contribute to an increase in Canadian productivity.

One of the worst parts of our present tax system is the way it discourages the advance of productivity. That, unintentionally and indirectly, but nonetheless effectively, contributes to the poverty problem about which he is so concerned. The best way to deal with poverty is by improving the economy in a way in which more Canadians can have an active share. I think the forthcoming tax reform will give us that opportunity and I certainly appreciate the support of the Hon. Member.

Mr. Heap: Madam Speaker, I thank the Hon. Member for his kind comments. I am aware that he lived in Spadina for some years. I am also aware that he did not choose to run for Parliament in Spadina.

Mr. Stackhouse: Aren't you lucky?

Mr. Heap: I am not worried in case he should decide he wants to do it.

Mr. Stackhouse: I have a better riding.

Mr. Heap: He likes the riding he is in better than Spadina. That is his choice. Perhaps he feels safer there.

In speaking about the poor he shows that he does not want to hear the facts I mentioned about the increase in Spadina, and other parts of Toronto, in the number of people who are forced to go to food banks for the day's food, including 21,000 children in Metropolitan Toronto. He did not refer to the families who are still waiting for subsidized housing. He did not refer to the social planning council's estimate of as much as 10,000 homeless people in Toronto. He talks, as do others on his side, about this jobs created figure. I will tell him that if he runs in Spadina he will have to face up to the fact that, notwithstanding all his statistics, there is a great deal of hunger and poverty in Toronto, including Spadina. People will ask him to answer for that.

He talked about the Government's record. He even had the comical nerve to mention pension reform. The pension reform his Government tried to implement was to reduce old age pensions. It was the NDP, with some help from the Liberals, that led the revolt of the senior citizens which forced the Hon. Member's Government to back down on that issue. He talked about tax reform. We have heard that talk since the election campaign of 1984 from the Hon. Member's Party. We have heard it promised every month since 1984. We have now had four Budgets with no tax reform of any benefit to poor people. According to the practice of the Hon. Member's Party tax reform means soak the poor and subsidize the rich. He claims that by doing that they will increase productivity.

• (1500)

As a factory worker for 18 years and a trade unionist, the productivity of Canadian working people is nothing of which I have any cause to be ashamed. With the equipment given them by the investors the Canadian workers have as good a record of productivity as almost any country in the world. To accuse Canadian workers of being unproductive and to claim that the unemployment and poverty which has been visited on some of them is a punishment for lack of productivity is false. We need not a whip to make the workers more productive, but a more rational division of the product of their labour. If the Hon. Member's Party is going to do that in its tax reform I will, of course, welcome it. However, I will also be very much astonished because it will be a 180 degree reversal of what it has been doing for the past two and a half years.

[*Translation*]

Mr. Fontaine: Mr. Speaker, I listened with interest to the comrade for Spadina (Mr. Heap) refer to his tax philosophy. He speaks of tax fairness, tax justice as far as tax sources are concerned, etc.

I would like to ask him whether he considers it fair and just that the Socialist Party collect funds from compulsory salary deductions from workers who are not union members, and whether it is fair and just that the Socialist Party continue to ignore the judgment rendered in July, 1986 by Mr. Justice Wise of the Ontario Supreme Court. I would also like to add that his colleague from Winnipeg North (Mr. Orlikow) already admitted that funding source. Finally, I would like to ask him whether it is fair that his Leader, the Leader of the Socialist Party refused to take a salary cut? He is still receiving $101,700. For a socialist to have a chauffeur and a limousine, we do not find that fair, Madam Speaker, and we would like to have explanations.

[*English*]

Mr. Heap: Madam Speaker, I am very glad to answer the Hon. Member's questions within the time available. With regard to Party contributions, as a trade unionist and factory worker, in non-union factories at first, I was not so much concerned about the small amounts which unions gave to the New Democratic Party as I was about the very large amounts given by the banks, oil companies, et cetera. To the best of my

knowledge they did not get the permission of their shareholders to do that. They did not ask their shareholders whether they wanted to give $50,000 to the Conservative Party and to the Liberal Party so they would have a hold on whichever Party formed the Government. To the best of my knowledge that was done without any of the control which is exercised by the members of my union, the Canadian Paperworkers Union, and other unions in Canada which can remove officers with a year's notice if the officers are mis-spending money. Therefore, I believe that the trade unionist money which goes into election campaigns is under much better democratic control by the people who earn the money than are the huge donations made by the banks, insurance companies, oil companies and so on.

With regard to the court decision, I am going to wait to hear what the Supreme Court says. I remember a court decision 20 years ago which was against a union. The Royal York fired its employees who were on legal strike and cancelled their pensions. A judge said that according to the Master and Servants Act of 1513 the company had the right to do that. I remember that some powerful businessmen were horrified at that decision. There were some very left-wing trade unionists, further left than I, who rejoiced at that decision because it would have destroyed with one blow the whole system of labour relations built up in this country. Therefore, I will wait to see if the Supreme Court makes a wiser decision than did Judge Wise.

Mrs. Mary Collins (Capilano): Madam Speaker, I am very pleased to have an opportunity to take part in the debate on the Budget. Since the Budget came down in February I have received feedback from my constituents and heard comments from across the country on it. I am very pleased with the positive response on this Budget which was consistent with the direction of the Government and offered the people of Canada some real opportunities.

I do not want to spend all of my time today reviewing the facts and figures of the Budget because I want to discuss particularly its implications for my home Province of British Columbia. However, I will just remind my colleagues of the outline of the Budget. The most important thing about it is that it shows that this Government has control of the financial management of the country as has no government for a long period. That is what voters asked us to do when they sent us to office in 1984, and that is what we are doing. We all know of the situation we inherited. Spending had got out of control. It is like taking a huge ocean liner and trying to turn it around in the middle of the ocean. It takes some time to do it, but we have turned it around and are now going in the right direction.

To cite a few statistics in support of that, when we came into office in 1984, there was a deficit of $38.3 billion. In the past years we have been able to bring that down by 24 per cent. The projected deficit in the 1987 Budget of the Minister of Finance (Mr. Wilson) is only $29.3 billion. We would like it to go down even more and I know we will accomplish that with the fiscal management which the Government has undertaken. The real costs of Government are declining for the first time since the Korean War. There has been a decline in the program expenditures of the Government. It is in the decline of program expenditures that we have been able to make the most rapid gains, and that accounts for 69 per cent of the decline in the deficit. As a result of the tremendous efforts by my colleagues in the Cabinet it is projected that by 1990-91 there will be a reduction of 15,000 positions in the Public Service.

What have been the results of this sound program of fiscal management? Some people expressed the fear that by taking what some may regard as relatively harsh measures to get spending under control we might see some adverse impacts. However, the exact opposite has occurred. Since September, 1984, over 700,000 new jobs have been created, by far the majority being full-time jobs. That is what Canadians want and need. Of great importance, too, has been the decline in interest rates which affect all of us when we have to borrow money to buy a home, a car, or invest in a business. A mere four or five years ago interest rates were at 22 per cent and people were really frightened. They could not realistically take a risk in buying a home or investing in a business. Now that interest rates are below 10 per cent and long-term mortgage rates are below 10 per cent, there has been a tremendous turnaround and, for the first time, young Canadians can look forward to the opportunity of owning their own home. That is probably the dream of every Canadian and we want to make sure that it comes true.

• (1510)

Low interest rates have meant increased investment in business because people are willing to take risks. New investment has come to Canada. Even with low interest rates, Canada is still very attractive because of the stability of the economy and the good management of the Government. This was recently verified in the Kanao Report by the group of Japanese businessmen who visited Canada late last year. They went throughout British Columbia and the country to meet with government officials and business people. Their report stated that they had found a new Canada which had a new spirit of entrepreneurship and productivity. They found diversification in industry and a stable investment climate. In fact, they recommended to their peers that Canada is a good place to invest. We look forward to the results of that investment in the years to come.

Another indicator of growth is the forestry industry, an industry that is so important in my home province. The estimates for 1987 are that capital investment in Canada's forestry sector will rise by 23.5 per cent. That is a spectacular increase despite the cries of potential doom and gloom we heard from the opposition Parties when we unfortunately had to deal with the 15 per cent export charge recently. Despite that export charge, the forestry business is booming, particularly in pulp and paper. British Columbia alone will benefit from 64 per cent of this projected increase in investment. New investments in the province's forestry sector is expected to reach $144.8 million, which will mean many more jobs.

There are projects planned for British Columbia that will have a tremendous impact on B.C. communities. Those are some of the results of this Government's efforts.

We should recognize how the efforts of the Minister of Finance and his ability to get financial issues and management on track allow other cabinet colleagues to support him with their initiatives.

Tax reform that will come forward later this spring is another initiative in the Budget about which we have heard a great deal. I look forward to that proposal and look forward to discussing its details when it is brought forward. We know that the Minister of Finance has already stated in his Budget Speech that we will be dealing with changes in personal, corporate and federal sales tax and that the emphasis will be on reducing the personal tax rate, reducing tax preferences and broadening the tax base. This will probably mean that lower income Canadians in particular will pay less tax, a policy which is indeed consistent with the other initiatives the Government took in its 1986 Budget, such as the $50 sales tax credit and the $300 child tax credit. We are focusing these efforts particularly on that group of people in our society who are facing greater difficulty because we want to help them. Our Government cares about all Canadians.

What has been the impact of this Budget and the Government's measures on British Columbia in the last two years? How do we ensure that British Columbia develops the potential that I believe it has in its people and resources? First, because we sometimes tend to overlook them and consider the negative, let us consider some of the positive aspects of what has happened in British Columbia in the last couple of years. Since September, 1984, 61,000 jobs have been created in British Columbia which is twice as many jobs in the 29 months since the Government took office than in the four years of the previous Liberal Government. Jobs have been created at a monthly rate of 2,103.

The unemployment rate has fallen from 15.1 per cent at the time of the election in 1984 to 13.3 per cent now. That is still to high and I hope to have an opportunity to expand on our plans to reduce the unemployment rate. Total unemployment, however, has fallen by 21,000 in the past two and a half years and we must ensure that it continues to drop.

There are other economic factors that are important to consider. For example, retail sales have risen by 6.8 per cent in the past year, and 18.7 per cent in the last two and a half years.

Urban housing is an important indicator in the economy and housing starts in 1986 were at their highest level since 1981. Construction commenced on 18,841 units, which means that those families, many of whom would be first-time buyers, can have a home of their own.

In December, 1986, manufacturing shipments were up 8.6 per cent from the same period in 1985, which is a tremendous increase. They are up 13 per cent since September, 1984.

The number of bankruptcies in the first month of 1987 was down 14.4 per cent compared to the same period in 1986. New incorporations are an indicator of small business activity which is a very important sector of our economy. They were up 11 per cent in 1985, which means 1,529 new businesses were started in British Columbia. At the same time, inflation was held at 2.8 per cent in Vancouver.

There are a number of other factors, but one of particular interest is tourism. International tourism sky-rocketed in 1986 and was up 80.6 per cent. We know that much of that is due to the spectacular success of Expo 86. However, it also means that the millions of visitors who came to Vancouver and British Columbia, and were exposed to the tremendous attributes and attractions of that city and province, will want to come back. We welcome them and their friends and family because beautiful British Columbia is the place to visit on a vacation. I am sure you will agree, Madam Speaker.

There are a number of initiatives which the Budget itself did not address specifically but which are being addressed by Ministers as they review their portfolios. Since the Budget in February we have been particularly pleased in British Columbia and my constituency of Capilano by the announcement that the new Polar 8 ice-breaker will be built at Versatile Pacific in North Vancouver at an estimated cost of $320 million. That is a major boom for the shipbuilding industry on the West Coast and shows the Government's commitment to that industry. It will mean jobs for 1,000 people and a certain future for the men and women and their families who work in that industry. They know they will be able to stay in British Columbia where they can enjoy the opportunities to work in their particular field. A long-term four to five-year contract will provide the shipbuilding industry with an opportunity to restructure and pursue other contracts, as there are interesting opportunities developing in the cruise ship business and other areas of shipbuilding which I know British Columbia will seek as well as future government contracts.

• (1520)

There was an even more recent announcement by the Minister of Energy, Mines and Resources (Mr. Masse) with respect to an estimated $350 million program in the energy field which will also help British Columbia. Up until now the focus has been on Alberta. Let us not forget that there is a significant energy business in British Columbia, in particular in northern British Columbia around Fort St. John. This will mean a significant increase in exploration activity with drill rigs moving back in and with men and women working in that field. It will be necessary for suppliers to support the industry. These communities will have a chance to participate in greater economic activity than has been the case over the last year.

Those are just two announcements which the Government has made which are of significant importance to the West. Let us not forget the major initiative undertaken by the Government in its signing of the Economic Regional Development Agreement about a year and a half ago. This agreement covers

an important area and will infuse over $300 million into the forestry sector to assist in reforestation and silviculture. It is an agreement jointly shared by the federal and provincial Governments. It will also have an impact for the province in terms of tourism, agriculture, science and technology and small business. We are already seeing an impact on many of the activities that are associated with the ERDA. I will mention a few of them in a moment.

When we consider the economic structure of British Columbia we recognize that, traditionally, it has been resource-based. Forestry has been the main industry, and for many years mining was rated second in terms of industrial capacity. Agriculture has been important, as has the oil and gas industry to some extent. We are all aware of international trends which have caused a great many difficulties for all of these industries, especially in terms of the pricing of commodities in the mining field, and other problems we face in the forestry industry. In British Columbia we recognize that what we have to do is to build on the strengths that we have in these resource industries and find new ways to add value to those basic resources and to use new technologies in order to become more productive. We must have adaptive technologies which will help us add value to those basic resources. Some of this has been going on over the past couple of years. An interesting example which comes to mind is with respect to the forest industry which has implemented the use of computerized equipment. At a computerized sawmill of MacMillan Bloedel a computer can be given the specifications of a log, and in conjunction with another system which feeds in the order requirements, the equipment can automatically cut the log to meet the specifications of a particular order, whether it be for Japan, Germany or some other country. This has meant a tremendous increase in productivity and being able to meet market demands in a dynamic way. It is this type of technology that is vitally important to British Columbia.

We are also looking to other products. We have an interesting example in Prince George where a recent investment was made in a chopstick factory. Just a couple of years ago who would have thought that we could make chopsticks in British Columbia to export to Japan? However, we have the wood which, up until now, has been mostly waste wood, wood that was not being used. Through imagination and innovation some people got involved in making this investment in Prince George. They have produced a whole new industry with a number of people working in it.

What we need to do in British Columbia is to find markets. British Columbia is particularly reliant on trade. We are far from the markets of eastern Canada and the costs of transportation are high. The geography of the province makes it expensive to transport products even within the province. Thus, traditionally, we have looked to the U.S. for our markets and more recently to the Pacific Rim. This is why the new trade arrangements with the U.S. are vitally important to British Columbia. Opportunities which would open up new markets in the Pacific Rim are equally important. These are the areas in which we need innovation and support from Government.

I believe it is not necessary to throw masses of money at a particular problem but that it is sometimes the identification of the obstacles to growth which are important. In some cases these obstacles have been in the form of protectionist measures or other problems which we have encountered in the United States as a result of countervailing practices. In the Pacific Rim we have been faced with similar sorts of restrictions, some of which are now being opened up, particularly for the forest industry. We are required to look not only at the products but able to match our ability with the markets.

We have to do more than say that we have a product and we want to sell it to a particular country, such as Japan or China. We have to get out and find out what it is that the people of China or Japan want and how we can develop or adapt our existing products to their markets. This is where I know the department of trade has been making great efforts to bring together our manufacturers and innovators with potential markets in this field.

I understand my time is up, Madam Speaker. There are so many other ideas which my colleagues and I have for the development of the economy of British Columbia which I look forward to sharing with Hon. Members as the weeks and months progress.

Mr. Manly: Madam Speaker, in listening to the Hon. Member for Capilano (Mrs. Collins), our Dr. Pangloss, I could hardly recognize that we come from the same province. The Hon. Member talked about job creation. I would like the Hon. Member to comment on the fact that in February the unemployment rate in Vancouver was 14.3 per cent, the highest unemployment rate in any metropolitan centre in Canada. The Hon. Member also talked about tax reform. Could she comment on the fact that between 1984 and 1991 projected Tory tax increases will amount to $20 billion in sales tax, $15 billion in personal tax and $128 million in corporate tax? In other words, corporate tax increases account for less than 1 per cent of the increased tax load that the Tory Government has loaded on individual Canadians. Does the Hon. Member think that is fair?

Will the Hon. Member comment on rumours that there will not be any exemptions on the business transfer tax which could be introduced as part of tax reform? This means that the business transfer tax would be added on to such basic items as food, children's clothing, housing or whatever. Does the Hon. Member believe that that business transfer tax should have exemptions or not? I am interested to hear the Hon. Member's comments.

Mrs. Collins: Madam Speaker, first, with respect to the proposed business transfer tax, I really do not want to speculate on it. I think it is inappropriate at this time to comment on it since we do not know what the form of it will be or on what products or services it will be levied. It is appropriate to wait

until the plans come forward. There will obviously be a review process to determine that at that time.

The Hon. Member mentioned the unemployment rate in Vancouver. This is certainly something which disturbs me very much, as I know it disturbs the Hon. Member and other of my colleagues, since I know the rate in Vancouver is higher than it is in the province as a whole, which is perhaps rather an unusual situation. While not underestimating the difficulties this causes, I remind my colleague that some of the figures which are now showing up are as a result of people who worked at Expo last year. I know that in my own riding this has occurred. These people worked for six months at Expo. After that they were eligible for unemployment insurance which they are now collecting. They now show up on the records as unemployed. Not all of these people would have worked before Expo. They worked only during that six month period.

• (1530)

There may be a bit of a glitch there, and we may see that fall off on its own. Nevertheless, the unemployment figures for British Columbia are of concern to all of us, and that is why we think it is important, as the Deputy Prime Minister (Mr. Mazankowski) has indicated, that we move forward with the program of western diversification. That is why I and my colleagues from the British Columbia caucus have been spending a great deal of time working on this, to identify what we feel are the appropriate measures and the appropriate directions for this Government to take. We have to determine how we can be most helpful. We do not want to waste money. We want to use our resources most effectively to encourage job creation and meaningful activity—and long range jobs, not short-term make-work jobs. I personally do not agree with make-work projects.

I am very pleased with the Canadian Jobs Strategy Program, and particularly as it has been applied in my own Province of British Columbia. As I am sure my colleague is aware, during 1985-86, the Province of British Columbia received just under $1.7 billion under CEIC programs, an amount well over its percentage share of all CEIC programs.

Under the Canadian Jobs Strategy Program, I have found of particular value the Job Entry-Re-entry Program. It is a program that is very important in terms of getting those who are now unemployed back into the job market, and particularly so for young people who have quit school before attaining any marketable skills. Having the benefit of a nine month period in the job entry program in which to develop skills has resulted in an 80 to 90 per cent success rate in job placements in some of the projects in my riding for those young people. Similarly, many women have benefited from the Re-entry Option Program, a program that has allowed them to develop the skills and confidence to re-enter the workforce.

It seems to me that if these programs were expanded and extended, many of these people could develop the skills necessary for even more highly paid jobs, instead of having to start at the bottom.

With those kinds of initiatives, along with other initiatives which I believe this Government will be bringing forward, we will see changes for the better in the unemployment rate over the next two years.

I am sure that my colleague opposite has ideas on how we can reduce unemployment. We would welcome his ideas on what we could be doing to assist in alleviating unemployment on Vancouver Island, an economy which is based on tourism and forestry. There may be other directions in which the economy of Vancouver Island can go, one of which might be to focus on the new information technologies, the new knowledge-based industries. These industries have a tremendous application for British Columbia.

The president of one of the major technology companies in British Columbia was recently asked why he was headquartered in Vancouver; why it was that he was not headquartered where the big markets are in eastern Canada. And his response was: "Because my employees want to live in Vancouver. With this kind of company, given the new communications technologies, it doesn't matter where the business is physically located. We can be where we want to be".

It is that kind of industrial activity, supported by strong post-secondary educational opportunities, that I think will be vital for British Columbia.

Mr. McCurdy: Mr. Speaker, I listened with a great deal of interest to the intervention of the Hon. Member for Capilano (Mrs. Collins). I know that she pays very close attention to polls. Indeed, it has been alleged that, in embarking on any course of action in this House, she is governed largely by polls.

I heard her indicate, at the very beginning of her speech, that the latest Budget has been well received in Canada.

Considering what my colleague said earlier about the Panglossian nature of her intervention and her love of polls, we might even regard her as being "pollyannish".

I am driven to ask a question about her response to the facts, which the polls have ascertained, with respect to the reception accorded the Progressive Conservative Budget. I have here the results of a poll reported in, among other places, *The Ottawa Citizen* of March 26, 1987. The headline is: "Most Canadians found latest budget forgettable". It wasn't well received, by any means. The opening paragraph of the article reads:

> The federal government's latest "breathing space" budget in fact seems to have left more Canadians yawning.

It goes on to say:

> Of those aware of the latest budget, most (58 per cent) said it will not strengthen the economy, while only 18 per cent (said) it will help Canada's economic picture.

My question for the Hon. Member is: Knowing how much she respects polls, does she agree with this poll?

Mrs. Collins: I know there is the opportunity in this House many times to take cheap shots at Members across the floor, but I think that that is a particularly cheap one. You have obviously misinterpreted my position—

An Hon. Member: Shame on you!

Mrs. Collins: —misinterpreted my position and my philosophy, which is not one based on polls but one based on consulting my constituents. I try to ensure that I, as their representative, understand and reflect their views.

While my colleague may view the Budget one way, I can only say that, in my area of the country, having discussed it with a great cross-section of people, it has been well received.

The people asked this Government to get the country's financial affairs in order, to bring down the deficit, and to manage the economy in a conservative and thoughtful manner.

An Hon. Member: Conservative!

Mrs. Collins: That is what this Government is doing, and it is the first time in decades that it has been done. This Government is looking after the pennies, after the dollars. It is looking after the taxpayers' dollars. That is what this Government has done for the last two and a half years, and that is what this Government will continue to do for the next decade, and the next decade, and the next decade after that.

[*Translation*]

Mr. Alfonso Gagliano (Saint-Léonard—Anjou): Madam Speaker, I welcome this opportunity to take part in the debate on the Conservative Budget. Everybody knows the Conservative Government is always bragging about reducing the deficit. In the twenty minutes I am allowed, I will try to show there has been no reduction in the deficit at all.

Madam Speaker, between 1984-85 and 1987-88—three fiscal years—total Government revenue from income taxe increased by $22.3 billion. This means that during the period, the Government took $22.3 billion out of the taxpayers' pockets and now at the end of fiscal 1986-87, everybody agrees we will have a deficit of $32 billion, the same deficit we had during the fiscal year ending March 31, 1984, which was the last full fiscal year under a Liberal Government.

So after collecting $22.3 billion in taxes from Canadians, we still have the same deficit. That is the good management this Conservative Government promised us and promised Canadians in the fall of 1984.

Mr. Boudria: It took them three years to do what the Liberals did in one.

Mr. Gagliano: And now, after three years, the results are there. The figures are there. We can prove that after three years, despite the fact they collected $22.3 billion, the deficit is still at the same level it was three years ago.

Of course, Conservative Members are going to say: That is what the Liberals say. Madam Speaker, it was our initial reaction when the Budget was brought down, but this week, we read comments by the C.D. Howe Institute which is after all an authority on economic affairs, and it had the following to say about the deficit, and I quote:

• (1540)

[*English*]

The year over year reductions are sizeable. They are not, however, as sizeable as they appear at first glance. The $2.42 billion reduction in fiscal year 1986-87 was made possible only by the last minute sale of Teleglobe Canada for $450 million and by the delaying of $700 million in special assistance to grain farmers until after March 31, 1987.

The Government reserved its neatest gimmick for fiscal year 1987-88, however, when it will gain $1.2 billion in additional revenue by accelerating remittance of source deductions of income tax, pension, and unemployment insurance premiums.

In the face of the increasing difficulty of maintaining the appearance of a downward deficit track, the Government has resorted to asset sales and fiscal tricks to fulfil its principle. This is not the way to reduce the underlying imbalance between spending and revenue. It is merely a way to finance it. The ongoing budget deficit appears to be stuck at over $30 billion.

[*Translation*]

Madam Speaker, this clearly and accurately says the Minister of Finance manipulates the tax data of his Government so that every year, he can come before the House and tell us that the deficit will again be less than $30 billion. Last year he did the same thing. And now the deficit is $32 billion. This year, he did the same, and considering the measures he took to bring the deficit down to less than $30 billion, the experts were already saying one month later that he would not achieve that objective and that the deficit would again be over $30 billion.

Madam Speaker, we all know that $22.3 billion were taken out of taxpayers' pockets through personal income tax and also quite a bit through federal sales tax. I should like to recall the remarks the Minister of Finance made about the federal sales tax in his Budget presentation, and I quote: "The federal sales tax is unfair and inefficient. It is a silent killer of jobs. It levies a higher tax—on average, one-third higher—on domestic manufacturers than on competing imports. This leads to plant closures and lost Canadian jobs. The base is narrow and similar goods can have very different burdens of tax. The sales tax is coming under increasing pressure and reform is increasingly urgent."

Madam Speaker, the Minister of Finance keeps repeating that the federal sales tax must be changed, that it is an unfair tax, yet again this year he did not bat an eye when he raised the federal sales tax on gas, and he also extended the federal sales tax to ice cream, candies and other snack foods which are bought and eaten by kids mostly. Then he raised the air transportation tax. Well now, if indeed the Minister is convinced that the federal sales tax is unfair and that a tax

reform is urgent, why has he been keeping us waiting for a year and a half—for almost two years now—before delivering the goods, Madam Speaker?

This afternoon we listened to the two Conservative Members who spoke in this Budget debate, and they said over and over again that time has come for tax reform, that when we do get this tax reform they will reduce personal income tax, lower the federal sales tax, and so on. But we have been waiting for two and a half years, so what prevents the Conservative Government from going ahead with the tax reform, and in the meantime we would not be debating this proposed tax reform and Canadians would get some tax relief? Madam Speaker, taxes have been going up at a rate unprecedented since World War II.

I should like also to refer to a poll taken by the Canadian Federation of Independent Business among its members. This pool revealed two things. First, that businessmen for their tax burden is their main problem, the second being, red tape, all many forms they have to fill out every year for the avowed purpose of providing the Government with tax data. In order to get $1.2 billion from businesses, the Government is asking them to send those forms every fortnight instead of every month. By this single action, Madam Speaker, the Government doubles their paperwork businessmen just to meet the request of the Minister of Finance, because they are not required only to issue a cheque every two weeks, but to balance their books, fill out forms and send them to the Government. Since coming to power, the Government has not only imposed a greater tax burden, but increased significantly the amount of red tape, while advocating the opposite.

Madam Speaker, this Government is committed to a tax reform. When are we going to get it? I am wondering, because each time the Minister of Finance makes a speech, he keeps postponing its presentation. Let us say that we will get it eventually. He has promised a White Paper to inform the Canadian people of the Government's intention. We hope to get this document as soon as possible, so that we can comment on it and hear what Canadians from different walks of life have to say about the proposed new tax system.

There have been tax reforms in Canada before. Unfortunately, once the tax reform, was in place, there was twice as much red tape. If, therefore, the Minister of Finance wants to succeed in his endeavour, he must be clear and definite in his intention not to increase taxes. Such a tax reform should not be an excuse for the Government to get additional funds from Canadian taxpayers. They are already overtaxed. The purpose of this reform is to implement in Canada a simple, adequate and equitable tax system for all Canadians, no matter their social status. It is very important, therefore, that the Minister of Finance, when tabling his White Paper on tax reform, should take into account the need for fairness, so that the tax reform may be accepted and successful in Canada. Otherwise, this will be an exercise is futility. There will be new tax increases, nobody will be able to understand the income tax legislation, and the economic development will stall because of our foolish habit of always increasing the tax burden.

Of course, we are not debating the tax reform this afternoon because we do not know yet what are the intentions of the Government nor the directions in which they intend to lead us in that regard. We are only hypothesizing about what the various ministers, and particularly the Finance Minister, indicated in their speeches across the country or during the Budget debate. So, we are anxious to learn what are the intentions of the Government and then, of course, as the Finance Minister requested, we will reply positively and suggest solutions to make our tax system fair and equitable.

Let us go back to the Budget, Madam Speaker. We have a very important tourist industry in Canada. Yet, once more in this Budget, we increase the tax on gas. I would like to quote a few paragraphs of a paper the Canadian Automobile Association issued in March 1987.

• (1550)

[*English*]

The 2.5 million member, not-for- profit Canadian Automobile Association takes this opportunity to present the views of its members on the fiscal policy affecting motorists and the travelling public as amended by the February, 1987 Budget presented by the federal Finance Minister, Michael Wilson.

Motorists are struggling with excessive taxes. Judging from the hundreds of thousands of submissions made last year to the Prime Minister, the Finance Minister and Members of Parliament, our 2.5 million members are extremely concerned and frustrated. They feel they have been overtaxed by more than $10 billion from 1981 to 1985 following the introduction of the National Energy Program and its various forms of taxes and special charges. Motorists are upset further with the current fixed rate of 5.5 cents per litre of excise tax which, compared to 1.5 cents per litre in August, 1985, represents more than a 250 per cent increase.

[*Translation*]

As we can conclude from that document, Madam Speaker, Canadians are frustrated, exasperated, fed up with tax increases.

Madame Speaker, we all drive cars. Therefore, a 1 per cent increase in the sales tax on gas affects each and every one of us. We have certainly reached the point where enough is enough and we must find a way of reducing the tax burden.

My Conservative colleagues, Madam Speaker, praise the Budget as a good one. I would like to quote only a few newspaper reports that were published immediately following the Budget. On February 19, 1987, *La Presse* titled: "A $1.2 billion sleight of hand".

[*English*]

New bookkeeping makes govt. look $1.2B better.

That is a headline from *The Ottawa Citizen.*

[*Translation*]

"The Conservatives make individuals pay." "Ottawa takes less from businesses and more from individuals.", *La Presse* of February 19. "Business sectors are disappointed.", the same paper on the same day.

[*English*]

Quebec may sue over transfer payments—

That is the headline in *The Gazette*, Montreal.

• (1600)

[*Translation*]

"Great disappointment", *Le Droit*, February 1987.

Madam Speaker, these were the headlines of the major papers the day after the Budget, that empty document which used means I would call not exactly Kosher to bring the deficit below $30 billion. That is what the Conservative Government has done, a Government which has kept talking endlessly about fiscal responsibility. That is what the Minister of Finance has done, when he should be giving leadership to this country. When you introduce a budget, or financial statements, you must stick to the facts and not try to manipulate the figures to make people believe that the deficit is lower than it really is. That is the Budget, Madam Speaker, the third Conservative Budget. They want us to believe that they reduced the deficit, but it is still the same.

Madam Speaker, I would like to quote a few figures which show the impact of this Budget on Canadian families. Let us take, for example, a married couple with two children, where both parents work. In 1986, before the Budget, they had to pay $235 more in taxes. Before the February 1987 Budget they had a $400 increase, and now, after the 1987 Budget, they will have to pay $470 more.

Madam Speaker, here is another example, a married couple with two children, where both parents work, with an income of $30,000; in 1986 they paid $500, they had an increase of $590. In 1987, but before the February 1987 Budget, an increase of $875, and after the Budget it was $966 more. Madam Speaker, I say in 1987, before the February 1987 Budget, because we now have, each year, automatic increases, thanks to the May 1985 Conservative Budget which created a 3 per cent tax increase. We could go on and look at all these increases. But it is enough to look at families, Madam Speaker, because that is were the main difference is, that is were we see the gap between rich and poor, a gap widened by the Government. A family with a $100,000 income had an increase, in 1986, of only $680. Their increase before the 1987 Budget was $1,145 and after the Budget, $2,285. It is obvious, Madam Speaker, that over the past three years the Conservative Government has not reduced the deficit. On March 31, 1984, the deficit stood at $33 billion. On March 31 1987, it still stood at $33 billion. Yet, at the same time, the Government collected more than $20 billion in income tax from individuals.

This situation resulted in a widening of the gap between rich and poor. The poorer you are, the more income tax you pay; the richer you are, the less tax you pay.

Therefore, Madam Speaker, this social injustice is inacceptable to Canadians. The polls do prove it. I do hope that the fiscal reform will correct this situation.

Mr. Champagne (Champlain): Madam Speaker, I have listened carefully to my colleague, the Hon. Member for Saint-Léonard—

Mr. Gagliano: —d'Anjou!

Mr. Champagne (Champlain): —d'Anjou—I stand corrected—and I might like to make a few comments and ask him a question.

Firstly, my colleague mentionned the price of gasoline and the fact that the Canadian people had to pay a one cent increase. I want to remind him that, before the Conservatives come to power in 1984, the Liberals had introduced the National Energy Program. The Member did mention it in his speech a while ago, and I wish to remind him that in the period from 1981 to 1985, his party was in power, and it is his government that introduced a national energy program, which became our responsibility upon being elected. It was abolished. It was abolished because it was 105 per cent of the international price.

When we were elected, Madam Speaker, in 1984, gas was 60 cents a litre. Today, two and half years later, it is 52 cents. So we are still 8 cents lower. When the Liberals got elected in 1979-80, they promised they would fight us on the 18 cents increase. There was an increase of over a dollar a gallon under their government.

Madam Speaker, in all honesty, if the member for Saint-Léonard—Anjou is speaking for Canadian taxpayers, he should recognize that the father of the federal deficit is his own leader sitting there up front, that the true father of the federal deficit, the one who got Canadians into serious economic trouble, is his own leader. Indeed, Madam Speaker, when the Hon. Member for Saint-Léonard—Anjou extols the virtues of his party concerning poverty and concerning the gap between the rich and the poor, I will simply remind him that it was his government that allowed the highest salaried Canadians to get by without paying any taxes because of their tax shelters. Our government, our Minister of Finance, took responsible action in establishing a minimum tax, carving up tax shelters and seeing to it that the richest Canadians would have to pay taxes.

Madam Speaker, I would like to ask him whether it is our present Minister of Finance or the then Minister of Finance who is now his leader, that showed a greater sense of morality when our Minister of Finance set up a fair tax system and took steps to protect the poor against the rich while his own leader, the leader of the Opposition, as Minister of Finance, was doing everything he could to maintain the tax shelters benefiting the rich rather than the poor.

Mr. Gagliano: Madam Speaker, I shall be pleased to reply to the comments made by my Conservative colleague. Let us see first of all the energy issue. As for the price of gas which has gone from 60 cents a litre down to 49 cents, I certainly hope the members opposite will not try to take the credit for

the oil price decrease because it is due to the international market.

Mr. Blais: It is due to the energy policy.

Mr. Gagliano: You say it is due to the energy policy. We will get back to the energy policy later on, but allow me to tell you that if the gas price has gone down in last few years, it is not because of the Conservatives, but mostly because the international price for crude oil has gone down. So do not take Canadian people . . . That's it, you look like manipulators; you are always taking credit for everything even though you don't deserve it. If the price of oil has decreased, it is not because of the Conservative policies, but indeed because of the international price for crude oil.

Now let us get back to the energy policy. I would like to ask my colleague if he knows how many Canadians, controlled the industry when the Liberal government introduced the National Energy Program. Almost none. Today, more than 50 per cent of the Canadian energy industry is controlled by Canadians, not by foreigners. Look at the facts. Do not focus only on the negative side of the NEP. Consider the positive side also, and ask Canadians whether, in pre-NEP days, the energy industry in Canada was not indeed totally controlled by Americans. Ask that to Canadians, and see what they will say.

Now, Madam Speaker, he asks me who is the fairer between the Minister of Finance and my leader. I want to remind my colleague that the present Minister of Finance is the one who de-indexed old age pensions. Let us remember Mrs. Denis and her famous Charlie Brown, and I hope he is listening to us and will remember too . . . It is precisely my leader who introduced that protection, who granted to Canadians, especially to the elderly, to the low income people that protection against inflation. Therefore, I obviously choose my leader, Madam Speaker.

Mr. Blais: Madam Speaker, it is always easy to make a point as the Hon. Member just did when he mentioned indexing, but as usual, you too forgot that time when the increase in the cost of living index was 12 per cent and that indexing was frozen at 5 and 6 per cent. Because you too only mention whatever suits you not only because your present leader, who was Minister of Finance at the time, the father of the Canadian deficit, managed to turn a surplus into a deficit, which is quite a feat, and your finance critic as well, who is responsible for deficits at the provincial level. In view of his record at the provincial level, he was brought in at the federal level to see if he could do any better. All your Finance Ministers, be they MacEachen, Turner, Lalonde, Chrétien have all introduced budgets that were called by the name of their authors, and they were all responsible for our deficit.

All the economists of the time have called them disasters one after the other. I hope you will remember that. You were not in politics at that time, but I suppose you read the papers once in a while about it. I was surprised to hear what you said earlier. Here is my question. A moment ago, you spoke about the poor contractors who are overwhelmed by tax burden, red tape and the fact that they now have to complete and return forms twice a month, to pay whatever tax they owe to the Federal Government. Through a housekeeping measure which is commendable, I think, we will be able to recover tax payable to the Government. Those companies are big enough because it applies to amounts of $15 000 at least. I listened to your colleague for Montreal—Sainte-Marie (Mr. Malépart) who keeps repeating that we are against low income Canadians and that we always give to the rich. As far as I can see, we have an advocate of the rich and you are the champion of business. Personally I would be tempted to ask what you have to say about interest rates, for example, because that is another element. You will undoubtedly reply that the federal Government does not have anything to do with that. And then for the first time the national deficit has been going down, for the first time public expenditures have declined, and this is something you were unable to accomplish over 20 years. This is the first time there is a net decrease since 1952, I think, since the Korean war. With current interest rates, people can renew their mortgages at 9 per cent, whereas when you were in office you had budgets, the Lalonde budget among others, where the deficit was expected to be in the $3-to-$4 billion range and finally ended up at the $15 billion level. Not to worry! Who cares! Never mind the expenses! We can spend freely, Canadians will pay. The children or the great grandchildren will pay for that.

We have shown the Canadian people that we were able to get a handle on the rising federal deficit and repair the mistakes you made over the years, so people regained confidence and interest rates went down. And the companies you are talking about, businessmen, what do you have to say about that and the interest rates? Do you not agree that companies are now investing heavily in Canada, that ours ranks first among industrialized countries in terms of projected investments, so what do you have to say about interest rates? Would you not agree that the present Minister of Finance has come up with policies which have driven interest rates down, a better performance than when you were on the Government side? Respond to that, please!

Mr. Gagliano: Madam Speaker, allow me first of all to tell my Hon. friend that I am not fighting for the rich and that, as usual on the other side, they have a great deal of difficulty understanding anything intelligent.

What I was trying to say—

Mr. Champagne (Champlain): Read your speech again. Your replies are stupid.

Mr. Gagliano: Listen. Then you may learn something and be in a position to ask intelligent questions. Instead of asking stupid questions, you may be able, to ask intelligent ones, if you only listen.

Mr. Blais: Madam Speaker, I rise on a point of order.

The Acting Speaker (Mrs. Champagne): The Hon. Member for Bellechasse (Mr. Blais) rises on a point of order.

Mr. Blais: Madam Speaker, I may have used strong language but I did not say they were stupid. Whatever his opinion I believe the Hon. Member should think about the word stupid. I find this quite insulting. All they can do is to question people's intelligence, and when they are unable to answer our questions about figures, they call us stupid. I suggest he should be called to order for the choice of words he uses in addressing members on this side of the House. I call upon you, Madam Speaker, because this afternoon I do not intend to let anyone call me stupid.

Mr. Marin: On the same point of order, Madam Speaker.

The Acting Speaker (Mrs. Champagne): The Hon. Member for Gaspé (Mr. Marin) on the same point of order.

Mr. Marin: The Hon. Member never said that my hon. friend was stupid; just that he was asking stupid questions. By inference of course, it is possible to say that a person who asks stupid questions is stupid. I would say this kind of language is unparliamentary and I think, Madam Speaker, you should ask him to withdraw.

The Acting Speaker (Mrs. Champagne): The Hon. Member for Champlain (Mr. Champagne), on the same point of order.

Mr. Champagne (Champlain): That is exactly what the Hon. Member for Gaspé (Mr. Marin) just said. Madam Speaker, I think the question put by the Hon. Member for Bellechasse (Mr. Blais) concerned the Canadian economy in general. He simply asked what the Hon. Member thought about interest rates. I fail to understand why the Hon. Member for Saint-Léonard—Anjou (Mr. Gagliano) says we are stupid when we have a question that is of fundamental importance to all Canadians, not politics but a simple and straightforward question... With the Hon. Member for Gaspé, I ask the Hon. Member for Saint-Léonard—Anjou, through the Chair, to withdraw those words because they are not unparliamentary.

The Acting Speaker (Mrs. Champagne): The Chair thinks it is really too bad that on a Friday afternoon, Hon. Members should be using terms that are certainly far from parliamentary. I can't help thinking of the people who are watching us on television. There are young people out there who are now home from school and since in many parts of Canada the weather is not ideal, they are watching this debate on television. I would ask all Hon. Members to remember when they are debating very important issues that they are doing so on behalf of the voters who elected them to the House of Commons and perhaps they would think twice before they said something they might later regret.

I will give the Hon. Member for Saint-Léonard—Anjou one minute to finish his comments, and I am sure he will put that minute to good use. The Hon. Member for Saint-Léonard—Anjou.

Mr. Gagliano: Madam Speaker, I want to start by thanking you for your comments with respect to the order in this House.

First of all, I will withdraw. However, I did not say the Hon. Member for Bellechasse (Mr. Blais) asked stupid questions, certainly not. I just said, and I was answering Hon. Members who had not asked questions themselves but who were about to and who were shouting and would not let me answer the Hon. Member for Bellechasse. So I said: Please listen to what I have to say and then you can ask some intelligent questions afterwards. That was what I meant. Now, if the meaning went further than I intended, I hope Hon. Members will understand. And if they are interested in my answer, I shall, if I may, answer the questions put by the Hon. Member for Bellechasse, if they are prepared to listen. But if they start shouting again, Madam Speaker, it can only mean they are not interested in having intelligent answers.

The Acting Speaker (Mrs. Champagne): I allowed the Hon. Member for Saint-Léonard—Anjou (Mr. Gagliano) one minute to conclude with comments on the debate. The Hon. Member has the floor.

Mr. Gagliano: Madam Speaker, there is of course a lot of material in the question put by the Hon. Member for Bellechasse (Mr. Blais) and within that minute I will try to answer.

First, concerning the $1.2 billion. I put the same question earlier this afternoon to the Hon. Member for Lévis (Mr. Fontaine) after he spoke.

It is not that I am defending the rich on that but that in fact, my point is clear, the Minister of Finance is playing with figures. If for instance that proposal had not been in the Budget, he is neither increasing taxes nor reducing expenditures. Therefore, it is a no-win proposal. Certainly he is only delaying the problem. He is applying that as of January 1, 1988, and he says: You will remit every fifteen days. This means that at the end of March, year end being March 31, 1988, he will be getting 15 days of extra remittals! They evaluated this will amount to $1.2 billion, for the sole purpose of stating that the deficit is $1.2 billion lower. I was not defending the rich.

I also indicated on a number of occasions in this House that that proposal is not hurting large corporations, but small businesses. And if you make a very simple calculation, any building contractor in Quebec with 20 employees, and I hope you will accept those 20 employees, because in today's terms that is not a large business! With 20 employees in the construction industry, he is paying more than $15,000 a month. So he will have to remit every 15 days, and to what benefit? That does not reduce the deficit, it increases paperwork and also entails extra costs, because we know very well that the majority are operating on a credit margin and they will be paying more in interests.

The Acting Speaker (Mrs. Champagne): Debate. The Hon. Member for Cowichan—Malahat—The Islands (Mr. Manly).

• (1610)

[*English*]

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, I appreciate this opportunity to speak on the Budget. As some of my colleagues have pointed out, it is an eminently forgettable Budget. It is what my mother would have called chip and porridge, a Budget with nothing good, it is just there. In this case, however, there is no porridge to go with it.

My fundamental criticism of the Budget is the implicit assumption underlying it that all is well with the Canadian federation and all we need is a bit more belt-tightening to get our deficit down and everything will then continue purring on just as though everything is wonderful. It is in fact a do-nothing Budget. Its myopic point of view ignores what is happening to hundreds of Canadian communities and the people who live in those communities.

I would like to share just a couple of examples to bring this home to members of the government Party. First, I would like to talk about the community of La Scie and the Baie Verte Peninsula in Newfoundland. A delegation from that community appeared before the Standing Committee on Fisheries and Oceans a few weeks ago. They pointed out that in the Baie Verte Peninsula since 1979 some 1,300 jobs have been lost. They depend very much on the fisheries plant there, and the entire inshore fishery has been neglected by the Department in favour of the offshore fishery which is controlled by two large companies, National Sea and Fisheries Products International. It is interesting that the latter company, having been established as a Crown corporation and given a good allocation of fish, has now become a profit-making venture and, being so, will now be privatized. In the meantime, in communities like La Scie who depend upon the inshore fishery, there are not enough fish allocated to the inshore fishery to maintain the fish plant there at anywhere near the level at which it should be. In 1979 the plant processed 29.6 million pounds of fish. Since that time there has been a continuous decline, and last year less than half that amount, only 13.3 million pounds, was processed. These people live in the very place where further allocations of cod are going to be taken from Newfoundland and given to France. That not only hurts them economically, it hurts them in the sense of feeling they belong to a nation that does not care for them as a community or as individuals.

The only other major source of employment in the area is an asbestos mine which itself has had a 74 per cent reduction in its workforce over the last few years. There is nothing being done for those people by the Government, either within the Department of Fisheries and Oceans or in the larger sense of eliminating disparity. For example, the NDP has called for a Northern Fisheries Development Corporation which would focus on the inshore fishery and help it to develop. However, we do not see anything like that kind of an initiative being taken by the federal Government.

The Budget should have addressed those kinds of issues. It should have addressed the issue of regional disparity. Again, the NDP has made suggestions which the Government chooses not to accept. We suggested there should have been a $815 million community initiatives fund and a $200 million single industry community diversification fund. Things like that would help a community like La Scie and hundreds of others across Canada to develop alternative employment.

It is interesting that the official unemployment rate in Newfoundland today is 19.2 per cent. However, Earl McCurdy, the Vice-President of the Fishermen's Union of Newfoundland, has pointed out that if the people of that province had the same rate of participation in the labour force as they have in Ontario, then the actual unemployment rate in Newfoundland would be a staggering 38 per cent. That is the situation in Newfoundland.

The other community I would like to talk about is in my own constituency, and that is Cowichan Valley. It has been hard hit by changes in the forest industry over the last few years. Several large mills have closed, and others have drastically reduced their workforce due to technological change. The same sort of thing is happening in the logging industry. Fewer workers are getting out more wood. We are continuing to export raw logs overseas.

• (1620)

The situation has resulted in many older workers being laid off. Who wants to hire a worker of 45, 50 or 55 years of age whose skills are all in one industry? They have literally nowhere to go. I have had people like that come into my office looking for some kind of assistance to help them continue to lead productive lives. These are people who are used to working, used to paying their own way. Suddenly they find that they have no jobs and no prospect of jobs. I know I am not the only Member of Parliament who has experienced that. I see one of the Hon. Members from Prince George here and I know he has had the same kind of experience. Other older workers have had the experience of being bumped down in seniority and have ended up doing the kinds of jobs which have traditionally been done by much younger workers. They are required to do heavy physical work, which may be suitable to younger workers, but not to people in their age bracket.

There is also the situation of younger workers who cannot get their first job in their home community. They are forced to leave home and look for work elsewhere. We do not want to build a Canada in which people have to leave home in order to find work. We want a Canada where people can build their lives in the communities where their families are. The real unemployment rate in the Cowichan Valley is around 30 per cent. In the last week in British Columbia we have seen the closure of Unemployed Action Centres which have tried to provide some help to the people about whom I have just been talking who have been caught by this terrible downturn in the economy.

The Canada Jobs Strategy has recently designated the Cowichan Valley for the Community Futures Program. We are glad to have that designation, but I want to emphasize that unless there are are other government initiatives which affect the entire economy of the Province of British Columbia this Community Futures Program will not be able to address the crying need for jobs in the Cowichan Valley. That goes for other communities in British Columbia which have been designated as well. We need a global package which will get the entire community going.

I was interested to hear the Hon. Member for Capilano (Mrs. Collins) speak about the decline in employment following Expo. Of course many of us had been saying all along that the jobs at Expo were short-term jobs. The Government is using the fact that they were short-term jobs as an excuse for the very high rate of unemployment in British Columbia right now. She expects that these people will soon drop off the unemployment rolls and that that will bring the unemployment statistics down. Of course it will bring the statistics down, but it will not do a damn thing about the fact that these people would really like to have jobs. It is simply the way in which the Government keeps statistics. I apologize for the language, Madam Speaker, but the people in British Columbia feel very strongly about this.

The estimates on the need for a forestry program in British Columbia vary, but most experts agree that the cost of an effective program of reforestation ranges between $200 million and $300 million per year. This figure would cover the cost of replanting not satisfactorily restocked lands and replacing what is cut annually, as well as providing some funding for intensive forestry. Contrast the $200 million to $300 million needed annually with the money available under the economic development agreement signed by the federal Government and the Province of British Columbia. The federal Government is contributing a total of $150 million over five years, or $30 million per year, which will be matched by the province for a total of $60 million which is less than one-quarter of the funds needed to do an effective job of reforestation.

A recent report put out by the University of British Columbia authored by Sten Nilsson on forest economics points out that British Columbia is only 15 years away from economic catastrophe unless we do something about our forest resources. Seventeen thousand direct jobs have already been lost and a further 7,000 jobs are about to be lost unless we take action. We have not yet seen that action. I pointed out a few weeks ago that only 48 per cent of the professional foresters who have graduated from UBC in the last six years have been able to find jobs in their field. Twenty-one per cent are still completely unemployed. We are training people but do not provide the jobs for them even though everyone recognizes that there is a crying need for forestry in British Columbia.

What is the matter with the Government that it cannot bring together the skills and resources to meet the needs? The needs are there and recognized. The resources and skills are there. Yet, only 48 per cent of our professional foresters can find jobs after they have graduated and the others have to go and whistle. There is something wrong, and the fault lies with the Government and its failure to address this kind of situation adequately.

There are in fact, Madam Speaker, two economies developing in Canada, one for central Canada and one for the region. Yesterday in British Columbia there was new labour legislation introduced which will make British Columbia's economy more of a third world economy by weakening the rights of workers to organize and fight for better conditions.

The neglect of our resource economy by the Government is a major indictment of it. It has failed. When the Prime Minister (Mr. Mulroney) was campaigning he promised that there would be a separate department of forestry. He recognized the need for a separate department with its own budget, its own employees, and a full-time Minister. Instead, we have a junior Minister who reports to the Minister of Agriculture (Mr. Wise) and shares forestry with mining. The people in the mining sector are probably very concerned that they do not have more clout in Cabinet as well. However, for our number one industry across Canada to have only a Minister of State reporting to the Minister of Agriculture is criminal. We neglected the primary wealth producers and the regions wherein that primary wealth is being produced.

With regard to the situation of fishermen, there has been a doubling of licence fees on the Pacific Coast and an increase in wharfage fees for both fishing and pleasure boats. That will deal a blow to our tourism industry as well. There has been no permanent funding for the Salmonid Enhancement Program. Representatives from the Department of Fisheries and Oceans appeared before the committee and pointed out that in order to do an adequate job of maintaining small craft harbours they needed $120 a year. They are getting $48 million a year. Unless further money is allocated within five years the Government will have to close down 150 Class C harbours across Canada. That will mean shutting down the basic infrastructure of our Atlantic and Pacific coasts in many communities which depend upon those harbours.

The Government claims that there are are too many people in the fishing industry. Its slogan is, too many fishermen taking too few fish. Yet, the Government is doing nothing to create alternative employment. Canada did not become a nation by relying on market forces. If we wanted to rely on market forces we would have joined the United States a long time ago. Canada became a nation because we had a vision of a nation which would extend from sea to sea and a Government which was prepared to work for that. Right now we have a Government that is prepared to allow the market to determine what happens. As a result, we have seen that in the last year all but 5,000 of the 137,000 jobs that have been created were in the Province of Ontario.

• (1630)

Is it too much for provinces like Newfoundland and British Columbia to have expected that a federal Budget would have

recognized their problems and taken action? Is not a Budget supposed to be a process by which the Government looks at all of our resources and our needs and tries to bring the two into balance?

We must question the priorities of the Government. Are native self-government and settlement of land claims too expensive, as the President of the Treasury Board (Mr. de Cotret) has claimed, or does the Government simply have its priorities wrong? Does the Government have no alternative to the Budget which does no more than apologize for regional disparity?

The fact is that spending on economic and regional development in this fiscal year which just began will be about $3 billion less than when the Conservative Government was elected in 1984. Regional disparity has increased and less money is being spent to try to overcome that.

Earlier Conservative Budgets have loaded huge tax increases on the backs of individual Canadians, particularly Canadians in low and middle-income tax brackets. At the same time, they offered upper-income Canadians more tax loopholes like the $500,000 capital gains tax. The Budget continues that trend.

The Prime Minister (Mr. Mulroney) promised tax reform during the 1984 election campaign. It is another promise that has been postponed, and now we are supposed to see something in upcoming months. Perhaps the Government could explain to Canadians why an increase in tax could be slapped on at midnight of budget day, but it is a different story when it comes to tax reform that might give them a break.

Of course, Canadians should be concerned about what might be in that tax reform because there are many rumours that while there might be a slight decrease in the income tax rate it will be balanced by a business transfer tax. The rumours are that there are to be no exemptions to that business transfer tax, which will mean an increased cost on food and other basic necessities. It is the kind of tax that is once again most regressive and will hit the poor people of this country the hardest.

I suggest there are some measures the Government can implement that would begin to introduce some fairness into the tax system. First, it should eliminate the $500,000 lifetime capital gains tax exemption. This measure will cost over $1 billion by the end of this year. The exemption benefits only the rich. In 1983, only 10 per cent of taxpayers who had less than $40,000 income could claim an average capital gain of $1,000. However, 61 per cent of taxpayers who had more than $250,000 income claimed an average capital gain of $57,461. Of course, we believe the capital gains exemption should remain for principal dwellings, family farms, fishermen or small businesses that have been built up in a family for a period of years.

We believe the Government should tighten up on the minimum tax. It should use the revenues from a fair taxation of capital gains to restore the basic federal tax exemption. We want it to put a halt to personal and sales tax increases for ordinary Canadians.

By 1990, individual Canadians will have been hit by a $35 billion tax increase by the Conservatives, while at the same time only $128 million will have been slapped onto the corporations. That represents only 1 per cent of the over-all tax increase. Is that fair?

I have a number of other comments but you are indicating that my time is up. I look forward to answering perhaps some questions on these issues.

Mr. Johnson: Madam Speaker, I want to make a couple of comments on the Hon. Member's speech. First, he mentioned two specific communities in Newfoundland, Baie Verte and La Scie. He said there has been a decrease in employment in the Baie Verte asbestos mine. The original owners of that mine closed it down because of a lack of market and the protest from around the world by environmentalists and others about the potential health hazard of asbestos. If it were not for the fact that the Government of Canada and the Government of Newfoundland put some $18 million into the asbestos mine in Baie Verte, there would be much higher unemployment there today. I doubt very much if the mine would even be operating.

The Hon. Member also spoke about inshore fishermen in La Scie. Obviously Mr. McCurdy of the Fishermen's Union could not have filled him in , and I am sure the Hon. Member would not have Members of the House believing that the Government of Canada is doing nothing for the fishermen of La Scie and other places in Newfoundland.

The fact is that the Hon. Minister of Fisheries and Oceans (Mr. Siddon) recently issued a shrimp licence to a company so that it could land the shrimp in La Scie and provide decent employment there. Furthermore, for the Hon. Member's information, for at least three or four years the inshore fishermen of Newfoundland have not been able to catch the inshore fish allocations that presently exist. Whether that is because of water temperatures or ice conditions that prevent them from getting out when the fish could be caught, I cannot say. Apparently it is not even evident to the scientists and biologists who are doing research in that area. I might say that they are doing extra research from St. John's, Newfoundland because the Minister has increased the number of employees in the scientific branch in the Department of Fisheries and Oceans in Newfoundland.

I suggest that the Hon. Member check his source of information to determine whether there is indeed a community Futures Program in existence in Baie Verte. While I do not want to say there is and perhaps mislead the House, I am pretty damn sure, to use the Member's words, that there is such a program. I would not want him to leave the House with any misunderstanding.

Mr. Manly: Mr. Speaker, I thank the Hon. Member for his question. He comes from a part of Newfoundland that is very

dependent upon the fishing industry. He knows the difficulties that the people of Newfoundland are facing there.

The dependence of the Baie Verte Peninsula on the asbestos mine should be of concern to all of us because asbestos mining does pose health hazards. The fact that they do not have any alternative except to engage in an industry which has very high risks for people who work in it should be a real cause of concern for all Members of the House.

We become concerned when there is a building that has asbestos insulation that is covered with panelling. We say that that creates a hazard. Yet we expect people will work in those mines, and we have to be concerned about that. I can understand how people who have no other source of employment would see that as being something that is better than having no other means of making a livelihood. Yet it is a terrible price to pay. I am sure the Hon. Member will agree with that.

• (1640)

The Hon. Member pointed out that the Minister has just granted a shrimp allocation to the community of La Scie. That could be, and I think it is good. The basic fact is that there was a delegation from La Scie which appeared before the Fisheries Committee. Members of that delegation made a very moving and eloquent plea for their region. They asked that there be a further allocation of fish which could be treated at the plant at La Scie. I certainly support that. If the Government has other programs which could ameliorate somewhat the situation in La Scie and Baie Verte, the more power to it. But the fact remains that the Government and this Budget have not done enough for the people of Newfoundland, a province where there is an unemployment rate running as high as 38 per cent, especially when we consider the number of people who want to work and cannot. I am sure the Hon. Member would be the last person to get up in this Chamber and say that he thinks the Government is doing an adequate job for the people of Newfoundland. I am sure the Hon. Member has some time left and that he would not want to get up and make that type of an assertion.

Mr. Johnson: Madam Speaker, yes, I would want to say that I will never be satisfied until there is no unemployment in Newfoundland. In fact, I would be very proud if I had to pass out invitations to other Members telling them that there is work available in Newfoundland because there are not enough labourers and because there is full employment. I would be very proud of that.

What I was trying to say is that it is wrong to give the impression that the Government does not care about the people of Newfoundland, or the people of any other part of the country for that matter. All I was trying to point out is that the mine in Baie Verte would have been closed if it were not for the assistance it has received from the Government of Canada and the Government of Newfoundland.

I was also trying to point out the effort of trying to put in place additional work in La Scie through the giving of a shrimp allocation. I could have gone further and said that last year there were supplementary crab licences issued in order to create additional work. But the Hon. Member knows that it would be irresponsible for the Minister of Fisheries and Oceans (Mr. Siddon) to issue additional fish allocations to anyone from the offshore sector if it is not appropriate under the guidelines of the scientific evidence on which he has to make his decisions.

I can also tell the Hon. Member that there have been efforts made in terms of the revitalization of the sealing industry with the location of a plant in Fleur de Lys which is also on the Baie Verte peninsula. Federal and provincial money has gone into that effort. So the Government is trying, but as the Hon. Member knows, Newfoundland is not a manufacturing area. There is only certain potential for the resources that we have to create as much employment as we possibly can. I would certainly like to see less unemployment. I am sure my colleagues would like to hear suggestions from anyone who might be able to enhance employment in Newfoundland.

Mr. Manly: Madam Speaker, if the Government really cared it would not be allocating fish to France in that area. It would have had some policies that would have seen that out of 137,000 jobs created last year more than 5,000 of them would have gone to some other province than Ontario.

Mr. Bill Tupper (Nepean—Carleton): Madam Speaker, I am delighted this afternoon to rise in the House to share with you and through you with my colleagues and my constituents some of my thoughts about the 1987 Budget which the Minister of Finance (Mr. Wilson) presented. It is a Budget which really brought good news for Canadians. The budget experience this year was an unusual one for me. I would like to share it with you, Madam Speaker.

I live in and represent the federal riding of Nepean—Carleton which is in so many ways a microcosm of this great country in which we have the privilege of living. It is a large riding from a population point of view, while being an excellent mixture of urban and rural people. It represents an excellent mixture of entrepreneurship and people involved in small business, people who are involved in the high technology business, people who are involved in dairy production and so on. One of the most striking things about this community is its vibrancy and its growth. When we look at the community today we see that there are about 1,900 small businesses in it. I ask Hon. Members to think of what that translates into in terms of jobs, in terms of the creation of new wealth and in terms of the enjoyment of life. Those 1,900 small businesses, together with some of the other features of the community, translate into about 36,000 or 37,000 jobs. These jobs are filled by people who come to work into the riding every morning who have a positive work experience during the day. This community is really a thriving business community.

What have these businessmen, these farm producers and dairy producers to say to me about the economic world in which they would like to operate? Their consistent message to

me is simple. They say: "We would like the Government to get out of our hair, to simplify the regulations and the guidelines under which we must work". The second thing they say to me is: "We want to stay on a steady path. We want to know what the goals of the Government are so that we can work side by side with those regulations without having our goals move from year by year by year. In this way we can have a constant business plan, a constant goal, a constant level of productivity and a constant level of exports for which we can aim".

The unique budget experience for me this year boiled down to how few calls of a negative nature I received from my constituents with respect to the Budget. How few were they? I would like to share with Members of the House the fact that I received more negative calls when Petro-Canada, Esso and Texaco upped the price of gasoline by two cents or three cents a litre when they should have only done it by one cent a litre. In fact, most of the calls I had about the Budget were thank you's or calls of a congratulatory nature. The small businesspersons and members of the farm community who called me said: "Thank you for leaving the half-a-million-dollar capital gains exemption in place on an ongoing basis". They said: "Thank you from the high technology community for removing the import duties on many of the components that we have to bring into the riding in order to add value to them in the process of manufacturing and which we then export". I was thanked by the booksellers and the book retail people in my riding who simply said: "Thank you for removing the tariffs on the importation of books which were such an impediment". This community, under the fiscal regime of which we are now a part, is growing. It is buoyant.

• (1650)

By way of example, this morning I was out at the sod-turning ceremony for a new high school, a high school that the City of Kanata and the Carleton Board of Education are building together, the core of which in fact is going to be used jointly by the community and the Board of Education, for the over-all betterment of the young people and people of all ages in that community.

To take and build on that, over the last two and a half years, economic growth and job creation in Canada has exceeded that of all other major industrial countries. The Government has worked hard to attain this progress. We have made tough decisions, and we have applied firm and disciplined management to all sections of the Canadian economy.

It should be noted that these results have been achieved in the face of a world economy that has become not only more competitive, but also more uncertain and more volatile.

Going back some 30 months, or to mid-1984, when we had the privilege of forming the Government of Canada, we had just gone through 15 consecutive years in which the federal deficit had increased annually. By then, it had increased to some $38 billion. When one translates that into what it means per person or per household in Canada, it translates into $23,000 per household across this great nation of ours. Just think of that! You and I, and everyone across Canada, because of what the Government had been doing on our behalf, had a debt of $23,000.

In November of 1984, against that background, faced with disturbing trends, trends that posed a threat to sustained economic growth, permanent jobs, and greater opportunities for Canadians, the Government's renewal strategy began.

The agenda for economic renewal set out the Government's philosophy of economic management and its blueprint for the renewal of the Canadian economy.

That meant, Madam Speaker, adopting policies that helped small business, policies that fostered entrepreneurship and risk taking, policies that promoted innovation and created a positive climate for the growth and expansion of new enterprises. It meant making the Canadian economy more dynamic, more flexible, and more competitive, so that companies, small and large, high technology companies such as those located in my constituency, can thrive and compete in world markets.

That was the challenge. We started a program of economic renewal, and we are continuing down the road of growth, of job creation, and of economic vitality.

Given our economic successes over the past 30 or 32 months, Canadians have every reason to be encouraged about their future.

The Government has made good progress in delivering on its fiscal commitment. The deficit is down from some $38.3 billion in 1984-85, to $32 billion last year, and projections indicate a further decline to some $29 billion in the fiscal year just beginning.

This is an over-all decline of some 23 to 24 per cent. Through dealing positively with the deficit, the Government is ensuring that the well-being of all Canadians is preserved; that the future of my children and my grandchildren, and yours, will be such that they will have a much more creative environment in which to grow and to develop and to prosper.

We are determined to provide that opportunity for all Canadians, an opportunity that is not burdened by debt. The Government has acted across a full range of its programs and operations to implement the fundamental requirements of economic renewal. As a result, Canadians now have an economic climate that encourages private initiative and rewards success. It is starting to pay tremendous dividends for us.

The real growth of Canada's economy has averaged about 3.5 per cent per year, second only to Japan and much stronger than that of the United States. Consumer confidence has risen sharply and is at an all time high. Spending by consumers has provided a major impetus to growth.

Across this land, 705,000 new jobs have been created. Our employment growth has been stronger than that of any other major industrial country. The employment rate has dropped by some 2.1 per cent; short-term interest rates are at the lowest levels in over a decade, perhaps some 14 years; mortgage rates

have fallen by more than 3 per cent, making home ownership a possibility for all young Canadians; inflation is in the area of 4 per cent.

I invite you to translate those figures into the stability and the economic activity that can result.

In the agricultural sector, the farmers of my constituency welcome the fact that we did not change the capital gains tax. They are pleased with the fact that when we increased the excise tax on motor gasoline and diesel fuel by one cent per litre, we at the same time increased the rebate in a matching way.

One thing that has, in large part, gone unnoticed in the Budget is the fact that we announced that mobile veterinary clinics could come into Canada on a duty-free basis—something that was not possible before the Budget. This type of mobile veterinary clinic is not manufactured in Canada. This measure will be of extraordinary value to the agricultural community.

The small business and high technology communities of Canada welcomed the announcement of the removal of tariff measures on a number of import products. Specifically, the Budget restored duty-free entry for computer parts, semiconductors, and books. As far as the high technology community is concerned, a community which, in so many ways, is involved with a value-added type of activity, these measures may result in increased profits by as much as 50 per cent.

Not all countries, Madam Speaker, are as privileged as Canada, and one thing this Budget does is to give strong support to developing countries. Canada's foreign aid expenditures will be some $450 million higher than the 1984-85 level, an increase of some 21.8 per cent.

We are committed to achieving the objective of 0.5 per cent of our Gross National Product being allocated to official development assistance.

We have taken other measures to help developing countries. For example, we are providing all financial assistance now in the form of grants, instead of loans. As well, we now permit duty-free access for a range of goods from Commonwealth Caribbean countries.

Let me turn for a moment, Madam Speaker, to the mining sector. While it may surprise you to hear me speak of the mining sector this afternoon, I have had an enormous amount of input from that sector complimenting this Government and the Finance Minister for maintaining the flow-through share arrangement for our mineral resource industry, an industry that is so vital to Canada. It is an industry that contributes a great deal to our exports and hence to our foreign currency position. There are some 65 mining communities scattered across Canada, from Newfoundland to British Columbia.

Last year, we spent some $550 million on mineral exploration in Canada. Of that amount, some $400 million—$264 million on the part of the junior mining companies and some $136 million by the seniors—was spent through the flow-through share arrangement.

In other words, Madam Speaker, about 73 per cent of the funds raised for mineral exploration in Canada last year were funds that came through the flow-through share arrangements, giving some indication of how important that program is. I want to compliment the Finance Minister for ensuring that that mechanism stays in place.

In closing, Madam Speaker, the Government has acted on initiatives of fundamental importance to the Canadian economy. We inherited a challenge, and we have met that challenge. We will continue moving forward with our program for economic renewal in a carefully managed and consistent way. Staying the course is the key to our future prosperity.

Some Hon. Members: Hear, hear!

[*Translation*]

The Acting Speaker (Mrs. Champagne): It being 5 p.m., pursuant to the Order made Wednesday, April 1, 1987, this House stands adjourned until Tuesday, April 7, 1987 at 11 a.m., pursuant to Standing Order 3(1).

The House adjourned at 5 p.m.

HOUSE OF COMMONS

Tuesday, April 7, 1987

The House met at 11 a.m.

Prayers

ROUTINE PROCEEDINGS

[*English*]

ELECTORAL BOUNDARIES READJUSTMENT

TABLING AND REFERENCE OF REPORT OF COMMISSION—ONTARIO-1987

Mr. Speaker: It is my duty, pursuant to Section 9 of the Representation Act, 1985, Chapter 8, Statutes of Canada, 1986, to lay upon the table a certified copy of the 1987 report of the Electoral Boundaries Commission for the Province of Ontario.

Pursuant to the Act, this report stands referred to the Standing Committee on Elections, Privileges and Procedure.

* * *

PETITIONS

GOVERNMENT RESPONSE

Mr. Doug Lewis (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, pursuant to Standing Order 106(8), I have the honour to table, in both official languages, the Government's response to petitions Nos. 332-1185, 332-1195 to 332-1208 inclusive, 332-1227, 332-1255 to 332-1259 inclusive, 332-1337, 332-1421 to 332-1434 inclusive, 332-1509, 332-1518 to 332-1520 inclusive and 332-1615 to 332-1618 inclusive.

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INTERPARLIAMENTARY DELEGATION

TABLING OF REPORT OF CANADIAN BRANCH OF COMMONWEALTH PARLIAMENTARY ASSOCIATION

Mr. Howard Crosby (Halifax West): Mr. Speaker, pursuant to Standing Order 101, I have the honour to present to the House, in both official languages, the report of the delegation of the Canadian Branch of the Commonwealth Parliamentary Association to the thirty-sixth seminar on parliamentary procedure and practice, which was held at Westminster from March 3, 1987 to March 20, 1987.

May I take this opportunity to record the gratitude of the Canadian delegates to the United Kingdom Branch of the Commonwealth Parliamentary Association and to the General Secretary for sponsorship of this unique event.

It provides an opportunity for parliamentarians from across the Commonwealth to meet and exchange views on parliamentary matters. It is one of the most worth-while adventures of any parliamentary organization.

* * *

COMMITTEES OF THE HOUSE

ELECTIONS, PRIVILEGES AND PROCEDURE—FOURTH REPORT OF STANDING COMMITTEE

Mr. Albert Cooper (Peace River): Mr. Speaker, I have the honour this morning to present, in both official languages, the fourth report of the Standing Committee on Elections, Privileges and Procedure.

On June 18, 1985, the Hon. James McGrath presented to the House the third report of the Special Committee on Reform of the House of Commons. Since that time many of the reforms contained in the report have been implemented through the provisional Standing Orders. These Standing Orders are due to expire on the fifteenth of this month.

Your Committee on Elections, Privileges and Procedure has reviewed the provisional Standing Orders and has recommended changes. These recommendations come as a result of the experience we have had with these new rules and are designed to carry on the spirit of reform.

We recommend with the changes set out in our report that the provisional Standing Orders be made permanent.

ENERGY, MINES AND RESOURCES—FOURTH REPORT OF STANDING COMMITTEE

Mrs. Barbara Sparrow (Calgary South): Mr. Speaker, I have the honour to present the fourth report of the Standing Committee on Energy, Mines and Resources, in both official languages.

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

PETITIONS

OPPOSITION TO PROPOSED CHANGES TO PATENT ACT

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I have four petitions certified by the Clerk of Petitions to present this morning, dated March 27, 1987, for the benefit of my colleague who sometimes inquires about these things.

The petitioners exercise their ancient and undoubted right to present a grievance.

Whereas the proposed changes to the Patent Act will affect directly all Canadians who are not protected by private or governmental medicare programs; whereas the federal Government's proposal would raise the already high costs of provincial health care programs; whereas the monopoly granted to innovative pharmaceutical companies will prevent competition from generic companies, will result in an increase of drug costs and prices, and will severely restrict the ability of average Canadians to buy necessary prescription drugs; and whereas the proposed changes to the Patent Act are another example of the Canadian Government's concession in the free trade negotiations with the United States at the expense of everyday Canadians, therefore the undersigned, your petitioners, humbly pray and call upon Parliament to reject these proposals which will increase prescription drug prices for Canadians.

• (1110)

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, it is my pleasure to present a petition signed by people from Kingston, Peterborough, Kitchener, Hawkesbury, Cambridge, New Hamburg, Guelph, Elmira. They are concerned regarding the changes being proposed to the Patent Act which they believe will increase drug prices for Canadian consumers and restrict the ability of average Canadians to buy necessary prescription drugs. They call upon the Government to reject the continuing process of Bill C-22.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I have the honour to present petitions signed by residents of Winnipeg in connection with Bill C-22. They say that the federal Government's proposal to change the Patent Act relating to prescription drugs will increase drug prices for Canadian consumers and will severely restrict the ability of average Canadians to buy necessary prescription drugs.

Therefore, they humbly pray and call upon Parliament to reject these proposals which will increase prescription prices for Canadians.

I have another petition signed by residents in towns in Manitoba including Teulon, Stonewall, Selkirk and Winnipeg who say that the proposed measure within Bill C-22 will unfairly hurt those Canadians whose needs require the purchase of prescription drugs on an ongoing basis and that the proposal of the federal Government will result in higher costs to provincial Government drug plans,

Therefore, they humbly pray and call upon Parliament to reject these proposals which will increase prescription drug prices for Canadians.

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, I have the honour and privilege to present a petition signed by a number of residents in the Thunder Bay, Rosslyn Village, Murillo, Kakabeka Falls area in northwestern Ontario which has been duly certified by the Clerk of Petitions, dealing with proposed changes to the Patent Drug Act regarding prescription drugs. The people of my constituency and that of my neighbour, the Hon. Member for Thunder Bay—Nipigon (Mr. Epp) express concerns about the impact on pricing. They are concerned that this is just another part of the free trade cop-out.

OPPOSITION TO CANADA POST CORPORATE PLAN

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, I have three petitions.

The first petition indicates that the federal Government's proposals to seek financial self sufficiency by 1988 for Canada Post Corporation will result in cut-backs and deterioration in service of the Post Office which will consequently be at the expense of service to Canadian consumers.

The petitioners humbly pray and call upon Parliament to instruct the Government to make improved service the highest priority of the Canada Post Corporation and to instruct the Government to abandon its policy of closing rural post offices and cancelling rural routes. The petitioners are from across the country.

OPPOSITION TO PROPOSED CHANGES TO PATENT ACT

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, the second petition deals with the Patent Act.

The petitioners indicate that the changes proposed by the Government will increase drug prices for Canadian consumers and will severely restrict the ability of average Canadians to buy necessary prescription drugs. The petitioners call upon Parliament to reject these proposals which will increase prescription drug prices for Canadians.

FEDERAL-PROVINCIAL COMPREHENSIVE CHILD CARE SYSTEM

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, my final petition deals with child care.

Whereas the Conservative Government recognized at the time of the annual conference of First Ministers in November, 1986, that child care is a priority measure ensuring support and the strengthening of the Canadian family as well as promoting women's economic equality, and whereas the postponement to March 31, 1987 of the tabling of the Special Parliamentary Committee's Report on Child Care suggests it is possible that the Conservative Government will not set aside funds in its next Budget for the development of adequate child care services, the petitioners call upon Parliament to negotiate

and sign by the end of 1987 a federal-provincial agreement that provides a detailed framework for comprehensive child care systems.

OPPOSITION TO PROPOSED CHANGES TO PATENT ACT

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, I have seven petitions I wish to table this morning.

The first is signed by residents from Chilliwack, British Columbia, the home of the Speaker of this House. Whereas the monopoly granted to innovative pharmaceutical companies will prevent competition from generic companies, will result in an increase in drug costs and prices and will severely restrict the ability of average Canadians to buy necessary prescription drugs, the petitioners call upon the Government of Canada to withdraw Bill C-22, amendments to the Patent Act.

My second petition is signed by Canadians who reside in Thunder Bay, Ontario. They call upon the Government of Canada to withdraw Bill C-22, amendments to the Patent Act. They believe this Bill will negatively affect senior citizens, the poor and disabled, in the cost of prescription drugs.

My third petition is signed by individuals from the great Province of Saskatchewan, particularly the Lloydminster area, who call upon the Government and particularly the Minister of Consumer and Corporate Affairs (Mr. Andre) to withdraw Bill C-22, amendments to the Patent Act, which they believe will negatively affect Canadians regarding the cost of prescription drugs.

The fourth petition is from the Province of Newfoundland. Whereas the monopoly granted to innovative pharmaceutical companies will prevent competition from generic companies, will result in an increase in drug costs and prices and will severely restrict the ability of average Canadians to buy necessary prescription drugs, the petitioners call upon this Parliament and, indeed, the Government to withdraw Bill C-22 which they believe if not withdrawn will result in a substantial increase in the price of prescription drugs.

The fifth petition is signed by individuals from Peterborough, Ontario, Gander, Newfoundland and other parts of the Province of Newfoundland, whereby they call upon the Government of Canada to withdraw Bill C-22, amendments to the Patent Act. They wish this Bill to be taken from the House because they believe if it is passed into law there will be substantial increases in the cost of prescription drugs thereby negatively affecting senior citizens, disabled and the poor.

The sixth petition is signed by a number of individuals in the Province of Ontario, St. Catharines, Willowdale, Dalton and other parts of Ontario. They call upon the Government of Canada to withdraw Bill C-22, amendments to the Patent Act. They believe that if this particular piece of legislation is consummated into law that it will affect very negatively senior citizens, the poor and the disabled in this country as it relates to the escalation in the cost of prescription drugs. They hope that Conservative Members of Parliament will withdraw Bill C-22.

My seventh petition, and in keeping with your wishes, Sir, in summary form, we have individuals who have signed this petition from the great Province of Saskatchewan, particularly the area of Saskatoon. Other individuals have signed from Ottawa and New Brunswick. They call upon the Government of Canada to withdraw Bill C-22, amendments to the Patent Act. They believe that if this Bill is passed into law it will negatively affect senior citizens, the aged and the disabled as it relates to the escalating cost of prescription drugs in Canada. They hope that government Members will see the wishes and the wants of Canadians and withdraw Bill C-22 which they believe will negatively affect the people of Canada.

[*Translation*]

Mr. Howard McCurdy (Windsor—Walkerville): I have several petitions, pursuant to Standing Order 106.

[*English*]

These petitions come from a number of parts of Canada, Halifax, Dartmouth, Sackville, Moncton, British Columbia, St. John's, Regina and Montreal.

• (1120)

All of the petitioners are exercising their rights as Canadian citizens to avail themselves of their ancient and undoubted right to present a grievance common to them all in the certain assurance that the House will provide a remedy.

The petitioners note that the Government intends to change the Patent Act relating to prescription drugs and they note that this will increase prices for consumers, restrict the availability of such medication to average Canadians and increase the costs to provincial government drug plans.

They cite this as being another example of the Canadian Government making concessions in the interests of pleasing the United States in the bilateral trade agreement.

[*Translation*]

And they humbly pray and call upon Parliament to reject these proposals which will increase prescription drug prices for Canadians. And as in duty bound your petitioners will ever pray.

* * *

[*English*]

HOLIDAYS ACT

MEASURE TO AMEND

Mr. Bob Pennock (Etobicoke North) moved for leave to introduce Bill C-253, an Act respecting Heritage Day.

He said: Mr. Speaker, it is a distinct pleasure to introduce my private Member's Bill. The purpose of this Bill is to designate the third Monday of February as a legal holiday to be known as Heritage Day to reflect our country's deep and diverse history.

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

Some Hon. Members: Agreed.

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

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Doug Lewis (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 80, 88 and 97.

[*Text*]

DELTONIC TRADING CORPORATION

Question No. 80—**Mr. Riis:**

1. Did the Royal Canadian Mounted Police conduct an investigation into the activities of Deltonic Trading Corporation of Toronto, Ontario and, if so (*a*) for what purpose (*b*) on what dates did it commence and conclude?

2. Were there any charges laid against any officers of the Corporation and, if so, against whom?

Hon. James Kelleher (Solicitor General of Canada): 1. Yes. (*a*) The investigation was conducted by the Royal Canadian Mounted Police to determine if Deltonic Trading Corporation, Toronto, Ontario committed any infractions of the Export and Import Permits Act. (*b*) The investigation commenced on October 23, 1985, and concluded on October 30, 1986.

2. No charges were laid against Deltonic Trading Corporation or any of its officers.

INDUSTRIAL AND REGIONAL DEVELOPMENT PROGRAM GRANTS

Question No. 88—**Mr. Parry:**

Since 1982, did the Government give assistance, grants or loans to Three Buoys Houseboat Charters Ltd., Ontario Wilderness or Canadian Wilderness Adventure and, if so, for each company, by year and department, in what amounts?

Hon. Michel Côté (Minister of Regional Industrial Expansion): Since 1982 an amount of $36,175 was given to Canadian Wilderness Adventure Ltd. under the Industrial and Regional Development Program (IRDP). While an offer for further assistance under the Canada-Saskatchewan tourism Agreement was announced on August 12, 1986, no payments have yet been made.

VISIT OF RED ARMY CHORUS TO CANADA

Question No. 97—**Mr. Blenkarn:**

Did the Government incur any expense with respect to the recent visit of the Red Army Chorus to Canada and, if so, what was the (*a*) total amount (*b*) amount spent on (i) hospitality (ii) transportation (iii) hotels?

Mr. Doug Lewis (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): The Government did not incur any expense with respect to the recent visit of the Red Army Chorus to Canada.

[*English*]

Mr. Deputy Speaker: The questions as enumerated by the Parliamentary Secretary have been answered.

* * *

QUESTION PASSED AS ORDER FOR RETURN

Mr. Doug Lewis (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, if Question No. 83 could be made an Order for Return, the return would be tabled immediately.

Mr. Deputy Speaker: Is it the pleasure of the House that Question No. 83 be deemed to have been made an Order for Return?

Some Hon. Members: Agreed.

[*Text*]

COST OF PRIME MINISTER'S TRIP TO ASIA

Question No. 83—**Mr. Boudria:**

1. Did the Prime Minister visit Japan, China and South Korea in May, 1986, and, if so, what was the total cost to the taxpayer of the trip including aircraft tickets, charters, ground transportation, technical help, hotel rooms, etc?

2. Were any aircraft chartered and, if so, in each case (*a*) from which company (*b*) what was the make and model (*c*) at what cost (*d*) what was the cost for landing fees in each country?

3. (*a*) How many persons accompanied the Prime Minister (*b*) what were their names and specific roles?

4. Were recorded video cassettes sent to the Prime Minister during this period and, if so (*a*) by what means (*b*) at what cost, and was such cost borne by the taxpayer?

5. Where there any entertainment costs associated with the trip and, if so, what was the cost in (*a*) Japan (*b*) China (*c*) South Korea?

Return tabled.

[*English*]

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

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

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

PATENT ACT

MEASURE TO AMEND

The House resumed from Thursday, April 2, consideration of Bill C-22, an Act to amend the Patent Act and to provide for certain matters in relation thereto, as reported (with amendments) from a legislative committee, and Motions No. 3 (Mr. Dingwall, p. 4820), (Mr. Orlikow, p. 4820), and Motions Nos. 5, 11, 13 and 15 (Mr. Dingwall, p. 4820).

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, I am glad to rise to participate in today's debate.

Bill C-22, the Act to amend the Patent Act, is a very important Bill. There is a series of amendments before the House at this time, Motions Nos. 3, 5, 11, 13 and 15 as well as Motion No. 4 standing in the name of the Hon. Member for Winnipeg North (Mr. Orlikow).

[*Translation*]

Mr. Speaker, it is important to have a debate on the issue of patents here in Canada. It is very important for Canadians. I was here in 1969, seventeen years ago, when the legislation was adopted by the Trudeau Government. At the time, we were discussing the issue of pharmaceutical products here in Canada, and the price of drugs in Canada was much higher than in the United States. If I am not mistaken, we were paying about 15 per cent more for drugs in Canada than in the United States. When the Trudeau Government, with the support of the New Democratic Party, proposed allowing generic drugs, there was a very big difference between the Canadian price and the American price.

According to the report by Prof. Eastman, who made an exhaustive study on the subject, ever since the legislation on generic drugs was adopted there has been a tremendous drop in drug prices here in Canada. We are now paying about 20 per cent less for drugs than in the United States. So seventeen or eighteen years ago, the big difference between Canada and the United States was that we were paying 15 per cent more, and now we are paying 15 or 20 per cent less for the same drug, the same pharmaceutical product, Mr. Speaker. That is a good thing for Canadians, for senior citizens in Canada and for large families. We must not forget that in our country many people live in poverty and it will be very difficult for these people to cope with an increase in the price of drugs.

Mr. Speaker, there will also be a further increase in costs for the provincial governments if Bill C-22 is adopted, because many provinces now have a medical insurance plan for drugs. If prices go up, the cost of these plans will also go up in provinces like Saskatchewan, for instance. Saskatchewan already has a massive deficit, and this would be just one more problem for the Saskatchewan Legislature.

[*English*]

The motion standing in the name of the Hon. Member for Winnipeg North proposes to amend the Bill in a very positive and progressive way following the advice of Dr. Eastman's very well-meaning and well-researched report published back in the spring of 1985.

Under the present legislation, the Conservative Party, bowing to the wishes of the pharmaceutical lobby and the huge American multinationals, wants to get rid of generic pharmaceuticals that allow Canadians to pay less for drugs here in Canada than Americans pay in the United States. The Conservatives want to give those companies 10 years of patent protection for new drugs and seven or eight years of patent protection for drugs in varying states of regulatory approval. There will now be 10 years of protection for the Conservative Party's friends in the big multinational drug corporations.

The motion of my friend, the Hon. Member for Winnipeg North, proposes to reduce the 10-year period to four years so that after four years, there could once again be competition from generic companies to bring down the price of drugs for ordinary and average Canadians from coast to coast. That is a good amendment for ordinary Canadians. It is good for the poor people of Kamsack, the unemployed in Yorkton, the native people on reserves in my riding, and for the Saskatchewan deficit.

• (1130)

I cannot understand why the Conservative Party is going to bat for the huge American drug industry, trying to fatten their wallets. Why? Because the Prime Minister (Mr. Mulroney) wants to make a free trade deal with President Reagan and the U.S. Congress. There is no consensus in Canada going in that direction. All those public opinion polls, the ones that ask fair questions, show that people do not want to go in this direction.

Our present legislation is very popular and Canadians want to keep it. In September, 1984, they did not elect the Government to go in an extreme right-wing conservative direction by giving more and more to foreign multinationals. They got rid of the Liberal Party because they were tired of 20 years of the Liberal Party. They did not vote for a free trade arrangement with the United States which would jeopardize our sovereignty and independence. They did not vote for this kind of legislation which is the first step in that direction.

I want to make another point. I have had many farmers, including Conservatives, Liberals and NDPers, come to me in the last year and a half and say they want to expand the generic legislation to cover farm chemicals as well. Farmers want freedom from paying excessive prices for farm chemicals to big multinationals like Dow and Monsanto. They want the right to produce generic farm chemicals and bring down the price so they can get those chemicals at cost.

This legislation before us today will not only hurt Canadians in the price they pay for drugs, it will set back a campaign by farmers to have the right to produce their own chemicals at

cost. That is wrong. The farmers should have that right through their own organizations and co-operatives, or with provincial Governments in joint ventures. If we pass this Bill then farmers, along with other consumers, will lose an important right. I appeal to my friends in the Conservative Party to listen to the people who elected them in 1984 and not proceed with this Bill. If they do, then they should accept this extremely reasonable amendment.

I want to once again read Motion No. 4 so Members will understand what it means. It says:

"for sale for consumption in Canada until the expiration of four years after the date of the notice of compliance."

Instead of giving free rein for 10 long, long years to foreign multinational drug companies so they can gouge the people of Canada by charging whatever they want for their new pharmaceuticals, instead of allowing them to fatten their wallets at the expense of the poor and the elderly, my colleague from Winnipeg North wants to reduce that monopoly to four years. After that time a new company can produce the same drug at a reasonable cost on paying a reasonable royalty.

Who do we represent here? I say we represent the ordinary, average Canadian. That is what the NDP does. The Conservative Party is in third place in the polls because they represent the wealthy, the rich, the privileged, indeed the big businessman in the U.S. There has never been in the history of Canada a political party in Government which has been in third place. That is the most unpopular Government in the history of Canada according to the Gallup poll. Little wonder.

I notice that the Hon. Member for Selkirk—Interlake (Mr. Holtmann) has come into the House on crutches. Perhaps he met one of his constituents who was angry with his Party because they are trying to charge higher drug prices.

Mr. McDermid: He kicked an NDPer in the head and broke his ankle.

Mr. Nystrom: Dr. Eastman said that getting rid of generic pharmaceuticals in Canada will mean ordinary Canadians will pay more. This is simply because the Conservative Party wants its friends who own the big drug companies to get bigger profits and bigger dividends. It is about time they were turfed out of office just as the public opinion polls suggest. It seems to me every time the Conservative Party forms a Government in this country they so alienate the Canadian people that they are out of office for 20 or 30 years after that. Back in the 1930s R. B. Bennett destroyed the Conservative Party for 20 years. Then it happened again for another 20 years. This time it will happen for a couple of generations.

Mr. Maurice Foster (Algoma): Mr. Speaker, I am glad to have an opportunity to speak on Motions Nos. 3, 4, 5, 11, 13 and 15 because they get at one of the most serious flaws in this Bill. They deal with the question of not only putting a patent on the process but on the product itself. This is extremely important. If you look at the information provided to us by the biotechnology companies, Cangene in Mississauga, Ontario, point out that this legislation will remove that protection. Only the process would be patented. Presently, companies like Cangene can produce drugs because only the process is patented, not the actual product. I hope the Government, when it comes to vote on this part of the Bill, will agree with small companies like Cangene and act to keep them in business.

There is a tremendous market out there for the kind of technological breakthroughs which companies like Cangene produce. For example, protein-based pharmaceuticals accounted for something like $2 billion in the world market and about $50 million here in Canada. In the future it will expand to some $250 million in Canada and $10 billion around the world. If we take away their right to produce generic drugs then we are simply turning that market over to the multinationals.

• (1140)

It is obvious that the Patent Act amendments are part of the free trade negotiations. We hear the Government talking about how great free trade will be. However, we will be imposing billions and billions of dollars of additional costs on families for pharmaceuticals. The increase will not be imposed on civil servants or Members of Parliament who have pharmaceutical drug programs attached to their jobs. They will not be imposed upon people who work for large companies and have unionized collective bargaining arrangements. They will be imposed upon the poor and the weak who do not have such protection. Four million of these people will be paying higher drug prices if this legislation is passed.

The Canadian Drug Manufacturers Association estimates that if this Conservative program is put in place profits for the multinationals will rise by $3.5 billion over the next nine years. For every $3 made by the multinationals $1 will go into R and D. The Government promised that 3,000 jobs would be created. Using Statistics Canada figures, the loss of $3.5 billion in extra profits means a loss of 90,000 man-years of employment or about 9,000 jobs. The Government is talking about creating 3,000 jobs if this legislation is passed. However, an article in *The Sault Star* of December 17, 1986, is headlined: "Cleaners among 'quality jobs' to flow from new drug patent rules". The article reads in part:

> But a document prepared last spring by Andre's department estimates only 1,700 of nearly 3,000 jobs—about 57 per cent—will be created in the professional category and filled mainly by PhD-level applicants.
>
> Another 650, or about 22 per cent, are classed in the document as "technical," meaning they will go to laboratory technicians and require the services of someone with community college training or an undergraduate degree in science.
>
> The remaining 620—around 21 per cent—will be filled by "others," which Consumer Affairs spokesman David Watters defined Tuesday as managers, cleaners, animal keepers, statisticians and clerks.

Of the 3,000 jobs we end up with only 1,700 for high-level research people. We will end up with a massive loss through this legislation because most of it is going to profits and there is no commitment in the legislation for jobs at all. As a matter of fact, the large multinational pharmaceutical companies can

just take the extra profits and run. There will be no benefits to Canadians.

Even the Minister would not claim that the additional costs of $3.5 billion over the next nine years will benefit Canadians significantly through jobs. This is just part of the free trade negotiations.

President Reagan's top adivsers are from the large multinational corporations. They tell the Prime Minister (Mr. Mulroney) that he must impose an additional $3.5 million on the Canadian people so that the multinational corporations can make many extra millions of dollars from Canadians who have been protected from this since 1969. The benefits are simply not there with regard to jobs. The down-side for Canadians is tremendous in additional costs to low-income and elderly people who are not protected by drug programs.

The Government had a complete format before it. The Eastman Report laid out a middle ground which would provide incentive for scientific research in drugs and pharmaceuticals. It recommended a royalty program for a three or four-year period and special royalties beyond that for people who did scientific research.

That the Government wants to jump on the bandwagon of the American multinational corporations shows the tremendous power which President Reagan and his advisers have over the Prime Minister. I find it unbelievable that when the Government is running at 22 per cent in the polls it is trying to curry favour with the American multinationals and socking it to ordinary Canadians who are not covered by drug programs.

Cangene is a small Canadian high-tech company operating near the riding of the Hon. Member for Brampton—Georgetown (Mr. McDermid). I do not understand why the Member would want to put such a company out of business.

Mr. McDermid: Nonsense. They won't be out of business and you know it. That's utter nonsense. Be honest.

Mr. Foster: The company has made it very clear that it will be put out of business by this legislation. It has lobbied the government and the opposition caucuses. If the Government does not accept this amendment it will be putting companies like Cangene out of business and the Hon. Member knows it.

Mr. McDermid: Nonsense. They're doing much better than you and I.

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, I welcome the opportunity to enter this debate. I have, of course, spoken on this legislation before but there is now an amendment before us. It is a pleasure to enter this debate, particularly when we hear heckling from Members on the government side who seek to participate in the debate by heckling rather than standing up and speaking.

Mrs. McDougall: Unlike yourself.

Mr. McDermid: We want you to tell the truth, that's all. Be honest with the Canadian public.

Mr. Keeper: Mr. Speaker, I object to the Member across the way implying or stating that I am not telling the truth. If that Member wants to speak on this legislation he should have the courage to stand in his place and do so rather than casting false aspersions at Members on this side of the House.

Mr. McDermid: If the shoe fits.

Mr. Keeper: Mr. Speaker, the Member says "if the shoe fits". He does not even have the honesty or courage to withdraw a false and unfounded accusation.

Mr. McDermid: If the shoe fits.

Mr. Keeper: The Members over there scoff but we know the reputation of the Government with regard to honesty and frankness.

Mr. McDermid: I just said "be honest". I did not accuse you of being dishonest. I said "be honest".

Mr. Keeper: He plays with words.

Mr. Deputy Speaker: Could we get back to the clause, please.

Mr. Keeper: Mr. Speaker, I object to a member of the Government accusing me at the beginning of my speech of being dishonest. I think that is unparliamentary. It is typical of the Government which has no sense of fairness and which, through its own actions, has introduced dishonesty into public affairs in the country.

• (1150)

Mr. McDermid: We struck a nerve over there.

Mr. Keeper: I want to explain this amendment so Canadians will understand why we have moved it.

Since the Government has introduced legislation with regard to generic drugs, it should adopt as part of its policy the compromise drafted by Professor Eastman which has found a broad range of public support and for which there is political consensus in the country, with three major exceptions; they are, the pharmaceutical industry, the American Government and the Conservative Party.

We suggest that if the Government is proceeding with its legislation on patent drugs it should follow the will of the Canadian people rather than forging ahead with its own political agenda and philosophy, right or wrong. We suggest it should follow the democratic approach and the political consensus and adopt a policy that has been accepted by the Canadian public.

The Eastman proposal is a compromise between the legislation that is currently on the books and the legislation that the Government is proposing. The present legislation

allows generic drugs to be introduced into the market-place so that people can buy drugs at a reasonable price. There is no period of exclusive protection for the patent drug manufacturers in the pharmaceutical industry but they do have some protection because it takes time for a new drug to be approved and the various processes to be undertaken. There is a period in which patent drug manufacturers have some protection. However, there is no time period in law in which they have an exclusive monopoly.

Prior to this present legislation, which has served Canadians well, drug companies were gouging Canadians. The introduction of generic drugs made drug prices more reasonable although still expensive for the average Canadian.

The Government's proposed legislation will provide ten years of legislated exclusivity and promises a monopoly to the pharmaceutical industry for a full ten years. It can charge what it wants for ten years and, given past history of what patent drug companies have done, they will gouge Canadians for those ten years.

Of course, the patent drug companies should make a fair profit. It is common knowledge that the companies set out an agenda for the introduction of a drug, a plan to recover their costs and make a profit within a five-year time frame. Why should they be given a ten-year monopoly?

Professor Eastman has suggested a compromise which recognizes the good aspects of the present legislation and the need for patent drug companies to have some protection for a limited time with the introduction of new drugs. Professor Eastman proposed that this time period be four years, which seems to be a reasonable proposition since most drug companies plan to make a profit on a drug in five years. Canadians could then look forward to receiving drugs at a more reasonable cost in a shorter period of time.

The Government does not wish to follow the political consensus in the country and adopt a proposal that would serve the interests of the consumer and the generic drug companies while recognizing the legitimate interests of patent drug companies. That should be reflected in this legislation.

[*Translation*]

Mr. Speaker, I just want to say it is high time the Government realized there is a consensus among Canadians. The public feels that Professor Eastman's proposals are good ones and that the compromise is a practical one and recognizes the interests of the pharmaceutical companies, the generic companies and the Canadian public.

I want to ask the Government why it will not act on this Canadian consensus. Why won't it adopt the compromise formulated by Professor Eastman? Why not reconsider your own ideas? And why are you and the pharmaceutical companies and the U.S. Administration the only groups that will not be a party to this Canadian consensus on a new approach, an approach that protects the Canadian consumer?

Mr. Speaker, I think it is time this Government reconsidered its own approach and remembered that it is a democratic Government and that it needs the approval of Canadians for every measure it introduces in the House.

Finally, I simply want to ask this Government why it doesn't follow the Canadian consensus on this matter.

[*English*]

Mr. Len Hopkins (Renfrew—Nipissing—Pembroke): Mr. Speaker, Bill C-22 is another good example of the Government supporting its big business friends in this country to the detriment of Canadians.

There have been arguments that this legislation is not detrimental, but history has proven that such arguments are wrong. In 1969, when there was protection, drug prices were at their highest in Canada. Long-term protection means there will be a monopoly and some abuse of the system.

In a debate such as this it is very important to examine the various motions separately and discuss the substance of each one. According to the draft ruling, Mr. Speaker, Motions Nos. 3,4,5,11,13 and 15 are grouped for debate. They should not be grouped for debate in this way because they deal with entirely different topics. How can one debate or even vote for motions that are quite different? There is a conflict between these six motions and I think it is totally unfair for the Government to expect people to vote on two separate matters at the same time.

• (1200)

Motions Nos. 3, 13 and 15 deal with the kinds of patents which will now be authorized under the new legislation. On the other hand, Motions Nos. 4, 5 and 11 deal with the period of patent protection accorded to a patentee. Since the two groupings deal with entirely different subject matters, they must be debated as separate groups rather than just being voted on as one total group.

There is another good argument for this as well. Motions Nos. 3, 13 and 15 delete product patents from the legislation. As the law now stands, only processed patents can be granted. Bill C-22 would allow product patents to be granted as well.

Canadian biotechnology firms say this change will effectively put them out of business. I think that is going to be very interesting to the Canadian public at large because when one puts someone out of business one is simply helping to further corner the market. Canadian biotechnology firms are really concerned about this and want to keep the process of genetic engineering patentable. Because these substances naturally occur, they do not believe that the product developed from the use of the process should be patentable.

We can talk about companies like Cangene, as a further example, which extract naturally occurring substances, genes, from healthy individuals and inject them into unhealthy individuals in a manner which really triggers the unhealthy individual to manufacture the substance in his or her own

body. These things really should be explained in greater depth and hopefully will be before this debate is over.

Motions Nos. 4, 5 and 11 deal with the recommendations of the Eastman report. These recommendations deal with a four-year period of exclusivity after the granting of a notice of compliance. Here is where I want to talk about the 14 per cent royalty. As you know, Mr. Speaker, the pharmaceutical royalty fund into which all royalties would be paid, would be apportioned according to the amount of research and development performed by each company in Canada. It is rather interesting to note that the Government wants to protect the research and development of big business interests in Canada and the United States, but it is certainly not willing to put its money where its mouth is in research and development in many areas of activity. The Government has proven that by its actions over these months.

Dr. Eastman felt that by increasing royalties, rather than unduly lengthening the period of protection, we would avoid the anti-competitive aspect of exclusivity. Exclusivity in terms of this legislation and the Government's policy, means that the companies which develop the drug should have a 10-year period of exclusivity as opposed to Dr. Eastman's recommendation that there be a four-year period. This will mean that those major companies will have 10 years of exclusivity to protect their product and to set their prices.

We hear that this will be good for Canadians in the long run. I simply go back to the state in which we found ourselves in 1969 when Canada had the highest drug prices in the world and, as a result, some of the protection had to be taken away from the major drug companies.

It does not matter with what good intent the Government wants to talk about the 10-year period, what it is in fact doing is giving its big business friends, whom people are becoming very accustomed to hearing it support, a total monopoly on that product for a period of 10 years? Is it fair to allow a total monopoly on a drug, particularly one which is in great demand for treating cancer, arthritis or any of the major illnesses which affect people in such a painful way? Is it fair to give any major company an exclusivity or monopoly on that drug for a period of 10 years?

We have to seriously ask ourselves at this point what the price of that drug will be? What will be the mark-up, what will be the profit, and is it really going to affect not only the individual who still pays for his or her drugs but provincial health plans and other company plans which include purchase of drugs for their employees?

It is not just the individual who will be hurt. It will hurt the public funds and we know where public funds come from to pay for drug plans. They come from the taxpayers of Canada. The Government has brought in the biggest increase in taxes ever seen in this country in the first three budgets brought down by the Minister of Finance and it has been cutting back on provincial government financing. At the same time it is going to give a 10 year protection for major drug companies, going against those health plans which are sponsored provincially and, particularly, those which are still paid for by individuals.

Why is it not fair to go the route of the royalty policy recommended by Dr. Eastman? There are some benefits in that policy for all drug producers, and he recommended a four-year protection period, which would seem very fair under all the circumstances.

The pharmaceutical royalty fund, joined up with the four-year exclusivity or protection clause for major drug developers, in our view, is a very fair system and a very fair way to go. It is much more fair than giving a 10-year monopoly on a drug, so that these companies can charge what they want, which will affect public health funds paid for by the taxpayers of Canada. It lays itself wide open for abuse because these companies can charge top rates for their drugs.

I call upon the Government on behalf of our senior citizens, the middle-income earners who are being taxed higher than ever before, and the lower-income earners, to have some pity and set aside its relationship with its friends for awhile and think of the average people of Canada.

Mr. Neil Young (Beaches): Mr. Speaker, I am pleased to have another opportunity to say a few words on the proposal by the Government to amend the Patent Act, particularly that section of the proposed Bill which deals with providing pharmaceutical companies with 10-years of patent protection. I think it is worthwhile reminding the House again that what we are talking about here is providing 10 years of patent protection largely to multinational corporations.

• (1210)

There is clear evidence that by giving these corporations this increased patent protection, assuming that the historical pattern continues, we will see more and more of those corporate profits exported to the home base of the multinationals, something which I doubt very much will make much of a contribution to the Canadian economy or, indeed, to research and development in Canada on pharmaceutical products.

In considering this measure, Mr. Speaker, we should review what the Minister, in particular, has advanced as his main argument in favour of 10 years of patent protection.

Initially, the Minister made the argument that 10 years was not a severe or undue period of time for patent protection for these corporations, and in making that assertion he compared what happened in the brand name multinational sector to the experience of the Canadian manufacturers of generic drugs. He argued that because it took generic copiers some 11 years to get a product on to the market from the time they first began entry into the approval process with the Department of National Health and Welfare, giving the brand name manufacturers 10 years' protection would not unduly harm the generic drug manufacturers.

In making that argument, the period that the Minister was talking about, in all probability, was the short period following 1969, when patent protection was finally removed from pharmaceutical products. That is when the generic Canadian manufacturers were newly entering this whole field.

While it is quite true that it did take 10 to 12 years to get a copy on the Canadian market in that period, since that time the Canadian companies have become much more sophisticated, with the result that it now takes only four to six years to get a copy on the market.

So, the Minister's argument no longer stands up, Mr. Speaker. It also indicates that the Minister himself has a real lack of knowledge as to what is going on in this country insofar as pharmaceutical products are concerned. It makes one wonder why the Government rushed in with this legislation, in the face of all the reports that have come down over the years arguing against precisely what this Government is doing.

In the 1960s, prior to 1969, there were no fewer than three major studies conducted into the pharmaceutical industry in Canada—and for very good reason. There was a tremendous amount of pressure on governments from consumers across Canada, who were faced with the highest drug prices of any country in the world. Governments, in response to that pressure, set up various studies into the industry.

The Restrictive Trade Practices Commission brought down a report that concluded that the reason Canadian drug prices were the highest in the world was that the multinational companies enjoyed a monopoly on pricing in Canada. The Commission recommended that one of the ways to get around that was to inject competition into the field by removing patent protection for pharmaceutical products.

The Government did not act at that time, probably due to pressure from the multinational companies.

In the middle 1960s, the Hall Commission conducted a further investigation, arriving at exactly the same conclusions. The Government of the time ignored that. However, the pressure continued.

What the Government then did was to establish an all-Party House of Commons committee, under the chairmanship of the then Member of Parliament, Mr. Harley. That committee—and it was an all-Party committee—recommended to the House of Commons exactly what the previous two studies had recommended, that patent protection be removed and that, in its stead, there be some kind of royalty paid to the multinational companies by the Canadian generic drug manufacturers. In 1969, that is exactly what the Government of the day did.

When the Minister argues that somehow or other Canadian generic copiers, the manufacturers in that sector of the Canadian economy, are like scavengers who are stealing the research and development from multinationals, he does not mention that the Canadian copiers are required to pay the multinationals a 4 per cent royalty fee for the use of the product.

One might ask, why 4 per cent. The reason is that all of the commissions that studied this question concluded that, of the total sales revenues the multinational manufacturers received, 4 per cent was spent on research and development. Given that fact, it was felt that a 4 per cent royalty was fair compensation to the multinational companies for the use of their products.

The studies did not end with the commissions established prior to 1969. Following the amendments to the Patent Act in 1969, because of pressures from the multinationals—which never did accept that policy—other commissions and studies were set up. Between 1969 and 1983, we had four studies that I am aware of; and within the Department of Consumer and Corporate Affairs, an internal study was carried out. That study concluded that Canada's policy, as adopted in 1969, was a fair policy, and a good policy for Canadian consumers.

Not satisfied with that, in 1981 or 1982, Professor Harry Eastman was asked to conduct yet another study into the pharmaceutical industry. Mr. Eastman tabled his report in the House of Commons in 1983.

In his report, Mr. Eastman concluded that the policy put into effect in 1969 was a good policy for Canada and for Canadian consumers. He pointed out that in 1983 alone, this policy had saved Canadian consumers some $211 million in drug costs. He went on to point out that if the multinationals believed they had an argument in favour of some patent protection, the period be set at four years. This was his recommendation after listening to all of the evidence and after looking at the arrangements in place in other countries.

In his report, Mr.Eastman pointed out some of the problems that lay within the Department of National Health and Welfare in terms of the approval process, and included recommendations to expedite the process.

But what did the Government do, Mr. Speaker? It ignored the Eastman report. Under normal circumstances, that report would have been referred to a parliamentary committee for further study and recommendation. But that is not what this Government did. Instead, it ignored the report completely and waltzed in here with the Neanderthal proposals that are contained in Bill C-22, which they are now in the process of trying to ram through the House.

Mr. Speaker, I think the Government is making a grave mistake. The majority of Canadians appreciate the legislation that we now have. It is legislation that protects the Canadian consumer, while being good for Canada itself.

In the generic drug manufacturing sector we have a growing industry that is purely Canadian, Canadian-based. The profits from this Canadian industry are flowing back into Canada, creating Canadian jobs. Given all of that, I, for the life of me, cannot understand why this Government, through this legislation, is trying to drive the generic drug manufacturers out of business.

No matter how one looks at this legislation, Mr. Speaker, it makes absolutely no sense.

• (1220)

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Mr. Speaker, as a Member of Parliament who was in the House in 1969, when the original legislation was passed, I believe what the Government is attempting to do in Bill C-22 is completely wrong. I participated in the committee which studied the issue at that time and, as many Hon. Members have stated, it was clear that drug prices in Canada were among the highest in the world. I believe we were being unfairly treated at that time by large multinational drug companies.

There was much evidence to that effect in 1969 and, for that reason, the Liberal Government of the day brought in legislation to provide for compulsory licensing of patents on pharmaceutical products so there would be more competition in the drug business, so that drugs could be delivered to consumers at a cheaper price as a result of competition, and that competition would take place because we lessened the patent protection given to drug companies when they discovered new drugs.

Following the legislation in 1969, as Hon. Members know, there was a considerable lowering of drug prices to Canadians. The prices of drugs which were essential to old people, children, and people with chronic diseases came down considerably. However, following that period of time there have been complaints by large multinational drug companies. They felt that they were not being treated fairly and that they would only conduct research and production in Canada if amendments were made to the Act which would give them greater patent protection on the new drugs they discovered.

The previous Liberal Government took a serious look at the requests and set up the Eastman Commission. The commission spent a lot of time studying the matter and came to the conclusion that certain changes could be made to meet the legitimate concerns of pharmaceutical companies and at the same time protect consumers by giving them low drug prices.

However, what did the Conservative Government do? It did not accept the principal recommendations in the Eastman report. For example, the Eastman Commission recommended that drug companies be given a four-year exclusive protection on drug patents and then be subject to a licensing system, with royalties being paid by those to whom the compulsory licences were granted and the moneys from those royalties being distributed for further research to the companies developing new products. The Eastman Commission recommends four years of protection, and the Government decides to give 10 years of protection. It is out of line. It is beyond what was recommended by the Eastman Commission as being fair play in respect of pharmaceutical companies.

Recently we have received information indicating that pressure was put on the Conservative Government by American negotiators in the free trade negotiations. They wanted the drug Act amended, and this is the way they wanted it amended. It appears that the Government is more concerned with pleasing the United States than listening to the recommendations in the Eastman report.

Motions Nos. 3, 4, 5, 11, 13, and 15 are before us at report stage. They have been presented by the opposition Parties, in particular the Hon. Member for Cape Breton—East Richmond (Mr. Dingwall) who put up a substantial fight against some of the outrageous provisions in Bill C-22.

At this particular time we are dealing with motions to delete product patents from the legislation. Under the present legislation, compulsory licensing is allowed on process patents but not on product patents. However, the Bill tends to include product patents as well. The purpose of these amendments if they are accepted by the House would be to take product patents out of the Act.

By the way, several Canadian biotechnology firms say that if the change as proposed by the Government goes forward and product patents are included in the legislation, it will effectively put them out of business. I ask government Members to take the pleas of certain Canadian biotechnology firms seriously and to consider seriously the amendments.

As well, Motions Nos. 4, 5, and 11 deal with a matter which I raised a few seconds ago. They would amend the Bill to put into effect Dr. Eastman's recommendation that only a four-year period of exclusivity be given to pharmaceutical companies on their patents, not a ten-year exclusivity.

They would also include the suggestion of Dr. Eastman that there be a 14 per cent royalty and a pharmaceutical royalty fund. Once a compulsory licence was given to a company to produce a generic drug under the provisions of the law and in competition with the company which discovered the drug, the royalty moneys would go into a fund and would be apportioned according to the amount of research and development performed by each company in Canada. The royalty moneys collected would be put to good use, and I think we are on good ground in proposing such an amendment. As I said, it was as a result of extensive study by the Eastman Commission.

The Eastman Commission was set up by the former Liberal Government in recognition that some change had to be made. However, in no way is there any justification for the provisions in the Bill now before the House.

I should point out that 15 per cent of Canadians are not covered in any way by insurance plans for pharmaceutical drugs. This means that four million Canadians do not have insurance plans, such as Blue Cross or whatever, to cover the costs of very expensive drugs which they must purchase when they are sick, especially those with chronic illnesses that can last from two years to five years who must buy drugs week after week. Of the 85 per cent covered, they are not totally covered. We all know this. I have a plan which has a deductible clause of a couple of hundred dollars. When I purchase prescription drugs, I cannot start collecting on my insurance until I have reached a certain amount.

In closing, I ask Hon. Members of the House, particularly members of the Government, to pay more serious attention to

these amendments. They are not only the products of members of the Opposition, they were put forward in the Eastman report and were contained in the briefs of many companies which appeared before the parliamentary committee.

Mr. Jim Fulton (Skeena): Mr. Speaker, I am pleased to have an opportunity to discuss Bill C-22 and in particular Motion No. 4. This amendment is a compromise. The Eastman Commission recommended patent protection for four years as opposed to the Government proposal of ten years. Providing the extra six years, as proposed by the Government, is unfair to consumers and to generic companies which have proven to be a boon to the country in terms of providing low-cost, high quality pharmaceuticals to Canadians who require them.

• (1230)

We have found as this debate has developed that the government proposal is a direct cave-in to multinational drug companies, the U.S. Government and President Reagan. We have learned too that certain lobbyists and others in the United States were aware of some of the contents of the Bill and some of the Government direction prior to Members of this House and the Canadian public being aware.

In Motion 4 we are discussing the work done by Professor Harry Eastman and the Commission of Inquiry on the pharmaceutical industry, which report the Government seems to want to stick back under the carpet instead of dealing with, in the best interests of Canadians.

We have heard time and again from the Minister of Consumer and Corporate Affairs (Mr. Andre) and other members on the government side that unless we go forward with Bill C-22 as it is we will not see the kind of scientific and research work being done in Canada that is being done in other areas of the world.

As Professor Eastman discovered through his commission of inquiry, four years lead time is all that is required for pharmaceutical companies to recover the costs of their research. Why is the Government proposing to give two and a half times that length of patent protection to the pharmaceutical industry after a commission of inquiry demonstrated through statistical analysis, evaluations and discussions with the scientific community, the pharmaceutical industry and with the generic drug producers, that four years was the recommended length of time.

Our Motion 4 is really a compromise. It deals with the work that Professor Eastman undertook and it provides the kind of realistic protection which the drug industry requires.

Professor Eastman's report was published only two years ago in the spring of 1985, but his recommendations and material have dogged this Government throughout the entire debate. It tries to pick and choose, take little bits of the Eastman report and put others aside, in particular the question of the ten years versus four years of patent protection, something which all Members of this House should be moving to support. The Government protects the existing industry. What about the consumers who stand to pay, not just millions, not just tens of millions but hundreds of millions of dollars in additional costs for pharmaceuticals?

Professor Eastman, although an academic, achieved what the Government has not, namely, a political consensus. Government Members are not participating in this debate in the kind of open way I think they should in discussing the guts of the motion before us, namely, why the Government feels so strongly that there should be 10 years of patent protection. We are relying on the results of the commission of inquiry which indicated that four years protection is absolutely all that is required.

The Government continues to spin its wheels. It is not addressing the fact that this is nothing short of a cave-in to the multinational drug companies, particularly those in the United States which want an extra six years of exclusivity on new chemicals coming on to the market. Professor Eastman produced a workable compromise which has proved acceptable to almost everyone with three notable exceptions; the brand-name pharmaceutical industry, the U.S. Government and the Conservative Party itself.

Why do Conservative Members not explain the necessity of the additional six years? What is the broader agenda? No wonder the Government does not like the Eastman Report, Mr. Speaker. No wonder the Government wound up hiring Professor Eastman for the Drug Prices Review Board in a bid to establish the Government's own consensus on the Bill and, to a certain extent, muzzle Professor Eastman.

Many of us can remember the Government's actions when the Eastman report was tabled. There was no press conference, no glowing endorsation by the Minister. The report was simply handed out the day before the Budget was brought down in the spring of 1985 and dismissed by the then Minister as a "Liberal document".

We all know in this House the difficulties the Liberal Party has had as a result of one of its former Members having become a professional lobbyist for the pharmaceutical industry.

Liberal Members have been giving a ringing endorsation to the proposal now before the House, which is not to have a 10 year period of patent protection but to stick with the four year period. However, the mud which the Government tried to flick at the Eastman report did not stick. That report is a good one which should have commended itself to the Government. It did not because the Government was already up to its ears dealing with the drug lobbyists, the American pharmaceutical industry and the wave of protectionism coming toward Canada.

I think the Prime Minister (Mr. Mulroney) and members of the Cabinet thought that with the 15 per cent countervail on softwood lumber, that if we backed down on fish, potash, shakes and shingles, gave the Americans the green light on the north warning system, allow them to test the Cruise, provide the Strategic Air Command with low-level bomb routes in western and northern Canada, and that if we backed down on

drug patenting then we would get some kind of move on this mythical free trade agreement. Even though the President of the United States was here yesterday and gave his endorsation, anyone who follows how legislation moves in the U.S. House of Representatives and the U.S. Senate knows that the protectionist move is in high gear and that the likelihood of Canada coming out on the winning end of any kind of a "free trade agreement" is pretty low.

The secret meetings conducted between the Pharmaceutical Manufacturers Association of Canada, who are representing the multinationals, and the Canadian Drug Manufacturers Association representing the generics is a story that has been told in this House before. The mediator was an old friend of the Prime Minister's, Paul Amos, from the Montreal law firm of Ogilvy, Renault. The meetings failed spectacularly even with the crony system.

Even at that stage, barely six months into the new term of the Mulroney Government, the Conservatives lacked the flexibility to see that Eastman's work was the way out for them, that a consensus would form rapidly around his proposals which would be acceptable to almost everyone including the Liberal Party when it finally dared to take a position on this Bill.

Instead, the Government marched to its own objective of reaching the free trade nirvana by successfully doing in the National Energy Program, the Foreign Investment Review Agency and Section 41.(4) of the Patent Act. The Government had no time to praise Eastman, the Government simply wanted to bury him, which it did by placing him on the review board. When the Government found it could not bury Professor Eastman and his work, many groups across Canada, seniors, the disabled, the Associations of Physicians and Nurses and those involved in chronic long term care, those millions of Canadians who rely on low-cost generics banded together. The elderly, those shut in who are sick and make use of pharmaceuticals for such things as diabetes, a heart condition or anything else, they started to rally around and realize that what the Government was proposing in terms of the prescription in Bill C-22 was not the kind of prescription Canadian consumers want to buy. They do not want to have anything to do with it.

The Government has yet to wake up to the fact that Bill C-22 is not in the interests of the scientific community, which is the rallying cry of the present Minister of Consumer and Corporate Affairs, because in my view just as much would be done in research and development of new pharmaceuticals in Canada with a four-year patent protection as with ten. The additional six years is just a straight giveaway by the Conservative Government to the multinationals. It is straight profiteering, Mr. Speaker. It is not the kind of government leadership that those Canadians who rely by the millions on pharmaceuticals want to see from the Government.

These amendments put a bit of Eastman and his report back into the Bill. It will be interesting to see whether the Government adopts any of them. One of the most difficult for the Government to get around is what we have before us today in Motion No. 4, the 10 years of patent protection instead of four. I will be looking forward to hearing from government Members expounding and explaining to those Canadians listening today why the additional six years are required when that is nothing more than a straight giveaway to the multinationals. After all this money comes straight out of the pockets of Canadian consumers, many of whom can least afford it.

[*Translation*]

Mr. Marcel Prud'homme (Saint-Denis): Mr. Speaker, several years ago Hon. Members on both sides of the House would rightfully complain about their minor role in the legislation process. More often than not we barely had time to read the bills drafted, as we know, by very senior officials who are paid for doing that. These people did not consult with Members to any great extent, but of course they had the ears of their Ministers who made sure the message would get through to the various caucuses just so such or such piece of legislation would appear on the Order Paper and ultimately become the law of the land.

Over the years there were a number of discussions among Members to bring about a parliamentary reform. This is how our colleague, now Senator Tom Lefebvre, came to produce his report and eventually everything turned out all right. Next we had the famous McGrath Commission whose chairman is now the Newfoundland Lieutenant Governor, as we all know. He was a former Minister and—I think this can be said of a Government Member, even by the Opposition—an eminent and very energetic parliamentarian who thought time had come indeed for Members to play a significant role in the House, in parliamentary committees, and in the legislation process. And so we came to the conclusion that most of the McGrath report recommendations ought to be endorsed.

One of our colleagues the Hon. Member for Cape Breton—East Richmond (Mr. Dingwall) sat on one of those parliamentary committees and never missed any of the proceedings on Bill C-22, an Act to amend the Patent Act and to provide for certain matters in relation thereto.

So in keeping with the McGrath spirit Hon. Members thought they would have a leading role to play on the parliamentary committee to which Government Bill c-22 had been referred.

Members of the Official Opposition and their colleagues worked very hard in an attempt to improve this piece of legislation. They may not be right in every single case, but I would be inclined to believe that it is impossible for my colleagues in Opposition, especially those of the Official Opposition, always to be totally and invariably wrong.

After lengthy discussions, they introduced 47 amendments. If memory serves—and my whip would confirm this—Mr. Speaker decided to condense the 47 amendments into 18 debatable groups. We are now debating the second of these 18 groups of motions. By way of explanation for TV viewers watching the proceedings—and for the benefit of the Minister

who is giving us her undivided attention—47 amendments have been proposed and, in his wisdom, Mr. Speaker decided that they would be the subject of 18 debates and as many divisions.

Well, it seems the McGrath spirit has all but vanished because the 47 amendments, drafted by Opposition Members as a result of many representations made throughout Canada by consumer protection interest groups that listened closely, reflected, worked for months and now that we have reached the final stage but one, they turn around and say: Well, boys and girls, you have been wasting your time on those forty-seven amendments, because not one of them is going to be passed.

That is really discouraging. It is discouraging for the people sitting here in the House for the first time and who believe—for instance, I see the Hon. Member for Capilano (Mrs. Collins) who is listening attentively and who believes in parliamentary reform. If she works on parliamentary committees, and all of a sudden, she sees an important Bill . . . I'm not saying that all forty-seven amendments should be acceptable to the Government, I am not saying that, but I find it difficult to understand why, in that case, Members should sit on a parliamentary committee and spend weeks and months preparing for that moment when they can at last say what they feel must be said. I am not saying that what they have to say is always the truth and is always acceptable. The Government has responsibilities and the Opposition does as well. However, the fact that all forty-seven amendments are rejected out of hand, with almost no debate, because we have not noticed any debate coming from the Government side, I think that is—

• (1240)

[*English*]

My friend would say that it was a setback for the new parliamentary procedures put forward by our hon. friend, the Lieutenant Governor of Newfoundland, Mr. McGrath. It is sad.

The first amendment was a very simple one calling for a definition for research. We have a very stubborn Minister, and I believe that is acceptable parliamentary language. I could say more. However, the Minister of Consumer and Corporate Affairs (Mr. Andre) is very stubborn. He is also responsible for the post office, making two major catastrophes across Canada. The stubborn Minister does not want to define the word "research". That motion was disposed of by the House so the Chair will probably say that the debate on it has finished, and he would be right.

It is great to say that this will bring money and research into Canada and that there will be $1.4 billion-worth of research done here. I am sure my hon. friend from Quebec City who is listening attentively as she does most of the time would agree. It is all very well to tell Canadians to get excited about the $1.4 billion in research, but we do not even have a definition of research. I think that is not fair.

In his famous report, Dr. Eastman said that we have to be fair. I believe fundamentally that we must be fair to the brand-name companies because, after all, they do invest a lot of money. Therefore, they should be entitled to some protection.

That is probably where we differ from the socialist Party. We believe in fairness. If a company puts its money into a drug, it should be protected to a certain extent. Eastman said that there should be four years of full protection. I ask why the Government is still insisting on having 10 years of full protection. Is it not because very strong lobbyists are telling us to give the drug companies protection forever, but they will accept 10 years? Is it not because of pressure from the United States?

I did not happen to agree with some of the things the President of the United States of America said yesterday in the Chamber but I tried to behave well yesterday, contrary to some who really misbehaved. If one does not agree, one should go outside the House and disagree there. I did not agree with the President and the House is aware of my feelings about Nicaragua and the Contras. However, I do not like it when people misbehave.

I do not like to be told by lobbyists from the United States of America how we in Canada should behave and how we should run our own affairs.

I know my time has run out. I say to the Government that there will be other pieces of legislation on which Members have worked extensively in committee and have faithfully put all their energies into putting forward amendments. I hope the Government will some day realize that all members of Government are not right and all members of the Opposition are not wrong. That is impossible. There are 47 amendments because of a lot of work by my colleagues in both opposition Parties, and they have been totally rejected by a stubborn Minister because they do not happen to come from the majority or because they do not meet the requirements of strong lobbyists in Canada or, what is worse, strong lobbyists in the U.S. This is a sad moment for those who truly believe in parliamentary reform.

• (1250)

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, I appreciate the opportunity to speak on this motion which makes an effort to apply to this Bill some aspects of the Eastman report. That report leaves no doubt that the 1969 amendment to the Patent Act was a resounding success. The compulsory licensing provision saved Canadian consumers millions of dollars, $211 million in 1983 alone. This without having any discernible impact on profitability, growth or employment in the Canadian pharmaceutical industry as a whole. That industry remains very profitable for the patent holding and generic companies alike. By no stretch of the imagination can the Government claim that the multinational drug companies need higher profits in order to encourage them to do research and development in Canada.

The proposed changes to the Patent Act brings Canada closer to what is happening in the U.S. There the drug companies are even more profitable than those in Canada. A recent news report shows that the U.S. parent companies of the firms operating in Canada are embarrassingly cash rich. The Merck company had $1.4 billion in cash. Bristol-Myers had $1.3 billion in cash. Pfizer had $1.4 billion. Eli Lilly had a meagre $850 million in cash on hand. Those companies are looking for places to put that money. I suggest the Government has been duped and the industry is very profitable with billions of dollars in cash on hand, looking for a place to put it. They should be quite willing to put some of it into R and D in Canada without the 10-year restriction imposed by this legislation.

We should recognize that even four years of patent protection really means about seven or eight years before the generic equivalent is on the market. By extending protection for 10 years we are in effect extending it for 14 or 15 years. That is not necessary and it will cost Canadian consumers millions of dollars.

Dr. Eastman also makes it clear that despite what government officials seem to believe, the weakening of compulsory licensing and the granting of rigid patent monopolies to multinationals will not result in Canada becoming a major centre for either basic pharmaceutical research or the manufacturing of the active ingredients of those drugs. The monopoly these companies have had and will have makes it unnecessary to look to Canada as a place for development.

The compulsory licence holder must pay 4 per cent royalty to the patent holder throughout the life of the patent. Eastman suggests in his report that an increase in that royalty to about 10 per cent would be quite adequate and a reasonable alternative to extending the patent life. He suggests compulsory licensing should remain at the centre of Canada's policy towards the pharmaceutical industry.

The Consumers' Association of Canada agrees and suggests that we are only weakening the industry by bringing in further patent protection.

The CAC also suggests that consumers and taxpayers should not have to accept any increases in market exclusivity beyond the four years recommended by Eastman. Extending that exclusivity will cost consumers, provincial treasuries, and ultimately provincial taxpayers, millions of dollars. Eastman proposes that by increasing the royalty and leaving compulsory licensing in place, consumers would continue to save money on drugs. Compulsory licensing is not nearly as expensive as extended exclusivity and that is the direction you should be going in.

What we have in this motion before us is an attempt to retain compulsory licensing and royalties and the retention of exclusivity for a period of four years or perhaps a little longer.

I will complete my remarks after lunch, Mr. Speaker.

Mr. Deputy Speaker: It being 1 p.m., I do now leave the chair until 2 p.m. this day.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S. O. 21

[*Translation*]

TRANSPORT

BILL C-18—NEED FOR GOVERNMENT TO KNOW QUEBEC'S REQUIREMENTS BETTER

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Last Friday, Mr. Speaker, the Minister of Transport tried to make us believe that his Quebec counterpart had expressed unconditional support for Bill C-18 as drafted. Well, Mr. Speaker, I must say this is a false statement because I have here a press release from Quebec Transport Minister Marc-Yvan Côté, along with a brief to his federal colleague in which he recommends at least eight amendments to Bill C-18 as we know it.

The Quebec Minister of Transport is wondering why Canada should attempt to negotiate a free trade agreement with a partner who will certainly not offer us anything on a silver platter, what with restrictions on lumber, pork and potash. How can we justify giving him unconditional access to our rail lines without a single concession on his part?

Mr. Speaker, I would urge all Members of the House to bring pressure to bear on the Minister of Transport in the hope that he might better appreciate and understand the requirements of Quebecers.

* * *

[*English*]

VOLUNTARY ORGANIZATIONS

TRIBUTE TO WORK OF HADDASSAH-WIZO

Mr. David Daubney (Ottawa West): Mr. Speaker, as chairman of the Canada-Israel Friendship Group it is a privilege for me to rise today to welcome to Ottawa the members of the national executive of the Haddassah-Wizo, one of Canada's outstanding voluntary organizations.

This year marks seven decades of public service by the members of this organization who have dedicated themselves to the assistance of children, youth, and women in Canada and Israel.

S. O. 21

The executive of Haddassah-Wizo, 152 outstanding individuals representing more than 17,000 members, are a fine example of the energy, skills, and intelligence being mobilized every day throughout Canada by more than 40,000 Canadian voluntary organizations. Almost 3 million Canadians give their time and their talent to their country through the voluntary sector. It is time our country recognized the magnificent contribution of these dedicated Canadians.

* * *

CANADA POST CORPORATION

LABOUR NEGOTIATIONS—APPOINTMENT OF CONCILIATOR

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, we are all concerned about the negotiations which are taking place between the management and unions at Canada Post because we want mail service to be maintained. The Government has appointed a conciliator, which is a hopeful sign. However, it is disturbing that the appointed conciliator has no dates open on his calendar. He is operating on the basis of cancellations only. If another commitment is cancelled, he is available for the post office negotiations.

This is very disturbing, Mr. Speaker. If the Government is serious about reaching a settlement at Canada Post so that postal service can be maintained, we need the best possible conciliator and one who is on the job full-time. The Government appointed such a conciliator in the last round of negotiations and a settlement was reached. Why not take the Post Office seriously? We need a full-time conciliator in order that postal service may continue.

* * *

[*Translation*]

EXTERNAL TRADE

DESIRE FOR CONCLUSION OF HISTORIC ACCORD ON LIBERALIZING TRADE

Mr. Nic Leblanc (Longueuil): Since 1984, Mr. Speaker, the number of Quebecers opposed to free trade has declined by 13 per cent, which means that only 27 per cent of them do not fully support our position. More than 57 per cent of the people of Quebec do approve our free trade efforts. In the opinion of such experts as Bernard Landry who so stated in *Le Devoir* this morning, neither the language nor the culture of Quebecers would be threatened by a free trade agreement. "A free trade agreement can only bolster our cultural and political identity." In light of these facts, Mr. Speaker, we must continue our quest for an early historic economic accord on liberalizing trade, the hope expressed yesterday in this House by both the President of the United States of America and our Prime Minister.

[*English*]

HISTORIC EVENTS

BATTLE OF VIMY RIDGE—SEVENTIETH ANNIVERSARY

Mr. Len Hopkins (Renfrew—Nipissing—Pembroke): Mr. Speaker, at 5.30 a.m. on April 9, 1917, 70 years ago, Canadian soldiers captured Vimy Ridge.

It has been stated that almost every man who trudged up the slopes of Vimy Ridge on that gloomy Easter Monday in April, 1917, had been a civilian when war broke out in 1914. Four of the five Canadian Generals certainly were. They won this and other historic battles in Europe because they did not use the traditional battle techniques of longer established nations and, hence, had the power of unpredictability.

I believe very strongly that our present-day Canadian national spirit, which is still growing and maturing, was first born on the battle fields of Europe and from there has bloomed into the playing of major diplomatic roles in the world.

At Vimy 70 years ago tens of thousands of young Canadians sacrificed their lives or suffered wounds which kept them incapacitated for life. Why did they do it? They did it so the rest of us can live in and enjoy this great nation—Canada! I ask all Canadians today, do we really appreciate those forerunners of Canadian nationalism? Unfortunately we pay very little attention today to the history that those generations wrote with their blood and lived with their spirit. They sacrificed their future and died for their convictions.

For every Canadian who really cares, every day must be a remembrance day for those who first founded our Canadian spirit and nationhood.

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EXTERNAL AFFAIRS

CANADA-UNITED STATES RELATIONS—RESULTS OF MEETING BETWEEN PRIME MINISTER AND U.S. PRESIDENT

Mr. J. R. Ellis (Prince Edward—Hastings): Mr. Speaker, yesterday was a good news day for Canadians. The Prime Minister of Canada (Mr. Mulroney) met the President of the United States of America here in Ottawa. After the private sessions the Prime Minister, in a superb speech in the House, set out the guidelines. The President responded graciously in his own inimitable style and, as a result, all Canadians are better off.

• (1405)

The threat of acid rain, of such major importance to eastern Canadian lakes and forests, is markedly closer to solution. Free trade, the benefits of which will accrue to all Canadians, now has the full support of both administrations.

A side benefit, that of a continuing close and friendly relationship with our nearest neighbour and most important

trading partner, is also valuable. Even though a few may wish to flaunt their bad manners, I am sure that most Canadians applaud the good news.

* * *

IMMIGRATION

COALITION SEEKING POLICY CHANGES

Mr. Dan Heap (Spadina): Mr. Speaker, 90 sponsoring organizations of the new Coalition for a Just Refugee and Immigration Policy today said that immigrant associations, immigrant service agencies, refugee associations, refugee service agencies, religious organizations, lawyers, human rights organizations, solidarity groups, unions, women's groups, and other concerned groups have joined together to demand justice in the Government's immigration and refugee policy.

They are all united in their belief that refugees who come to our borders seeking protection must be welcomed and that immigrants and Canadian citizens must be allowed to bring their families—siblings, for example—to Canada promptly.

Refugees and immigrants stimulate Canada's economic growth and create new jobs.

The Coalition is committed to working together to insist that the Government keep our doors open to refugees coming to Canada for protection; enact a new refugee determination procedure that provides for a fair and expeditious oral hearing with the right to an appeal for every person coming to Canada seeking protection; expand the definition of family to include all children and siblings, and facilitate prompt family reunification in Canada; and maintain special procedures to protect persons who are fleeing from natural or man-made disasters in their country of origin.

* * *

WORLD HEALTH DAY

INTERNATIONAL CAMPAIGN TO IMMUNIZE CHILDREN AGAINST DISEASES

Mr. Bruce Halliday (Oxford): Mr. Speaker, today, April 7, is World Health Day. The theme for this year is "Immunization". Six diseases which every minute, around the world, cause eight children to die, and permanently disable a further eight, can largely be prevented by immunization.

Canada is among the world leaders in this campaign. In addition to several smaller commitments through CIDA, our Prime Minister (Mr. Mulroney) announced at the recent Commonwealth and Francophone summits contributions totalling $71 million for India and other countries.

Canadian institutions such as l'institut Armand Frappier and the Connaught Laboratories, together with voluntary organizations such as Rotary, have been making ongoing contributions.

Today the Canadian Public Health Association is launching a national campaign of awareness and fund raising. It behooves all of us, as Members of Parliament, to support the efforts of CPHA and other groups in achieving immunization of all the world's children and pregnant mothers by 1990.

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[*Translation*]

TRANSPORT

USE OF BETTER TYPES OF SEATBELTS FOR REAR SEAT CAR PASSENGERS

Mrs. Thérèse Killens (Saint-Michel—Ahuntsic): Mr. Speaker, I would like to read into the record a letter of support I received from Mrs. Valoree Regner of Dawson Creek, B.C., on the subject of seat belts in cars. This is what she says:

[*English*]

> I am writing regarding the legislation you are trying to change concerning rear seat restraint seatbelts. I became aware of the problems caused by the present rear seatbelts after watching *The Fifth Estate* ... I would like to know if there is anything the general public can do to help facilitate the changes you propose. I am a member of a "B.C.-wide women's group" and would like to make my fellow members in Dawson Creek, B.C. aware of the problems. I would appreciate any information you could send or any contacts you could give to obtain information about your proposal as well as problems experienced with the present seatbelts.

I urge the Minister of Transport (Mr. Crosbie) to begin a public campaign of information and education similar to the one against drunk driving in order to sensitize all Canadians to the need of wearing a seat belt and, more important, to wearing it correctly.

* * *

[*Translation*]

MEMBERS OF PARLIAMENT

BEHAVIOUR OF NEW DEMOCRATIC PARTY MEMBERS DURING ADDRESS BY PRESIDENT OF UNITED STATES

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, yesterday, the Parliament of Canada was listening to the President of the United States in these precincts. During the President's official speech, parliamentarians had to put up with the incredible lack of courtesy and the insolence of Members of the NDP present in this House who did not stop talking to each other during the President's speech, under the embarrassed but approving eye of their leader.

Mr. Speaker, the attitude of the majority of NDP parliamentarians in this House yesterday was unacceptable and an embarrassment to the reputation of Canada's Parliament, in this country and elsewhere. The shouts of hostility during

the President's speech, which we also heard, came from the same source and were the climax of the collective arrogance of these socialist parliamentarians.

Mr. Speaker, it is unfortunate to have to bring up in this House the immature and unconscionable behaviour of this party of sheep. Democracy and the Canadian public are entitled to a better class of parliamentarians.

* * *

• (1410)

[*English*]

PHARMACEUTICAL INDUSTRY

PATENT ACT—CRITICISM OF POLL SUPPORTING AMENDMENTS

Mr. David Orlikow (Winnipeg North): Mr. Speaker, in promoting support for the Bill to change the Patent Act in respect to prescription drugs, the Minister of Consumer and Corporate Affairs (Mr. Andre) continues to speak highly of a poll conducted for the Pharmaceutical Manufacturers Association of Canada, but should he have confidence that such a poll is correct? It has been contradicted by previous Gallup and Angus Reid polls which gave exactly the opposite results.

It has been criticized by polling professionals for using misleading questions and biased information. It was based on the premise that drug prices will not increase by more than the cost of living under the provisions of Bill C-22.

I ask the Minister to demonstrate how he will ensure that the price of all drugs in Canada will not increase by more than the cost of living. That is only one criterion by which the Drug Prices Review Board will have to judge whether drug prices are excessive. Others include loopholes such as the price of a drug in the previous five years so that drugs which have increased at 20 per cent per year can keep on increasing by that amount.

No wonder the Government of Manitoba has said that not only are cost of living increases acceptable under this Bill but so are increases of 20 per cent, 40 per cent, and 50 per cent.

All of this is in the name of "consumer protection". As George Orwell once said: "When you see a clever Conservative, it is time to start reaching for your wallet".

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MEMBERS OF PARLIAMENT

BEHAVIOUR OF NEW DEMOCRATIC PARTY MEMBERS DURING ADDRESS TO PARLIAMENT BY PRESIDENT OF UNITED STATES

Mr. John Gormley (The Battlefords—Meadow Lake): Mr. Speaker, as a proud Canadian I felt some discomfort and embarrassment when members of the New Democratic Party heckled and yelled at United States President Ronald Reagan as he addressed this Parliament.

Members of the New Democratic Party used the defence of democracy and free speech as they tried to shout down President Reagan. Canadians who truly value democracy know that we can assert our nation's interests in a confident, proud, and civil manner. It is natural we will differ with others but there are many ways of constructive dialogue.

Perhaps it is acceptable in the NDP type of democracy to shout down those who disagree with it and its allies in Socialist International. Obviously, the NDP holds dear the principle of muzzling those with a different viewpoint.

All of us as children learned the timeless values of courtesy and the credo that we do not abuse a house guest. By rudely interrupting a visiting Head of State and by bringing shame on all Canadians, members of the New Democratic Party have shown once and for all that not only do they have no respect for democracy, they do not even have good manners.

Some Hon. Members: Hear, hear!

* * *

EMPLOYMENT

TERMINATION OF TRAINING PROGRAM FOR DISADVANTAGED YOUNG PEOPLE

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, in Bridgewater, Nova Scotia, the board of directors of the Bridging-the-Gap Training Program, which has offered training and job placement services to over 200 disadvantaged young people on the South Shore, learned that the program has been terminated by the federal Minister of Employment and Immigration (Mr. Bouchard) half-way through its third year. No reason for the decision was given.

Mr. Speaker: The Chair has recognized the Hon. Member. He is making his statement and I would ask that the proper courtesies be extended.

Mr. Dingwall: Thank you, Mr. Speaker. I call upon the Minister to change his decision and make an affirmative response on behalf of the people in that particular program.

The mandate of the Bridging-the-Gap Training Program is to assist severely employment-disadvantaged youth to acquire the knowledge, life skills, and employment skills necessary to seek and hold employment, and to assist those who participate in the program to secure regular employment in the community. The target population comprises youth between the ages of 17 and 24 years who have been unemployed or out of school for 24 of the past 30 weeks, who demonstrate a degree of motivation and commitment consistent with the finding and holding of employment and who are taking steps to control problems they may be experiencing in relation to drugs, alcohol, mental illness or law breaking.

I call upon the Government to change this decision.

* * *

MEMBERS OF PARLIAMENT

BEHAVIOUR OF NEW DEMOCRATIC PARTY MEMBERS DURING ADDRESS TO PARLIAMENT BY PRESIDENT OF UNITED STATES

Mr. Blaine A. Thacker (Lethbridge—Foothills): Mr. Speaker, the vast majority of fair-minded Canadians are disgusted and insulted by the vicious anti-American conduct displayed in the House yesterday.

The outburst of the New Democratic Party during the President's address was unacceptable and showed how those Hon. Members would conduct Canada-U.S. foreign affairs.

• (1415)

Their calculated insult to the elected President of the United States was a direct insult to the American people.

Some two million Canadian jobs depend directly on exports to the U.S.A. The New Democratic Party claims to speak for working Canadians. Yet their vicious anti-American policies would result in tens of thousands of Canadians losing their jobs. Canadian social insurance programs, such as OAS, public assistance and post-secondary education, depend upon tax revenues from those two million working Canadians.

The NDP conduct shows that they are unworthy of filling high public office—

Some Hon. Members: Right on!

Some Hon. Members: Hear, hear!

Mr. Thacker: Can you imagine, Mr. Speaker, what they would do if they ever got real power? Let Canadians beware.

Some Hon. Members: Hear, hear!

* * *

GOVERNMENT EXPENDITURES

AWARDING OF UNTENDERED CONTRACTS

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, what are friends for? Give up? Well, I will tell you what *their* friends are for, Mr. Speaker.

I have here an untendered contract in the amount of $25,000, the contract being to:

[*Translation*]

—provide general and specific advice on communications to the staff of the Minister of Consumer and Corporate Affairs.

[*English*]

I have another contract here, Mr. Speaker, this one being for $10,000, with the purpose being to "advise the Department and the Minister on appropriate strategy for implementing the communications aspects of the Government's policy on metric conversion"; and this one is to Nantel & Associés.

Mr. Nunziata: Good old Roger!

Mr. Boudria: I have another one, Mr. Speaker, the purpose of this one being to provide the Minister of Communications "communications services in relation to major departmental policy initiatives".

Let's see who this one was given to. This one was given to Synchrocom Communications, Mr. Nantel being one of the principals of that company, Mr. Speaker.

An Hon. Member: Roger again!

Mr. Boudria: The amount of this contract is $41,000. And I have another one, Mr. Speaker, for Synchrocom Communications, this one being in the amount of $48,000: $40,000 for professional services and $8,000 for travel expenses. And this one is again for Mr. Nantel—

An Hon. Member: Who is that man?

Mr. Speaker: The Hon. Member's time has expired. Oral Questions. The Right Hon. Leader of the Opposition.

[*Editor's Note: There then followed, by their respective Party members, standing ovations for the Right Hon. Prime Minister (Mr. Mulroney) and the Right Hon. Leader of the Opposition (Mr. Turner).*]

ORAL QUESTION PERIOD

[*English*]

EXTERNAL AFFAIRS

CANADA-UNITED STATES RELATIONS—IMPACT OF U.S. FARM BILL

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I was going to ask for a delay of game penalty, but I got skated off by my own team.

Mr. Speaker, my question is for the Prime Minister. It arises out of the visit to Canada by the President of the United States.

Not one word was uttered yesterday, either by the President or by the Prime Minister, on the plight, the desperate plight, of the Canadian farmer.

Did the Prime Minister ask the President to use his good offices with the U.S. Congress to change the U.S. Farm Bill so as to raise the price of world wheat?

Did the Prime Minister complain to the President of the American practice of giving away one bushel of grain for every three bushels sold?

Did the Prime Minister raise this subject at all with the President; and if so, what was his reaction?

Western farmers are in a desperate situation, and urgently need some answers.

Some Hon. Members: Hear, hear!

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, agriculture and the plight of farmers, and western farmers in particular, took up a large part of our luncheon meeting yesterday with President Reagan and those of his Cabinet who accompanied him.

The President referred to the Canadian initiative of raising agriculture to the Tokyo Summit level last year, a plan that we put forward. He was aware of, and supportive of, the initiatives taken in regard to the Cairns moves. He offered the co-operation of the United States in regard to further initiatives that Canada will take at the Venice Summit, to bring some resolution to the complex problems facing farmers in general, and agriculture, resulting from the unfair subsidies provided by the United States and Europe and the damaging effects these have upon Canadian producers.

• (1420)

I want to tell my right hon. friend that not only was it raised at that level by the Secretary of State for External Affairs and myself, it came up with the Minister of Finance and the Minister for International Trade. I can assure my right hon. friend that the interests of Canadian farmers were fully and thoroughly discussed with the President of the United States and all his colleagues.

[*Translation*]

ACID RAIN—STATEMENT BY PRESIDENT OF UNITED STATES—PRIME MINISTER'S POSITION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, two years ago here in the House, I proposed a bilateral treaty on air quality with the United States. Sunday, the Prime Minister made exactly the same proposal to the President, but without any preparation. Why did he spring this issue on the President without notice and without preparing the terrain? Didn't he realize that he was again giving the President of the United States an excuse to promise to look into any measures that could eventually solve the problem, instead of dealing immediately and directly with the question of acid rain?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the Leader of the Opposition is mistaken when he says that the matter was raised without prior notice and without preparing the terrain. We have spent considerable time on this issue in cooperation with our own and U.S. authorities. The Leader of the Opposition is no doubt aware that we have made further progress in this complex dossier. We have not reached a final settlement, but this is a step towards a settlement, and I think the Leader of the Opposition should support this approach because it will lead to a solution to the problem of acid rain that we inherited, and I know the Leader of the Opposition will want to work with us towards a definitive solution.

[*English*]

CANADIAN SOVEREIGNTY IN ARCTIC

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, buttressing my contention that the United States interprets the matter differently, of course, is a statement this morning from Marlin Fitzwater, the spokesman of President Reagan on the environment, which indicates a number of more committees and studies and that the United States, in his opinion, has successfully postponed the issue. He says that a U.S. commitment to consider an accord was the commitment given, not necessarily a commitment to develop an accord. In any event, there was nothing on the U.S. Farm Bill before the House yesterday in the President's speech nor in the Prime Minister's comments. There was last minute smoke and mirror on acid rain and nothing concrete on Arctic sovereignty.

The Prime Minister used a photo opportunity humorously to show the President of the United States a globe and point out to him where the Northwest Passage was. Why did the Prime Minister not receive an unconditional commitment from the President of the United States recognizing in clear terms Canada's sovereignty over our Arctic, our waters, our land, and our air—complete sovereignty, unequivocal and unchallenged?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I do not know why the Right Hon. Leader of the Opposition finds photo opportunities so offensive. He sought one very actively with the President of the United States.

Mr. Turner (Vancouver Quadra): That is a cheap shot. The President asked to see me.

Mr. Mulroney: Oh, I am sorry, I misunderstood. The President asked to see him.

Mr. Turner (Vancouver Quadra): That is right.

Mr. Mulroney: I apologize.

Mr. Turner (Vancouver Quadra): You got it right now.

Mr. Mulroney: I wonder what Mr. Fitzwater would say about that.

Mr. Turner (Vancouver Quadra): Oh, that is a great one too.

Mr. Mulroney: I indicated prior to the presidential visit that we were not looking for anything other than steady, serious progress in all these matters. I think we have made some progress. We have much more progress to make in all these

areas. We will continue working at it as best we can. We think Canadians recognize that some progress is better than going backward as had been the case. I hope my right hon. friend will co-operate with us in bringing these matters to fruition.

GOVERNMENT POSITION

Hon. Donald J. Johnston (Saint-Henri—Westmount): Mr. Speaker, I must follow up on the question of Arctic sovereignty, because the Prime Minister completely avoided answering the questions of the Leader of the Opposition.

● (1425)

When you take the President's comments of yesterday and you read them together with the Prime Minister's comments on the program *Meet the Press* on Sunday it seems clear that the Government intends to compromise Arctic sovereignty by giving the United States unimpeded access, justifying this sell-out, trying, if you like, to camouflage or disguise it as some kind of security arrangement with the U.S. Why doesn't the Government assert its sovereignty over the Arctic? It should not sell out Canadian interests in this way, certainly not on a dishonest pretext of a security arrangement.

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the allegations of the Hon. Member are wrong. There was an unwillingness on the part of the former Government to assert Canada's sovereignty over the North. The Government of which the Hon. Member was a part would not allow that question to be considered by the International Court of Justice. That Government specifically barred its reference there.

We are trying to work out an arrangement which will, as the President said here yesterday, involve a mutual respect for sovereignty but will also take account of other interests. If that fails, we will be prepared, if challenged, to go to the International Court of Justice. That is an area of defence of Canadian sovereignty that was explicitly denied to Canada by the Liberal Government of which the Member was a part.

Mr. Johnston: Mr. Speaker, the Liberal Government of which I was a part was so respected that no one dared to challenge it.

Some Hon. Members: Oh, oh!

Mr. Johnston: No one dared challenge Arctic sovereignty. The Secretary of State for External Affairs knows that.

Some Hon. Members: Oh, oh!

PRIME MINISTER'S TELEVISED INTERVIEW

Hon. Donald J. Johnston (Saint-Henri—Westmount): Mr. Speaker, the Secretary of State apparently has not read the Prime Minister's comments on the program *Meet the Press*. If I may take just a moment to touch on the relevant part, when the Prime Minister was asked by Mr. Kalb about the right to free and unimpeded access over the straits, the Prime Minister replied—I am making it succinct—that we are members of the Alliance and NORAD and:

> —we would look with favour, obviously, on arrangements that would facilitate and expand those agreements between the countries. And therefore you can draw some pretty fundamental conclusions from that.

The fundamental conclusion is that this Government is prepared to sell out Arctic sovereignty under the pretext of it being an expansion of NATO obligations.

Right Hon. Joe Clark (Secretary of State for External Affairs): That is false, Mr. Speaker.

Mr. Turner (Vancouver Quadra): That is a quote.

Mr. Clark (Yellowhead): There was an arrangement before that limited Canada's ability to defend our sovereignty. We have removed those limits because we are sure of our sovereignty and we intend to assert it.

Let me say something about the Liberal Government of which the Hon. Member was a part. It was so respected that the Right Hon. Leader of the Opposition left it.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

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

ACID RAIN—POSSIBILITY OF CANADA-UNITED STATES ACCORD

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, my question is for the Right Hon. Prime Minister. It has to do with the President's commitment yesterday to consider the suggestion of the Prime Minister for a bilateral accord between Canada and the United States with respect to acid rain.

Could the Prime Minister tell us whether he received any commitments from the President with respect to what kind of time frame we are looking at? Did he receive any commitment from the President as to when the President would tell the Prime Minister, after having considered it, what his judgment would be concerning that suggestion?

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, as to timing, it was agreed between the two countries that we would begin immediately to discuss the possibility of a bilateral accord that would address the question of specific acid rain causing emission reductions on both sides of the border. We are going to proceed with dispatch and follow whatever progress is possible between two countries in the spirit of neighbourliness.

● (1430)

TIMEFRAME FOR REACHING AGREEMENT

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, I wonder if the Minister of the Environment could tell us if he realistically expects such an agreement to be reached before the end of President Reagan's term in office.

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, when our Government took office in September, 1984, the U.S. administration was still attributing acid rain to natural phenomena, including, as I have said in the House, trees, volcanoes, and even ducks. In two years we have made progress to the point where the President of the United States, on the floor of the House of Commons, said he is considering very seriously the possibility of an accord.

GOVERNMENT STRATEGY

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, I wonder if the Minister of the Environment could give us more of an idea of what he means by dispatch and if it will involve actions on the part of the Government with respect to the United States Congress. I understand that the chances are good that we may be able to come to an agreement about a unanimous resolution on acid rain and that would be a good thing to do, as I think we would all agree. I wonder what else the Government might have in mind with respect to the Congress of the United States. What will be the Government's strategy in the coming weeks and months when proceeding beyond what was accomplished at the summit?

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, the President said in his remarks that he agrees to consider the Prime Minister's proposal for a bilateral accord on acid rain, "building on the tradition of agreements to control pollution of our shared international waters".

That is a fairly direct reference to the Canada-U.S. Great Lakes Water Quality Agreement which was an executive agreement that had to be given effect by the Congress of the United States. Obviously, in connection with this, if it is an executive agreement it would still require recourse to Congress and that is why our emphasis in our negotiations with the Americans is on working with both the President and the legislative branch in the U.S.

POSITION OF UNITED STATES PRESIDENT

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, my question is directed to the Right Hon. Prime Minister. In Washington a few hours ago, President Reagan's spokesman, Marlin Fitzwater, said that Canadians wanted a U.S. commitment to consider an accord, not necessarily to develop one, "and that is what they got". Does the Prime Minister really believe that if President Reagan were really convinced of the necessity of undertaking on the part of the U.S. an acid rain abatement program, something he did not seem to be very convinced of yesterday in this Chamber, he would go to Congress to get it to approve an abatement program?

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, on the subject of belief or credibility, the fact is that the Liberal Party of Canada was in office during most of the period of the Reagan presidency to date. I wonder if the Hon. Member for Davenport, who was Minister of the Environment during much of that time, would tell the House how many bilateral agreements his Government achieved with the provinces and how many bilateral agreements he was able to achieve with the United States, agreements which attained specific targeted and scheduled reductions in acid rain-causing emissions.

Mr. Caccia: Mr. Speaker, we agreed to a federal-provincial agreement in March, 1984, and we are very glad to see the Tory Government continuing on the road we paved for it. Second, we achieved a Memorandum of Intent in August, 1980, under President Carter, but we now find ourselves in a phase that even precedes that Memorandum of Intent achieved by the Liberal Government.

PRESENTATION OF CANADIAN POSITION

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, my supplementary question is still directed to the Prime Minister who seems to want to avoid questions. I can actually sympathize with him because he must today reflect upon what really happened yesterday. Does the Prime Minister not realize that if there were to be a summit in 1988, he would be dealing with a lame-duck President who could not deliver through Congress, and that the Prime Minister would then have to realize that he should have raised Canada's position squarely, openly and frankly at the first summit in 1985 without uselessly wasting three years waiting to put Canada's position forward to the President of the United States?

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, when the Liberal Party was in government it signed a Memorandum of Intent in August, 1980, with the Government of the United States, and it made so little progress achieving anything with that memorandum that it cut off entirely negotiations with the United States on the subject of acid rain in June, 1982.

The Hon. Member moralizing on acid rain is like Lady Chatterley moralizing on sex—lots of experience but no credibility.

Some Hon. Members: Oh, oh!

* * *

SOVEREIGNTY

CANADIAN SOVEREIGNTY IN ARCTIC—REQUEST FOR PARLIAMENTARY DEBATE

Ms. Pauline Jewett (New Westminster—Coquitlam): Mr. Speaker, my question is for the Prime Minister. It was reported today that an exchange of letters took place last week between the Prime Minister and the President of the United States. In this exchange, the Prime Minister offered the U.S. a deal that would not recognize our sovereignty in the Arctic in exchange for a U.S. agreement to seek permission for voyages in the Northwest Passage. Apparently that deal was turned down by the U.S. Is it not time for the Prime Minister to

facilitate a full parliamentary and public discussion of the Government's offers, deals, and compromises on Canadian sovereignty in the Arctic?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I think the Hon. Member was present at a meeting of a Standing Committee of this House at which there was discussion by officials at some length about the situation in the Arctic. If she was not there, I could get her a copy of the transcript. I would be quite pleased to bring her up to date with the state of knowledge of her colleagues.

The other day one of the Hon. Member's colleagues asked me if I would enter into discussions with the Heads of Government of Yukon and the Northwest Territories regarding discussions fully consistent with Canadian sovereignty undertaken by Canada. I have had those discussions with the Heads of Government of both Yukon and the Northwest Territories. I would be pleased to meet with members of opposition Parties to bring them up to date on the discussions and I think they would share my satisfaction that here, on the floor of the House of Commons yesterday, the President of the United States expressed his interest in seeking an arrangement that would involve mutual respect for sovereignty. That is a very substantial step forward.

INTERNATIONAL SECURITY INQUIRY

Ms. Pauline Jewett (New Westminster—Coquitlam): Mr. Speaker, the fact that the Minister has ignored the letters means that he does not know about the letters exchanged between the President and the Prime Minister last week. Therefore, I would ask the Prime Minister to respond. Apparently we were willing to give up our sovereignty.

Instead of making all these secret deals, will the Minister facilitate public discussion? Will he explain more clearly right now what the Prime Minister meant when he spoke on NBC's *Meet the Press* television program and talked about expanding our military arrangements with the U.S. into the Canadian Arctic?

Does the Minister not agree that Canada's security, the security of the United States, the security of the Soviet Union and the security of all countries would be better facilitated if we focused on the demilitarization of the Arctic rather than the increasing of weapons there?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, there are a number of assumptions in that question. One is the accuracy of the transcript which, in her own interests, I think the Hon. Member would want to verify.

Ms. Jewett: I already have, you dummy.

Mr. Clark (Yellowhead): The second is her assertion which I categorically deny that Canada has been engaged in any actions that would limit our sovereignty. Quite to the contrary. We inherited a regime that placed limitations upon our ability to express and defend our sovereignty.

Ms. Jewett: The public doesn't believe that.

Mr. Clark (Yellowhead): We changed that regime because we have confidence in that sovereignty. We intend not just to talk about it but to act on it.

Finally, if I may speak about the Hon. Member's interest in demilitarization in the Arctic, I hope she will bring her view to the attention of representatives of the Soviet Union who are now constructing submarines with substantial nuclear and sub-ice activity capabilities.

* * *

[*Translation*]

PUBLIC WORKS

PLACE VINCENT MASSEY AFFAIR—RCMP INQUIRY—GOVERNMENT POSITION

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, my question is for the President of the Treasury Board and concerns Place Vincent Massey.

On April 2, referring to this matter, the President of the Treasury Board said this:

> A judgment was made on the merits of the case, and a decision was made in the best interests of the Canadian taxpayer.

Well, according to an article in *La Presse*, The RCMP are making an investigation into the Place Vincent Massey case.

If the best interests of the Canadian taxpayer were served, as the Minister claims, why would the police be inquiring into this matter?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, I am not in a position to comment on an investigation by the RCMP. All I can say is that, with respect to the terms and conditions which had been submitted to Treasury Board, the decision was made in the best interests of Canadians, and I am prepared to defend this decision before anybody. Should the Hon. Member have specific charges in mind, he ought to take the honourable course and make his accusations outside the House.

• (1440)

[*English*]

ALLEGED MISSING DOCUMENTS

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, my supplementary question is directed to the Minister of Public Works. Can he tell the House why he initially refused to give me the documents concerning Vincent Massey Place? Can he say why to this date documents are missing from the file that was obtained under Access to Information? Why was the House not told of the RCMP

investigation when the Minister himself knew of it last Thursday, according to a member of his staff to whom I spoke before Question Period?

Hon. Stewart McInnes (Minister of Public Works): Mr. Speaker, in response to the suggestion that I did not supply the Hon. Member with documents, I invited him to indicate exactly what he wanted and I have not heard from him to this date.

I want to put this whole situation in perspective. I have done a study of what the Hon. Member would have us do, which is to retain the present lease. I projected that over a 25-year period. The cost to the taxpayer would be approximately $40 million. By pursuing the course we did the cost to the taxpayer will be $39 million, and we will also own the building and all of the land. I ask: which is the better deal for Canadians?

Some Hon. Members: Hear, hear!

* * *

SEARCH AND RESCUE

PROVISION OF SERVICES THROUGHOUT GREAT LAKES AREA

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, my question is directed to the Minister of Transport and concerns the tragic death on Saturday of an Oakville teenager on Lake Ontario. That death highlights the lack of commitment by both levels of government to appropriate search and rescue services along the Great Lakes. What action are the Minister and his Government willing to take to ensure that Coast Guard rescue facilities, including helicopters, are adequately distributed throughout the Great Lakes, particularly Lake Ontario?

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, the Minister in charge of search and rescue is the Minister of National Defence. However, I want to point out that there is no inadequacy in the provision of search and rescue facilities along the Great Lakes, or across Canada generally. I think the services are certainly adequate. However, the lead Minister would have to be asked if he wants a detailed response.

COAST GUARD SERVICES

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, I did not realize that the Coast Guard has now been transferred to the other Minister.

The Minister of Transport is responsible for the Canadian Coast Guard. What is his response to the police chiefs of Halton, Niagara, and Hamilton—Wentworth who recently asked him to provide better Coast Guard services for the area, particularly at one end of the lake?

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, I am the Minister responsible for the Coast Guard. The hon. gentleman asked a question about search and rescue. The Minister in charge of search and rescue for the Government of Canada is the Minister of National Defence and the hon. gentleman should know that. The Minister responsible for the Coast Guard is myself.

If the hon. gentleman has a question he wants to ask in connection with the Coast Guard facilities on Lake Ontario or in any other part of Canada, if he would let me have that question I will get him the details. I do not have in hand right now the details in connection with Coast Guard installations everywhere in Canada. I would like at least a little notice.

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NATIONAL REVENUE

ADMINISTRATION OF FARM FUEL TAX REBATE PROGRAM

Mr. Bill Gottselig (Moose Jaw): Mr. Speaker, my question is directed to the Minister of National Revenue. As he has known for some two years, the administration of the farm fuel tax rebate for off-highway use discriminates between agents of oil companies and bulk fuel dealers. The bulk dealers must bear the cost of financing this tax between payment and reimbursement, and the agents do not. Has the Minister, in consultation with the Minister of Finance, completed his assessment of possible solutions to this problem, such as the provision of cash advances to bulk fuel dealers?

Hon. Elmer M. MacKay (Minister of National Revenue): Mr. Speaker, I appreciate the interest of my colleague in this matter. I want to assure him that the Minister of Finance and I are discussing it. We understand there are cash flow difficulties but I want to point out that this excellent program, one of many brought forward to assist farmers, has done a great deal of good. I am seeking to improve the administrative efficiency of this program in my Department to see what we can do to make it even more beneficial.

* * *

EXTERNAL AFFAIRS

CANADA-UNITED STATES RELATIONS—HOTEL ROOM INCIDENT

Mr. John Nunziata (York South—Weston): Mr. Speaker, my question is directed to the Solicitor General and concerns the infringement of the personal sovereignty of a distinguished Canadian citizen. On Sunday an American official unlawfully and without authority entered the hotel room of Mel Hurtig, Chairman of the Council of Canadians, when that council was in the process of demonstrating on Parliament Hill. Will the Minister tell this House what the Government intends to do about this rather unfortunate incident?

Hon. James Kelleher (Solicitor General of Canada): Mr. Speaker, I am glad to have the opportunity to clear up this matter for the Hon. Member.

In the first instance the American official was a member of the U.S. State Department. They had been checked into the sixth floor. They had been given all of the keys for the rooms on that floor. He went to the sixth floor with all of the keys given to him by the Chateau Laurier and was in the process of placing gifts in the various rooms.

He opened Mr. Hurtig's door. Mr. Hurtig had not as yet checked out. He was taking a late check-out. The U.S. official never crossed the threshold into the room. Mr. Hurtig has never made any complaint to the RCMP or the city police.

I would suggest that the Hon. Member observe the admonition of his Leader and research his material before making allegations of that nature.

Some Hon. Members: Hear, hear!

REQUEST FOR APOLOGY FROM AMERICAN GOVERNMENT

Mr. John Nunziata (York South—Weston): Mr. Speaker, the Solicitor General knows that the American agent had no business whatsoever being in that hotel room.

Some Hon. Members: Why not?

Mr. Mazankowski: Get hold of your group, John.

Mr. Nunziata: The Tories might heckle Mr. Hurtig, but he is prepared to stand up for Canada when the Tories are not.

Mr. Crosbie: Why didn't he get himself elected? Why is he sneaking around hotel rooms?

Mr. Nunziata: Mr. Speaker, it is obvious, in the circumstances, that an apology should be forthcoming—

Some Hon. Members: Oh, oh!

Mr. Nunziata: —from the American Government. Is the Solicitor General prepared to ask the American Government for an official explanation of what occurred—

Mr. Crosbie: Ask the Chateau Laurier.

Mr. Nunziata: —and ask for an apology on behalf of Mr. Hurtig?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, do I understand correctly that the Hon. Member is asking me to have the United States apologize because Mr. Hurtig was late checking out of his room?

Some Hon. Members: Hear, hear!

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

Mr. Beatty: Further supplementary.

Mr. Speaker: I would ask Hon. Members to give the Hon. Member for Broadview—Greenwood the opportunity to ask a question.

* * *

• (1450)

FILM INDUSTRY

DISTRIBUTION—CANADIAN CONTROL

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, my question is directed to the Prime Minister who apparently set President Reagan straight about film distribution in Canada and pointed out that the takings go 97 per cent to Americans and only 3 per cent to Canadians.

Would the Prime Minister tell Canadians what he is going to do about the situation? In particular, is he willing to act on a recommendation from a task force, which recommendation has been sitting around for more than a year, that film distribution, as broadcasting for example, should be under Canadian ownership and control? Will we have some action to assert sovereignty in this area?

Hon. Flora MacDonald (Minister of Communications): Mr. Speaker, this question certainly brings to the fore the value of the discussions which can take place between the Prime Minister and the President of the United States. In fact, it was a good opportunity for the Prime Minister to explain to President Reagan what is intended by the legislation on film distribution which will be introduced. This legislation will deal with the Canadian domestic distribution problem. I am sure we can invite the Hon. Member's support for that move.

GOVERNMENT POSITION

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, I would like to direct my supplementary question on the same subject to the Prime Minister. The Minister has only undertaken to implement a very small portion of the recommendations. Indeed, the Minister is on record saying that she simply wants to ask for the agreement of the American majors on the subject.

Is asking for agreement from the American distribution companies enough? Is it not time we asserted sovereignty and Canadians took charge of this area of our culture? Should we not be acting and making those decisions rather than asking for help?

Hon. Flora MacDonald (Minister of Communications): Mr. Speaker, this problem has existed in Canada for 50 years. It is a problem which has not been addressed in the past.

I would be glad to send the Hon. Member a copy of the speech I made outlining the intent of the legislation in this area. I may say that this has received the applause and

endorsement of many people in the Canadian film industry who are looking forward to this move.

* * *

[*Translation*]

CANADA POST CORPORATION

DEMAND BY PEOPLE OF RIVIÈRE-DES-PRAIRIES FOR HOME DELIVERY SERVICE—GOVERNMENT POSITION

Mrs. Carole Jacques (Montreal—Mercier): Mr. Speaker, my question is directed to the Minister responsible for Canada Post. Last Sunday more than 500 Rivière-des-Prairies ward residents of my electoral riding expressed dissatisfaction about the installation and use of superboxes.

[*English*]

Those people want door-to-door mail delivery.

[*Translation*]

Mr. Speaker, I should like to know what the Minister plans to do to correct this situation?

[*English*]

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, the decision to use group or community mail boxes was taken in 1978 by the then Government as an economy measure given the huge deficits the Post Office was running. We expect that within the coming year the Post Office will be in a break-even position and, if we are able to proceed with the corporate plan, will be in a position to start examining the service questions which we inherited and are trying to address in the most efficient and effective manner possible.

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[*Translation*]

INTERNATIONAL YEAR OF SHELTER FOR THE HOMELESS

SHELTER CENTRES—GOVERNMENT POSITION

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, my question is directed to the Right Hon. Prime Minister. The year 1987 has been designated as the International Year of Shelter for the Homeless. A study released yesterday by the Canadian Council on Social Development showed that in Canada, more than 100,000 homeless were received in shelter centres. An instant survey on the night of January 22, 1987 found that 8,000 people had to use shelter centres that night: 1,800 in Toronto, 700 in Montreal, 700 in Winnipeg, 400 in Vancouver and 400 in Edmonton. My question to the Prime Minister is as follows: aside from organizing a conference in September, what does the Government intend to do in the way of concrete measures to respond to the needs of the homeless in Canada?

[*English*]

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I have also looked at the statistics which the Hon. Member has brought to the attention of the House. Through the social housing programs of CMHC and the federal-provincial programs of the Canada Assistance Plan in 1987-88 there are an additional 45,000 units in social housing, a 10 per cent increase of the total number to 450,000. As well, the federal and provincial Governments are sharing a Canada Assistance Plan program of $8 billion, $4 billion from the federal side. As I am sure the Hon. Member knows, in order for additional moneys to be spent the provinces would have to trigger those programs for the federal Government to cost-share under the terms of the Canada Assistance Plan.

[*Translation*]

NEED FOR ROOMS—REQUEST FOR MORE FUNDS

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): My supplementary is directed to the Prime Minister or to the same Minister.

Is the Government prepared to commit itself—the Minister knows perfectly well that housing units are not the answer to meeting the needs of the homeless and that what is needed is rooming houses—is the Government prepared to commit itself to building 10,000 additional units in the form of rooming houses, with the resources, to meet the needs of the homeless? And is the Government prepared to set aside additional funding to double the number of shelter centres in Montreal and across Canada?

[*English*]

Hon. Stewart McInnes (Minister of Public Works): Mr. Speaker, in the last year we have dedicated the entire budget of the Canada Mortgage and Housing Corporation, namely $1.5 billion, to those most in need. In dealing with the plight of the homeless in this International Year of the Homeless, we have also given $1.7 million to various projects to research the problem and make recommendations. We are holding an international congress in Ottawa this fall to review those reports.

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CUSTOMS AND EXCISE

CIRCUMVENTION OF DUTY ON U.S. CORN IMPORTS

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, my question is for the Minister of National Revenue. The Minister will be aware that some American shippers are circumventing Canada's countervailing duty on U.S. corn. Cheaters on both sides of the border are getting around the countervail by

mixing corn with sorghum and soybean meal, then separating the mixture and selling the corn in Canada. Does the Minister have specific plans in place which will immediately stop this illegal bypass of our U.S. corn countervail?

Hon. Elmer M. MacKay (Minister of National Revenue): Mr. Speaker, I appreciate the Hon. Member's question on this important matter. As he knows, this corn countervail has generated a great deal of interest. Our Department is looking into these allegations. I will check more closely and report to the Hon. Member. However, I can assure him that we are aware of the situation and are moving to take measures.

GOVERNMENT POLICY

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, other entrepreneurs are circumventing the corn countervail by bringing truckloads of corn into Alberta duty free via British Columbia. What really is the government policy on U.S. corn imports? Are those countervails in place and are they enforceable?

Hon. Elmer M. MacKay (Minister of National Revenue): Mr. Speaker, of course they are in place. As a matter of fact there will be a hearing on May 26, I believe, to look into the public interest aspect of this. In the meantime there are certain administrative difficulties which the Hon. Member has pointed out. However, I can assure him that we are aware of these and are monitoring them.

* * *

[*Translation*]

CANADA POST CORPORATION

POSSIBILITY OF ABOLISHING SUPERMAILBOXES—MINISTER'S POSITION

Mr. Alfonso Gagliano (Saint-Léonard—Anjou): Mr. Speaker, my question is directed to the Minister responsible for Canada Post.

Sunday afternoon, people from Rivière-des-Prairies were very upset because they were not getting home delivery. The Hon. Member for Montreal—Mercier gave him the assurance that a year from now, the superboxes would be abolished and they would be getting home delivery.

Is this true or is this part of a strategy by Canada Post and the Government to get people to accept the superboxes temporarily and later to introduce delivery by superboxes on an indefinite basis?

[*English*]

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, as I said in answer to a question earlier today, the decision on group or community mailboxes was taken by the Liberal Government in 1978. That policy has been in place. The fact is that to reverse that totally right now would cost several hundreds of millions of dollars per year. If the Hon. Member can suggest a way in which that money can be transferred to the Post Office, we will consider fulfilling his and my desires.

REQUEST FOR HOME DELIVERY SERVICE

Mr. Alfonso Gagliano (Saint-Léonard—Anjou): Mr. Speaker, I would like to correct the Minister. In 1978 the green boxes were installed temporarily until the subdivision was organized and sidewalks were built. It was after 1985 when his Government installed the permanent supermailboxes. Will you stop treating Canadians as second-class citizens and deliver the mail to everybody?

• (1500)

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, I suggest that the Hon. Member read the Marchment committee report which studied the post office system. If he wants to lay blame for the problems the Post Office has now he will see a succession of Liberal Postmasters General who were responsible for the mess out of which we are now trying to dig ourselves so that we can provide the very best service to all Canadians.

* * *

[*Translation*]

IMMIGRATION

REFUGEE STATUS—REQUEST MADE BY CHILEANS IN ARGENTINA—INQUIRY WHY MINISTER REFUSED TO MEET NOËL ST-PIERRE, LAWYER

Mr. Dan Heap (Spadina): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. Why did the Minister refuse to meet Montreal lawyer Noël St-Pierre who is on Parliament Hill today and who went to Buenos Aires to pick up the statements of Chileans requesting refugee status?

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, I have had many opportunities to refer to this matter in the House, and the information we have been given until now does not enable us to identify other cases of Chilean refugees in Argentina. Should Mr. St-Pierre have additional information to warrant a review of these cases, he should convey such information to our embassy in Argentina where officials would weigh new evidence. We would then make the appropriate recommendations.

[*English*]

REQUEST FOR RE-EXAMINATION OF CLAIMS

Mr. Dan Heap (Spadina): Mr. Speaker, I put into the Minister's hand an hour ago a two-page summary in both official languages of the statements of ten of these Chileans who were imprisoned, beaten, tortured or raped by the Chilean

military before they escaped from Chile. Will the Minister read those two pages and direct that all 70 remaining cases be re-examined in light of Mr. St. Pierre's new information?

[*Translation*]

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, that is exactly the answer I gave a moment ago. We were given four or five different documents concerning the evaluation of Chileans in Argentina. The number dropped from 36 to two. We consulted the people who are officially authorized to evaluate refugee cases outside this country; two were referred to us and I agreed to recognize them. Apparently Quebec has issued immigration certificates to eight or nine other applicants. Again I would suggest that the same procedure be followed and if new cases do come up they will be submitted to Canadian officials for appropriate recommendations to me.

[*English*]

Mr. Speaker: I will recognize the Member for York West, which will be the last opposition question. There is one government question to come.

REQUEST THAT FILES BE REOPENED

Mr. Sergio Marchi (York West): Mr. Speaker, my question is directed to the Minister of Employment and Immigration and it concerns the same subject. The Canadian lawyer documented evidence that these individuals whom the Minister deemed not to be bona fide refugees were beaten, raped, tortured, jailed, fired upon, and intimidated. Why did the Minister ignore such clear-cut evidence of persecution? Why did he mislead Canadians by suggesting clearly and concluding that they were not refugees? Will he not re-evaluate or reopen the files so that, in the quest to get tough on immigration policy, legitimate refugees will not be ignored or sacrificed?

[*Translation*]

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, I repeat the same thing for the third time: on behalf of Canada, people in that country have been specially authorized to make official evaluations of applicants for refugee status in Argentina. People may indeed claim that some of the refugees were tortured and persecuted. Such evidence must be submitted to Canadian officials who will make their evaluation and recommendations. This is the third time I have said so.

POSSIBLE IMMEDIATE REVIEW OF INDIVIDUALS WHO FORESEE LIFE OF TORTURE AND POSSIBLE DEATH—GOVERNMENT POSITION

Mr. Sergio Marchi (York West): Mr. Speaker, considering that the evidence on torture has been completely ignored, that the interview process has been botched, and that the UNHCR was not asked to make their recommendations before the Minister rejected them, I ask: Would he not admit that the entire decision making process was unfair, and then ask for an immediate review of cases of individuals who foresee a life of torture and probable death?

[*English*]

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, I have just said and have told my friend many times that unfortunately we do have to refer to the people who have the right to assess. He is wrong when he says that we have not considered the recommendations of Miss Herrera. It is not possible for her to make any recommendations, but she told our office in Buenos Aries that in her opinion we could consider 16 people. Our officers considered all those people again and they recommended that the Minister agree with two cases. That is what we did. It must be very clear that we must always deal with the officers who are especially appointed for this responsibility on behalf of Canada. I will not change that policy.

Mr. Speaker: This will be the last question. The Hon. Member for York East.

* * *

PAROLE

BRITISH COLUMBIA EXPERIMENT USING ELECTRONIC MONITORING ANKLE BRACELETS

Mr. Alan Redway (York East): Mr. Speaker, my question is directed to the Solicitor General. He is aware that the Province of British Columbia is experimenting with the use of electronic ankle bracelets to keep track of provincial prisoners who are out on the street on parole. Does the Solicitor General have any intention to introduce the use of electronic bracelets to keep track of federal prisoners who are out on parole, a group which will soon include those who have been convicted of first degree murder?

Hon. James Kelleher (Solicitor General of Canada): Mr. Speaker, I thank the Hon. Member for his question. We have no plans at this time to install such bracelets on prisoners to monitor them, but we are watching very carefully the results of the British Columbia experiment. We will see whether or not that might be feasible some time in the future.

GOVERNMENT ORDERS

[*English*]

PATENT ACT

MEASURE TO AMEND

The House resumed consideration of Bill C-22, an Act to amend the Patent Act and to provide for certain matters in relation thereto, as reported (with amendments) from a legislative committee, and Motion No. 3 (Mr. Dingwall,

p.4820), Motion No. 4 (Mr. Orlikow, p.4820), and Motions Nos. 5, 11, 13 and 15 (Mr. Dingwall, p.4820).

Mr. Dingwall: Mr. Speaker, I rise on a point of order with regard to the amendments. It is my understanding that when we concluded debate at one o'clock an Hon. Member from the New Democratic Party had the floor. If that is the case, how much time does he have remaining?

Mr. Speaker: The Hon. Member who had the floor had completed his remarks. The floor is open. In the usual course it would go to the Official Opposition.

Some Hon. Members: Question.

Mr. Deputy Speaker: With respect to this grouping, we will vote on Motion No. 3 and that vote will apply to Motions Nos. 13 and 15. We will then vote separately on Motions Nos. 4, 5 and 11.

The question is on Motion No. 3 standing in the name of the Hon. Member for Cape Breton—East Richmond (Mr. Dingwall):

That Bill C-22, be amended in Clause 15 by striking out lines 13 to 18 at page 11 and substituting the following therefor:

"consumption in Canada"

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

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five Members having risen:

Mr. Deputy Speaker: Pursuant to Standing Order 114(11), the recorded division on the proposed motion stands deferred.

• (1510)

The question is on Motion No. 4. Mr. Orlikow moved:

That Bill C-22, be amended in Clause 15 by striking out lines 18 to 49 at page 11 and lines 1 and 2 at page 12 and substituting the following therefor:

"for sale for consumption in Canada until the expiration of four years after the date of the notice of compliance."

Is it the pleasure of the House of adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five Members having risen:

Mr. Deputy Speaker: Pursuant to Standing Order 114(11), the recorded division on the proposed motion stands deferred.

The next question is on Motion No. 5. Mr. Dingwall moved:

That Bill C-22 be amended in Clause 15 by striking out lines 19 to 49 at page 11 and lines 1 and 2 at page 12 and substituting the following therefor:

"(2) The prohibition under subsection (1) expires in respect of a medicine four years after the date of the notice of compliance that is first issued in respect of a medicine where that notice of compliance is issued after the coming into force of this section."

Mr. Deputy Speaker: Is it the pleasure of the House to adopt the Motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five Members having risen:

Mr. Deputy Speaker: Pursuant to Standing Order 114(11), the recorded division on the proposed motion stands deferred.

The next question is on Motion No. 11. Mr. Dingwall moved:

That Bill C-22, be amended in Clause 15 by striking out lines 8 to 14 at page 12 and substituting the following therefor:

"(4) Subsection (1) does not apply in respect of a medicine where

(a) on the day of coming into force of this section a notice of compliance has been issued to the patentee and a license has been granted under section 41 in respect of the medicine but no notice of compliance has been issued to the licensee; or

(b) on the day of coming into force of this section a notice of compliance has been issued to the patentee and a notice of compliance has been issued to a person other than the patentee but no license has been granted; or

(c) on the day of coming into force of this section, a notice of compliance has been issued to the patentee but no notice of compliance or license has been issued to a person other than the patentee.

Mr. Deputy Speaker: Is it the pleasure of the House to adopt the Motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five Members having risen:

Mr. Deputy Speaker: Pursuant to Standing Order 114(11), the recorded division on the proposed motion stands deferred.

Motion No. 12 will now be debated and voted on separately.

Mr. David Orlikow (Winnipeg North) moved:

Motion No. 12.

That Bill C-22, be amended in Clause 15 by striking out lines 11 to 14 at page 12 and substituting the following therefor:

"licence has been issued in respect of the medicine or a notice of compliance in respect of the medicine has been issued to a person other than the patentee."

He said: Mr. Speaker, despite the repeated claims by the Minister of Consumer and Corporate Affairs (Mr. Andre) that the passage of Bill C-22 will not increase the price of prescription drugs, the fact is that with the exception of the Minister and the multinational drug companies there are no individuals or groups who appeared before the committee and made representations to members of the House who did not make it very clear that in their view the cost of prescription drugs will rise very substantially.

This question has been debated for years. In the late 1960s we realized that Canadian people were paying the second highest prices for prescription drugs in the industrialized world. That realization, which was based on a number of studies conducted by Government departments and Parliamentary committees, led to the change in the patent law with respect to prescription drugs which permitted generic companies to produce drugs under licence after paying a royalty to the company which did the original research and development. That led to a situation where we had virtually the lowest prices for prescription drugs in the western world.

That change in the law has saved the Canadian people hundreds of millions of dollars. Dr. Eastman, who conducted the most recent thorough study on this question, estimated in 1983 the people of Canada saved $211 million. The savings would be even greater if we continued with the legislation because the price of new drugs is escalating very rapidly.

Provincial governments made it clear to the Parliamentary committee, and to the Minister, that the cost to their drug plans would rise very substantially. The Province of Nova Scotia made that clear to the Minister. The Province of Manitoba appeared before the Parliamentary committee. The Province of British Columbia in its recent budget increased the amount of money a family has to pay, before its pharmacare program takes over part of the cost, to $250 per year.

Yesterday we learned of how tough things are going to be in Saskatchewan. Representatives of the Government of Saskatchewan who appeared before the Parliamentary committee which studied this Bill seemed to feel that province would not be very adversely affected. However, let me put on the record the text of a news item which was part of the *CTV National* news last night. The province of Saskatchewan is cutting its spending to reduce its deficit of $1.2 billion. In the latest move, a group of doctors lost their jobs. Some Saskatchewan social agencies have already been warned their funding will be substantially reduced for things such as the shelter for battered women.

Because of the slump in the oil industry and agricultural revenues, the Government is spending $300 million more than it takes in. Vital services such as health care are on the block. The main teaching hospital is forced to let go all of its medical specialists, including the only AIDS specialist in Saskatchewan.

The Government is also delaying construction of another university building. This latest move has brought strong protests from all students. The Province of Saskatchewan plans to announce more funding cuts this week before proceeding with next month's budget.

Can anyone doubt that the Government of Saskatchewan will be placing a substantial fee on the residents of Saskatchewan and that its drug plan will have to pay substantially more for prescription drugs when this legislation passes?

What this legislation does is extend the period of exclusivity during which time the multinational companies can charge whatever they want without fear of any competition. It gives the multinational drug company an extra six years of exclusivity and it does that despite the recommendations of Dr. Eastman that the period of exclusivity should be limited to four years and in return companies wishing to receive a licence to produce the drug would pay a 14 per cent royalty.

• (1520)

Bill C-22 does more than that, Mr. Speaker. It gives the multinational companies an extra protection, inasmuch as it would eliminate the many licence applications by generic drug manufacturers already in the pipeline. I understand that there are 150 such applications which have not yet been processed. Should Bill C-22 pass, those applications would not be proceeded with, thus depriving the people of Canada of lower priced drugs.

Bill C-22 says that the restrictions in Section 44.11(1) do not apply if the compulsory licence or a notice of compliance had been granted by June 27 last, the date upon which the first generic drug Bill was to be introduced. The Bill says that the licence and the notice are required.

The amendment I have proposed, Mr. Speaker, is one suggested by the Consumers' Association of Canada, which said:

> In the case where a company has received either a compulsory licence or a notice of compliance but not both it is unfair to grant retroactive exclusivity of seven (years) to the patented drug.

Mr. Speaker, this was a statement with which Dr. Eastman agreed when he appeared before the legislative committee. In fact, he mentioned it twice in his appearance, and it was one of three recommendations which he made to the committee. He said:

> I think the legislation could be improved by these three things: allowing the R and D ratio of individual firms to be revealed; allowing the board to remove, if need be, the exemption from compulsory licensing from all the patents of firms with excessive prices; and then—

And this is the part of his remarks which refers to this amendment:

> —and then the most telling change would be to reconsider the transitional arrangements and allowing firms that have compulsory licences to exercise them when they receive an NOC.

There is also a good practical reason why this amendment should be accepted; it will save Canadians a good deal of money. One example of this was provided by the Canadian Drug Manufacturers Association, a member company which had a generic equivalent of the ulcer drug Zantac ready for introduction this year. If Bill C-22 is passed, the introduction of the generic equivalent of Zantac will be postponed for seven years, and that generic equivalent was to be priced at one-half of the brand name Zantac.

Thousands of Canadians suffer from ulcers. Here we have an opportunity by a legitimate generic drug manufacturer to bring on to the market a generic equivalent to Zantac at substantial savings to the people of Canada being lost. In the generic equivalent, we had a product that meets the requirements of the present legislation, and we had a manufacturer who was willing to pay the royalty required.

The opportunity for the people of Canada to realize the savings that are made possible through the availability of generic drugs will disappear with the passage of Bill C-22.

Mr. Speaker, for the reasons I have outlined, I move that Bill C-22 be amended in accordance with the motion standing in my name.

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, let me say at the outset that the amendment set out in Motion No. 12, put forward by my hon. colleague of the New Democratic Party, makes eminent good sense. For purposes of the record, Mr. Speaker, I wish to read the amendment, following which I shall address the House on it.

The amendment reads as follows:

> That Bill C-22, be amended in Clause 15 by striking out lines 11 to 14 at page 12 and substituting the following therefor:
>
> "licence has been issued in respect of the medicine or a notice of compliance in respect of the medicine has been issued to a person other than the patentee."

This particular amendment, along with previous amendments, and indeed those to follow, in my view, both in substance and its consequential effect, will improve the over-all thrust of what we believe to be a deficient Bill C-22.

We had hoped to bring about improvements to the Bill during committee consideration. As I understand it, the purpose of committee consideration is to find ways by which to improve legislation. We did in fact submit some amendments during committee consideration of Bill C-22, but those amendments were, by and large, rejected by the majority of members on the legislative committee.

To my disappointment, there seems to be a reluctance to try to improve the Bill, and this notwithstanding the fact that we had substantial evidence adduced from different witnesses in favour of amendment.

Bill C-22, without amendment, is flawed. It is my hope that Members opposite will reflect seriously on this amendment and its consequential effect on other aspects of the Bill.

Many of the witnesses who appeared before the legislative committee on Bill C-22 expressed, without qualification, the fear that they had with respect to the cost of prescription drugs, the lack of enforceability with regard to research and development, and the lack of jurisdiction of the Patent Medicines Review Board—something which has been part and parcel of the Act since day one, Mr. Speaker.

It should be kept in mind by Members opposite that there is an opportunity now to participate in improving Bill C-22—something which I hope will be the objective of all Members of Parliament. For some reason—a reason alluded to, perhaps, in testimony before the committee, as well as in the oral presentations in the Chamber—the Government is determined to proceed with this Bill, unbalanced as it is, to the benefit of multinational corporations situated to the south of the Canada-U.S. border and to the detriment of the Canadian generic drug industry, Canadian consumers, and also, in my view, to the detriment of the Canadian pharmaceutical industry as a whole.

It seems to me, Mr. Speaker, as public policy-makers enacting legislation, presumably for the benefit of Canadians, that we should ensure that the pillars or the underpinnings, if you will, of any piece of legislation are in place. In this particular instance I speak of the interests of consumers; I speak of a public policy which addresses the Canadian pharmaceutical industry: research and development, the jobs, the opportunities, and the further enhancement of that particular sector in its linkages with biotech industries, and what have you. It seems to me that we would want to have public policy which addresses all of those concerns.

As I have said, without this amendment, Bill C-22 is flawed. The Government has not, either through its members or through the witnesses it asked to appear before the legislative committee, been able to adduce substantive evidence to refute the arguments that we in the Opposition have been making. It has, however, had some of the lobbyists from multinational corporations circulate to Members of Parliament convenient polling data that they were able to construe from a certain polling company in this country, data which seemed, at the time, to meet its needs and achieve its particular objectives. It

failed, however, to give the other side of the coin in terms of polling data readily available to Members of the House which showed the concerns of Canadians with regard to Bill C-22.

• (1530)

Dr. Eastman was appointed by the Government, of which I was a member back in 1983. He reviewed very carefully the pharmaceutical industry in Canada. He came up with a number of recommendations which collectively, not individually, met the objectives of a sound Canadian pharmaceutical industry. The Government has gone in the opposite direction. Perhaps the rationale for doing that is that we appointed Dr. Eastman back in 1983, and the Government does not want to have anything to do with his recommendations in 1985. I hope that is not the case. We should look with an open mind at the recommendations of this distinguished individual, both their substance and the effects they will have upon Canadians.

As the Hon. Member for Winnipeg North (Mr. Orlikow) advocated today, one recommendation took into consideration some of the testimony educed at committee stage, even from Dr. Eastman when he appeared before the committee, which gave credence to the substance of the amendment of the Hon. Member for Winnipeg North. However, Hon. Members opposite rejected any positive amendments we tried to put forward during committee stage.

I do not wish to comment upon the intentions or motives of Hon. Members opposite, but it is quite appalling, if the legislation is so good, so wonderful, and serves the best interests of all Canadians, that Hon. Members opposite would have availed themselves of the opportunity to stand in their places and refute either the substance of our amendments or, in the alternative, clearly fail to point out to Canadians from where benefits will come as a result of the passage of Bill C-22 unamended.

I cannot predict with any degree of certainty how the House will conduct itself at the end of report stage in terms of voting on the various amendments. However, it seems that it would be beneficial to Hon. Members on this side of the House—and I speak of my colleagues in the New Democratic Party—if we had some indication where Hon. Members on the government side stand on the amendments. In that way we would assist you, Mr. Speaker, in your responsibilities in this great institution by facilitating swift passage of the amendments. We do not want to take up the time of the House unduly in terms of debating the amendments. However, if it is the intent or the motivation of Hon. Members opposite to refuse to accept the amendments, both in terms of their substance and the spirit in which they were put forward, and to vote them down with their huge majority, it presents another set of circumstances with which we must deal.

I see you signalling, Mr. Speaker, that I have a minute remaining. In summary, I support the Hon. Member for Winnipeg North who served with a great deal of distinction on the legislative committee examining Bill C-22. I urge all Hon. Members to give serious consideration to the amendment. I hope they will respond in the affirmative when, at the end of report stage, the Speaker puts the question on the particular motion. It is a good amendment. It will improve Bill C-22. I think Canadians would want to see us as legislators coming to some consensus on this particular aspect of Bill C-22.

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, first I should like to express my appreciation for the intelligent, prescient, and perceptive words of the Hon. Member for Cape Breton—East Richmond (Mr. Dingwall) in recognizing the tremendous work of the Hon. Member for Winnipeg North (Mr. Orlikow), along with him, particularly in committee under circumstances which I think all witnesses would identify as difficult. I mean by that witnesses to the proceedings of the committee as well as witnesses who appeared before it in an attempt to have their voices heard in respect of the legislation presently before us. They certainly must have left the committee feeling that there was a serious flaw in the way in which parliamentary committees operate. In many instances, particularly when they consider that the legislation was not in their interest and so expressed themselves, I am sure they found themselves, to say the least, ignored by the majority of the committee which represents a Government totally committed to the enactment of the legislation presently under debate.

I will not review again the history of the legislation in detail. However, I simply call attention to the fact that we have a reversion to a period of time before 1969 when multinational drug companies enjoyed a considerable period of exclusivity in respect of the manufacture of certain drugs under patent.

Subsequent to that date, legislation was introduced which provided for compulsory licensing. We know how well the system worked, and we are deeply disturbed that the Government chose to turn back the clock, in effect, to accord to multinationals the same advantages for exploitation which they had in the past, and to subject ordinary Canadian citizens in need of medication to a situation which existed before 1969. At that time they were completely open to the exploitation of their ailments for the benefit of excessive profits by the multinational drug companies which, in collusion with the Government, produced this legislation for the House.

As the Hon. Member for Cape Breton—East Richmond identified, the Eastman Commission examined the situation which was extant in Canada between 1969 and 1985. Although he saw some deficiencies in our arrangements, Dr. Eastman recommended, after a thorough examination and study—and perhaps it was the most thorough examination of the drug market and drug legislation in Canada—some fine tuning of the Patent Act in respect of patent drugs. In spite of a very erudite, well researched, well informed, and well written report, the Government laid before us this legislation.

I call particular attention to the discussion contained in the Eastman Report on the question of patents. I do not want to burden the House with a detailed examination of the intricate arguments advanced by Professor Eastman, suffice it to say

that he reached the conclusion that there was an appropriateness, a suitability, a measure of justice and some advantages in providing for some period of exclusivity. He posed the question: what would be an appropriate length of time for such exclusivity? In looking at 10 years or longer periods of time he saw certain dangers. He found that the chief danger was a discouragement of significant real research designed to produce genuinely new pharmaceuticals. He asked the question, how much time would be necessary for a pharmaceutical manufacturer, the originator of a patented drug, to recoup what research expenditures and whatever promotion costs were necessary while retaining some sort of balance between the role of the patent in his view—that is to stimulate the availability of novelty—and a drifting off into the almost useless research into a drug, not quite the same as a drug already patented, which could be patented at the disadvantage of patients needing new means of treatment and cure?

• (1540)

The Government rejected the arguments and provided instead for a 10 year period of exclusivity. We have already advanced amendments which the Government has voted down. They would have attempted to reduce the period of exclusivity to the period recommended by Professor Eastman.

My colleague has indicated that no Members on the government side have seen fit to participate in the debate. Surely at this stage when we are considering an amendment that would apply the period of exclusivity in a fair way, the retroactivity of exclusivity in a transition period to drugs that may be licensed or which have a notice of compliance must be a situation to which members of the Government would object. We know that in the past they have taken righteous objection to the retroactive application of new legislation.

I am sure if government Members would participate in the present debate they would prove capable of enlightenment on this simple situation. We have a situation in which drugs which have a licence or a notice of compliance are subjected to periods of seven or eight years of exclusivity. Our amendment would provide that any drug that has either a compulsory licence or a notice of compliance would not fall under the restrictions of Subsection 41.11(1). This makes a great deal of sense. It made a great deal of sense to Professor Eastman when he appeared before the committee. Doubtless members of the committee will not remember this, having paid so little attention to him, but in respect of changes that ought to be made in the legislation, the most telling change "would be to reconsider the transitional arrangements allowing firms that have compulsory licences to exercise them when they receive a notice of compliance".

The issue of retroactivity is not the only issue. It is really a question of fairness but it is also a question of cost. As it turns out, the drug known as Zantac was on the verge of being made available in its generic form as ranitidine. This will not now be available as a result of the way Subsection 41.11 is presently worded, and it will cost the consumer money. In terms of fairness and of opposition to the retroactive application of legislation of this sort and in terms of maintaining at least some measure of concern for ordinary Canadians for whom the cost of ranitidine in the form of Zantac will be much higher than otherwise without this amendment, I would urge the Government to consider very carefully the proposition being advanced in this amendment and support it enthusiastically, and I would hope vocally.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: It is my duty, pursuant to Standing Order 66, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for York East (Mr. Redway)—Administration of justice—Confidence in system—Minister's position; the Hon. Member for London East (Mr. Jepson)—The Constitution—Request for inclusion of property rights; the Hon. Member for Eglinton—Lawrence (Mr. de Corneille)—Human rights—East Timor—(a) Invasion by Indonesian troops. (b) Request for representations to United Nations.

GOVERNMENT ORDERS

[*English*]

PATENT ACT

MEASURE TO AMEND

The House resumed consideration of Bill C-22, an Act to amend the Patent Act and to provide for certain matters in relation thereto, as reported (with amendments) from a legislative committee, and Motion No. 12 (Mr. Orlikow, p. 4936).

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, I am very concerned that the Government is not going to heed the request of our Party to approve Motion No. 12, which I think offers a very good and helpful suggestion, one that is in the best interests of Canadians. I really do not understand why the Government is taking such a hard line with respect to Bill C-22. It is obvious that the people of Canada are very concerned with the trend being developed by the absolute determination of the Government to bulldoze this legislation through the House of Commons in the form in which it is presently set and which will ultimately lead to higher drug prices for Canadians.

There is no solace in the minds of Canadians that there will be increased investment in research and development over the next 10 years. They do not believe that we are going to see the $1.4 billion in investment. Canadians, especially older

Canadians who will be most affected by higher drug prices, realize that before 1969 very little research and development was done in Canada. At that time Canada had the second highest drug prices in the world, second only to the United States. It was not until 1969, when the then Liberal Government introduced regulations to allow generic drug companies to be a factor in drugs in Canada, that Canadians were able to see their drug prices come down to at least a reasonable level. I would say that at the present time Canadians are enjoying savings in the amount of about $211 million a year as a result of those changes in 1969.

At a time when other countries are looking upon Canada as having a very humane and straightforward approach to drugs, we are becoming regressive and want to roll the clock back prior to 1969. This is not only alarming Canadians but people of all countries. Why are we doing this? We are doing it to please the United States to buy a free trade agreement from the United States with our more or less friendly attitude through Bill C-22. But it is not only the United States that manufactures drugs, many other countries do, particularly Switzerland. This will not be helpful to drug companies in Switzerland.

Mr. McDermid: Why? Explain that.

Mr. MacLellan: I cannot really understand how we are going to benefit Canada with this policy. Even if there were $1.4 billion in additional investment, how will we compensate for the $3 million, $4 million or $5 million of additional drug prices and expenditures that Canadians will have to pay over the next few years? It is very sad indeed that this is being foisted on Canadians.

• (1550)

It is unfortunate that the recommendations of the Eastman report were not accepted. Those recommendations took a step in the direction the Government wishes to take. However, they were not the steps the powerful drug lobbies from the United States wanted the Government to take. It is unfortunate that what we are doing is dictated not so much by the interests of Canadians but by the interests of forces outside Canada. It is so very obvious that this lobbying has been done strongly by the drug companies and lobbyists in the United States. Pretty well every Canadian organization and interest present in Washington has been lobbied, and particularly the Ambassador. It is obvious as well that the drug companies in the United States had advance information with respect to the contents of Bill C-22.

It is alarming that this Bill is harsher than the Bill proposed last June. I do not know why that Bill was not simply renumbered and reintroduced in the new session. It seems that that was not acceptable. I am concerned that the Government feels that it really does not have to listen to the amendments that are being put forward. With its majority, it feels comfortable in pushing the Bill through as it presently reads.

Mr. McDermid: How about committee, now, Russ? Be honest.

Mr. MacLellan: Yes, I know it was in committee and it received a good hearing there. However, some very good amendments have been proposed by the Hon. Member for Cape Breton—East Richmond (Mr. Dingwall) and even by the Hon. Member for Winnipeg North (Mr. Orlikow). I feel that it would be in the interests of all Parties to examine closely these amendments that are being presented during report stage of Bill C-22.

I hope the Government will allow members of the Opposition to continue this debate because there are a great many issues of concern that really ought to be discussed. I do not know if we will have the opportunity to discuss all of the amendments that are before the House. There are some amendments that we have not debated, but I hope that the Government will listen to this debate. We will continue to discuss this Bill in the hopes that some changes will be made. It does not seem likely that the Government will withdraw this Bill, so I now hope that the Government will at least listen to some of the suggestions that are being put forward.

I do not think that we can honestly expect drug prices to hold indefinitely. I do not think we will see drug prices rise immediately because existing drug prices will not increase, but I do think the prices of new drugs will increase. What confirms that in my mind is that if the federal Government and the provinces did not think that drug prices would increase, why would the provinces be offered $100 million over the next four years at $25 million a year as compensation?

We could go on and on but we do not seem to be changing the mind of the Government. I hope the Government will relent and will make some changes in the Bill. I hope it will listen carefully to the Opposition and will carefully examine the suggested amendments.

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, I appreciate the opportunity to speak on Motion No. 12 moved by my colleague, the Hon. Member for Winnipeg North (Mr. Orlikow). I would like to say a word of appreciation to him for the hard and dedicated work he has been doing on behalf of Canadians. He is trying to bring the Government to its senses so that it will realize that what it is doing is not only harmful to the financial situation and health of Canadians but is harmful to the Government itself. The Government will pay a price for foisting this kind of legislation upon Canadians.

Quite frankly, I wish more Conservative Members would speak up on behalf of their constituents. We have been tabling petitions and receiving letters on this issue, and I am sure Members on the government side have as well. I recall, for example, the courage that was shown by my good friend and colleague, the Hon. Member for Victoria (Mr. McKinnon), who spoke up against the deindexing of seniors' pensions. He knew that there was a substantial number of senior citizens in his constituency so he spoke up on their behalf. Because he and

other members of the Conservative caucus did that, they helped to bring the Government to its senses and the Government did not go ahead with deindexing as it very much wanted to do. I do not hear government Members speaking in support of the very sensible and intelligent amendments to this Bill that have been moved by the Opposition, amendments that would at least ameliorate the worst conditions in the Bill.

Motion No. 12 would provide that the restrictions in Clause 41.11(1) would not apply if the compulsory licence or a notice of compliance had been granted by last June 27, the date on which the first generic Bill was to be introduced. This Bill on the other hand provides that both the licence and the notice are required. This is a form of retroactive legislation. When in opposition, Conservatives were very opposed to retroactive legislation. They felt that retroactivity was a great legislative sin. I think they should take the same position now that they are in government rather than retroactively robbing Canadians of the right to purchase generic drugs.

Day after day in Question Period, members of our Party tried to have the Minister of Consumer and Corporate Affairs (Mr. Andre) come clean and admit that this Bill would result in higher costs for Canadians who had to purchase drugs. Day after day, the Minister attempted to stonewall us. Finally, it came down to a semantic dispute between a higher price or a higher cost. The average Canadian has a great deal of difficulty understanding the very fine distinction the Minister has made. Whether the average Canadian has to pay a higher price for drugs or drugs have a higher cost, he or she will have to reach into his or her pocket and take out more money to get the drugs needed to maintain health.

This legislation will not only result in higher costs down the road but it will result in higher costs almost immediately. As an example, when it appeared before the committee, the Canadian Drug Manufacturers' Association said that it had a generic equivalent for the ulcer drug Zantac ready for introduction this year until the retroactive legislation took effect. This generic drug, which was priced at one-half the price of the brand name product, is now going to be lost for seven years. Canadians will be hit with higher drug prices almost immediately. Some 153 applications have been filed by generic companies on brand name drugs. This higher cost will not hit Canadians somewhere down the line, it will hit them right now. It is retroactive legislation and most unfair to the generic drug companies and those people who depend upon drugs to maintain their health.

• (1600)

The Consumers' Association of Canada has asked for an amendment such as this and in doing so it said that in the case where a company has received either a compulsory licence or a notice of compliance but not both it is unfair to grant retroactive exclusivity of seven years to the patented drug. Dr. Eastman agreed when he appeared before the committee. Of course the Government did not accept the Eastman report recommendations. One of those recommendations was that there should be a period of exclusivity for four years, and the Government said it will be 10 years. In that time brand names will become so solidly established that it will be very difficult for a generic drug to have any real effect on prices.

Dr. Eastman also said the legislation could be improved by three things. One, allow the research and development ratio of individual firms to be revealed. Two, allow the board to remove, if need be, the exemption from compulsory licensing of all patents held by firms with excessive prices. Third, and this is the one that matters, the most telling change would be to reconsider the transitional arrangements and allow firms with compulsory licences to exercise them when they receive an NOC.

I have already pointed out that this retroactive provision in the legislation will cost Canadians money. It is bad legislation both because it is retroactive and because it costs Canadians money. It is the kind of legislation this Government should not be trying to foist on Canadians. In the name of fairness, good legislation, and concern for the well-being of the health of Canadians as well as their financial ability to pay for the drugs, I urge the Government to accept this amendment.

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, I am pleased to rise in support of the motion proposed by my hon. colleague the Hon. Member for Winnipeg North (Mr. Orlikow). The purpose of the amendment is very clear. It is a very important amendment which I hope Members of this House will see fit to adopt. The Government is seeking to extend significantly the time during which patents will be protected, this despite the recommendation of the Eastman report. This legislation not only denies Canadian consumers new generic drugs for 10 years, but also denies them for seven years or eight years those drugs which are in the regulatory approval mill, in other words, generics which may have been licensed but not yet approved by the health protection branch. This amendment attempts to deal with that situation and was suggested by representatives of the Consumers' Association of Canada. It would amend Section 41.11 which says, in Subsection (4):

> Subsection (1) does not apply in respect of any licence pertaining to a medicine where on June 27, 1986, a licence has been granted in respect of the medicine and a notice of compliance in respect of the medicine has been issued to the licensee.

This is in effect retroactive legislation. I recall Tories standing up in the House many times to express their strong and vigorous opposition to any notion of retroactivity in legislation. Yet by backdating this proposal to June 27, 1986, the Government is imposing that very thing. The amendment would make it clear that the restrictions in Section 41.11(1) do not apply if the compulsory licence or a notice of compliance had been granted by June 27, 1986, the date on which the first generic drug Bill was introduced. In other words, if the proposed generic drug was in the mill and being analysed by the health protection branch, these new provisions should not apply. Surely that is reasonable.

In suggesting the amendment the CAC said that where a company has received either a compulsory licence or a notice of compliance but not both, it is unfair to grant retroactive exclusivity of seven years to the patented drug. That is exactly what the Government is proposing. I suggest that the amendment is very sensible and will introduce some fairness and equity to this proposal.

Professor Eastman studied this issue exhaustively and with care. He examined some of the difficulties created when a patented drug has too long a period of protection. The Government's proposal is two and a half times the length that Professor Eastman recommended, and therefore it is important to remind the House and Canadians exactly what Professor Eastman said.

While it could be argued that this is a quite a complex and difficult issue, in many respects it is very straightforward. We are talking about the right of Canadians to low cost prescription drugs. We are talking about the right of Canadians to have a Government that will not cave in to pressure from multinational drug companies south of the border as part of a free trade deal. Every Member of this House remembers Clayton Yeutter's complaints about Canadian drug patent laws. We know the Government is caving in to that pressure. A period of 10 years for compulsory licensing is far too long.

My colleague from Winnipeg North has spoken on this point and led the fight, not just on behalf of this caucus but on behalf of all Canadians, against this Draconian legislation. I want to join with my colleague from Cowichan—Malahat—The Islands in saluting the work done by the Hon. Member for Winnipeg North (Mr. Orlikow). He is carrying on in the finest traditions of Members of Parliament from the north end of Winnipeg, including of course Stanley Knowles.

What did Professor Eastman have to say about this suggestion of a 10-year period of exclusivity? He said, and I quote from his report:

• (1610)

> Patent protection may also be too long. This occurs when the period of patent protection is such that the innovator expects to earn profits in excess of the minimum necessary to justify the investment. Inventors' profits from innovation might on the average exceed the rate of return obtainable from other uses of the resources invested in research and development.

He then makes this comment:

> Patent life also has an effect on the choice of research projects.
>
> If the rewards of investment in research from the temporary monopoly are low, investment in marginal research projects, which are the least promising ones innovators carry on, are foregone even though their benefit for society would exceed the resources used.

He then makes this important point:

> If average patent life is too long, it leads to a reduction in social welfare due to duplication and to overinvestment in marginal projects. The result of excessive patent protection is the attraction of too much investment in research and development and the consequent dissipation of the gains from research.
>
> Innovating firms may be induced to compete for the high profits on new inventions by increasing their research activities with the result that the discoveries of research which is marginally attractive to the firms bring negligible benefits for society.

In other words, new products do appear but the resources that have been spent to produce them would have benefited society more if they had been spent elsewhere. That argument by Professor Eastman is obviously a very powerful argument in terms of an undue delay in the area of patent protection. Certainly the suggestion of a 10-year period of patent protection is quite unreasonable.

Doctor Eastman also voiced his support for an amendment of the nature of the one which has been proposed by my hon. colleague, the Member for Winnipeg North, when he appeared before the standing committee which studied this issue. He said:

> I think the legislation could be improved by these three things: allowing the R and D ratio of individual firms to be revealed; allowing the board to remove, if need be, the exemption from compulsory licensing from all the patents of firms with excessive prices; and then the most telling change would be to reconsider the transitional arrangements and allowing firms that have compulsory licences to exercise them when they receive an NOC.

That is otherwise known as a notice of compliance. I would like to pick up on one of those points, that with respect to excessive pricing. Ministers of the Government have gone around the country telling Canadians that their proposals with respect to compulsory licensing will not increase the price of drugs in Canada. If that is the case, why is the same Government promising $25 million a year for a four-year period to compensate provinces which have pharmacare plans? It does not make any sense. On the one hand the Government is saying there will not be any additional cost and, in the next breath, is saying that just to be on the safe side it will give the provinces $25 million to compensate in case there are additional costs.

That is Tory logic. My constituents in Burnaby, particularly senior citizens and the disabled who are dependent on drugs and have already been hit by the actions of the provincial Government of British Columbia, do not accept that form of logic. They do not accept that because they know this is simply an excuse of the Tory Government for making a cosy deal with the multinational drug companies as part of an over-all free trade package.

Who will suffer as a result of these proposals? It will not be the friends of the Conservative Party. It will not be the high-paid lobbyists who were busily lobbying the Conservative Government from the law offices of Ogilvy, Renault and elsewhere on this legislation. No, it will be those who can least afford to bear the burden.

I hope that Hon. Members will recognize the importance of this amendment, the fact that it will save Canadians a great deal of money on a wide range of drugs including the ulcer drug, Zantac, which is ready for introduction this year, the generic version of which is one-half the price of the brand name drug. I hope that government Members, including the very distinguished Member for Saskatoon West (Mr. Hnatyshyn), will be prepared to rise in their places to speak in support of this amendment.

Mr. Sergio Marchi (York West): Mr. Speaker, I, too, am very pleased to stand in my place and speak on Bill C-22, particularly with reference to Motion No. 12 proposed by my friend in the New Democratic Party. Bill C-22 is an important piece of legislation for all Canadians. Through Motion No. 12 we are suggesting that in addition to the entire issue of a 10-year patent protection being somewhat unfair, it is unfair with regard to new drugs introduced between first reading of this Bill and the present time. Should the exclusivity clause be triggered, it should not affect those drugs introduced before the Bill was approved by the House of Commons.

Canadians are asking themselves why the large multinational corporations which are discovering drugs are being given a 10-year monopoly. Professor Eastman, a recognized and well-respected expert in this field, has suggested that an exclusivity period of four years is ample time for the multinational corporations to get a return on their investment and register a profit, and that after that time the generic companies in Canada should have the opportunity to duplicate these drugs for the use of Canadians in exchange for a royalty paid to the discoverers of the drug. He suggested that in the end the consumer would also win with a four-year equation.

We must look at the entire equation. We must recognize that the corporations which are investing resources, capital and brainpower to discover new pharmaceutical drugs to cure various diseases and illnesses must have some protection too. The four-year equation recognizes that the generic firms also have to live in this country. I have perhaps the largest of the generic drug manufacturers, Apotex, in my riding. It, too, has invested a great deal of resources and man and womanpower. It has doubled its buildings in the last number of years. It, too, would be affected negatively if Bill C-22 becomes a reality. The resources and jobs in that company are on the line as are the taxes it pays to the City of North York. In addition to the large multinational corporations which propose those arguments, the generic firms which employ Canadians from coast to coast are meritorious of our consideration.

The third player in the equation is the consumer. Under a four-year equation the multinational corporations will make a return on their dollar; the generic firms will be able to compete, expand and pay royalties to the multinational corporations; and the third player, the consumer, will also win. The consumer would be able to obtain drugs at an acceptable and accessible rate. We should not lose sight of the consumer in this equation. We in this Party believe that all Canadians, whether rich or poor, whether young or old, whether living in Toronto, Vancouver or Halifax, who need prescription drugs have the right to have drugs at their disposal which will not cost them an arm and a leg. That was the vision of Professor Eastman in his recommendation of a four-year plan. Canadians want to know why the Conservative administration wishes to increase patent protection from a four-year proposal to ten years. They want to know for whom the Government is introducing such a proposal and who will benefit from this legislation. It will certainly not be Canadians at large, including senior citizens on fixed pensions who require regular drugs. It will certainly not be single mothers with a number of children who require medicine.

• (1620)

Obviously, the large multinational corporations from the United States who are essentially dictating this policy will be the winners from this legislation. They propose that there will be some $1.4 billion in research and development, but there are no guarantees. There are no guarantees that the money will be spent in this country or that the spin-offs will take place here rather than in the United States. There are no guarantees that jobs will be created in this country for Canadians. Even the argument of increased research and development is not certain.

What evidence will Canadians have that this process will result in a progressive step in our over-all medicare program? Many of us have spoken to our American friends who told us they envy our system that we have been able to build in this country. They envy the fact that our medicare plan means that a person who needs an operation or treatment for a serious ailment will not have to mortgage his or her house to receive that attention. As great and powerful as American society is, there are horror stories about individuals who must mortgage their homes in order to obtain operations or stay in hospital.

This legislation would run counter to the traditions we have built upon in this country. The greatness of Canada can be measured in part by the way the Government and society treats the needy, the elderly, the homeless, the hungry, and the sick. If this legislation goes through, historians will not be able to regard it as testimony to the greatness of our compassion toward those in our society who need our assistance. It will not make drugs more accessible and affordable to those who really need them on a daily basis. Canadians are telling the Government that if it is going to tinker with the system and modify it, then it should do so in a progressive way by enhancing it on the basis that those in our society who are sick will have a greater chance to get better through increased accessibility and affordability to pharmaceutical drugs.

I notice that you are indicating that my time is up, Mr. Speaker. I hope the Government will at least support Motion No. 12 in principle but will generally begin to understand what it is doing with this legislation, who it is affecting and who is being served by it.

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, I am pleased to support Motion No. 12 standing in the name of my hon. friend, the Member for Winnipeg North (Mr. Orlikow). Motion No. 12 deals with retroactive application of amendments to restrict generics. This amendment to the Bill attempts to bring in some competition to the market-place.

I find it incredibly peculiar, to say the least, that the Government is not prepared to welcome competition in the market-place when it comes to generic drugs. Bill C-22 is very unfair because it denies Canadian consumers new generic

drugs for 10 years. The Bill allows a drug firm, probably from the United States, to come to Canada with its new drug and have an exclusive monopoly right for a decade. In other words, no Canadian company can attempt to offer a reasonably competitive drug on the market.

I am dumbfounded by the fact the Government is prepared to give a foreign drug company a monopoly in Canada for 10 years. I believe it goes against every principle of fairness and honesty. However, I suppose many Canadians will ask whether one expects honesty and fairness and above-board treatment in light of the Government's record.

I appeal to my hon. colleagues in the Government to indicate why they support a proposal that would allow a foreign drug company to come to Canada with a new drug and have exclusive rights which would bar Canadian competition for a decade. Are they not in favour of competition? Are they afraid of generic drug companies in Canada?

I have sat patiently for hours waiting for a member of the Government to stand in his or her place and explain why he or she is opposed to competition in the drug industry which, as everyone knows, would keep prices low.

There are two alternatives to maintaining low prices. Prices can be regulated, as they are in the utilities by the appropriate board which decides on a fair price for such things as natural gas and electricity. Second, there is competition in the market-place so that competing firms theoretically hold prices down. It is only in cases of cartels or combines that prices increase.

This legislation gives exclusive rights to a single company to charge whatever it wants. According to this legislation there will be no competition for ten years. Any sensible business person who is motivated by maximizing profits for shareholders will increase prices as much as could be borne in all consciousness.

While Motion No. 12 does not deal with that problem specifically, the fact is that generic companies now have 153 applications before the Government to compete with brand name drugs. Canadian companies, through their own research process, have developed duplicate drugs and wish to initiate competition in the market-place against foreign drug companies. The Government is indicating that it will prevent these 153 applications by Canadian companies from continuing and will not allow them to compete in the market-place for at least seven years. What kind of government is that? What kind of Minister of Consumer and Corporate Affairs will not allow Canadian companies, that have developed their own generic drugs through their own scientific research and development, to bring their drugs on the market for seven years? The Government wants to give exclusive monopoly rights to a foreign drug company. I must have this incorrectly, Mr. Speaker. I must not understand this point in the Bill.

• (1630)

An Hon. Member: That is right.

Mr. Riis: Hon. Members opposite say that is right. I beg them to stand in their place and explain to me where I am wrong. I challenge every single Conservative in the House of Commons right now to stand up and point out where I am wrong. I challenge them to tell me why the Government is giving exclusive rights in a monopoly situation to foreign drug companies and not allowing competition in the market-place here in Canada.

Members from Alberta ranted and raved—and in many cases, I would say, for good reason—because of retroactive legislation in the petroleum industry. The federal Government moved in retroactively and said it was taking ownership rights on those wells. Those Hon. Members ranted and raved, essentially for good reason. Retroactivity in terms of legislation is not good. Why then are those same Hon. Members sitting on their hands? Why are they sitting passively by? Why are they mute? Why do they not say a single thing in defence of this? I say directly to the Hon. Member from Saskatoon that there are 153 different drugs which have been researched and are now waiting to be put on the market to compete with foreign drugs. But the Government says it will not allow that. It will not permit competition. I ask, why is the Government afraid of competition? What has it got against competition? What is it afraid of in terms of an open, free market-place? Why does it perpetuate monopoly? Why does it perpetuate exclusivity?

What we are appealing for is some free enterprise in the drug system. What we are appealing for is free enterprise in the market-place when it comes to prescription drugs. Here we have the spectacle of Conservatives sitting silently all around us in the House of Commons imposing their will on the small generic drug companies by not allowing them to compete in the future. They will not allow these companies to put 153 drugs on the market. I am perplexed. I do not understand why the Government is doing this. I am going to take my seat, although my time is not quite up yet, in the hopes that my friends opposite will use this opportunity to stand in their place and answer the questions I have raised. Why retroactivity? Why are they giving exclusive rights to foreign drug companies? Why are they not allowing the 153 applications by generic companies on brand-name drugs to be introduced now as opposed to waiting for seven years, thus allowing the foreign drug companies to take hold of the market, making it impossible for competition to occur?

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, I am pleased to stand in my place today and support this motion which was put forward by the Hon. Member for Winnipeg North (Mr. Orlikow). This Parliament has already gone through an exercise once, and I am talking about the fall of 1985, in understanding the impact of government policy on Canada's poorest and least advantaged citizens. I speak primarily of the poor, the elderly, seniors, and in particular, women seniors. It is inconceivable to me that Parliament finds it necessary yet again to deal with yet another measure proposed by the Government because it is bound and chained

by some ideological dictate which says this kind of Patent Act is necessary.

A couple of years ago the Government brought forward a policy of deindexing senior citizens' pensions because Conservative philosophy dictates—

An Hon. Member: Socialists.

Mr. Tobin: You see, Mr. Speaker, when one talks about helping seniors, those Hon. Members call it socialism. Those Hon. Members see "socialism" as a foul, dirty word, a shocking thing. It is a warped, twisted and bent thing for Hon. Members on this side of the House to be concerned about the senior citizens of Canada.

Two years ago the Government put forward a proposal to which all Conservative Members who came to their places like trained animals in a zoo, bowed and said: "Aye, aye, Sir" to deindexing senior citizens' pensions. Notwithstanding the power of the majority, the power of the 210 Members in a 282-seat House, notwithstanding the power of the Prime Minister in effect, an elected dictator if he wanted to be that in a parliamentary system—and notwithstanding the power of the 40-member Cabinet, public opinion was heard. Public opinion said that this kind of regressive measure to take money out of the pockets of Canada's least protected citizens was not acceptable in the 1980s, and Government swallowed itself whole. The Prime Minister came to his feet after debate, demonstrations on Parliament Hill and literally tens of thousands of petitions, and swallowed himself whole. He said his Government was sensitive, caring and was listening. He said it made a mistake.

Having swallowed itself whole once, the Government now seeks with Bill C-22 to repeat the act, except this time it sent us as chief spokesman not the Prime Minister, who we know changes his mind whenever the wind shifts direction, but its pet bull-terrier. The Government sent a bull terrier as the chief government spokesman, the Hon. Member from Alberta, the Minister of Consumer and Corporate Affairs (Mr. Andre). He has his teeth locked into Bill C-22. He has his jaws wrapped around the fragile ankles of Canada's most exposed citizens, and he is determined to come away with a piece of meat. He has reached in, grabbed hold, and intends to take a very painful bite out of those people in Canada who are least able to protect themselves. The citizens will need more than generic drugs to recover from the festering wounds which are about to be inflicted on the exposed ankles of Canada's poorest citizens when the Minister sinks his teeth in, past the bone, into the marrow and sucks the life's blood out of Canada's poorer citizens with Bill C-22.

What does the Bill do? What net return does the Bill give to the people of Canada? What net return does it give to the average Canadian no matter where he lives, no matter what his occupation? I will tell you what it does, Mr. Speaker. It makes relations between Canada and the United States just a little bit more harmonious. It enraptures the environment so that the next time the so-called Shamrock Summit is held, they might sing *When Irish Eyes are Smiling* once more. That is all it does. It is a Bill which gives everything to foreign drug companies which record enormous profits, as well they might. They are tremendously healthy, as well they should be. It gives these drug companies a 10-year guarantee that they can join the Minister in sinking his teeth into people who buy drugs, not as a luxury item, not as something which is put on the shelf as a placebo to make one feel better, and not as something one puts on the shelf to convince oneself that one has a whole assortment of items and therefore at one's disposal lies the means to make oneself better. It is not there for any of those reasons, Mr. Speaker; rather, it allows these companies to have a 10-year free "go" at those who need access to prescription drugs, and it is a "free go" sanctioned by the Government of Canada.

• (1640)

I see Members opposite laughing; I see Members opposite chuckling. With their Conservative doctrinaire philosophy that says, "Let the free market determine what the price should be, and the senior citizens of Canada be damned", they find this kind of speech amusing. They have not spent enough time out of the cocktail circuit; they have not spent enough time away from the Tory 500 Club, a club which, at $500 a shot, permits one access to a Tory front-bencher; and at $1,000 a shot, access to a Tory front-bencher, a Minister. They have not spent enough time in the households of the people of this country. These people do not balk at the notion of paying an extra $10 or $20 a month for drugs—they nearly pass away, Mr. Speaker. They do not know where the extra $10 or $20 a month for drugs is going to come from.

That is the problem in this place, Mr. Speaker. Too many Members in this place have been caught up in the glitter of the chandeliers, in the beautiful colours that float from the stained glass windows. They are caught up in the richness of the ornate wood that appoints every desk, and they are caught up in the luxury—

An Hon. Member: That is crap, Tobin, and you know it!

Mr. Tobin: —and they are caught up in the deep rich carpeting that covers the floor of the Chamber. Somehow, they have made the mistake of believing that the finely appointed Chamber which surrounds Hon. Members, that their finely appointed offices and their large salaries reflect the realities of this country.

Mr. Speaker, what is sad and what is tragic is that nothing could be further from the truth.

Mr. Speaker, my riding, Humber—Port au Port—St. Barbe, has a population of some 90,000 people and extends over 500 miles of the Newfoundland coastline. In my riding, 60 per cent of the people live in communities of under 500, and 35 per cent, according to Statistics Canada, are unemployed—though the number is much higher. These people, too, want their voices heard in this debate, and to those people, Bill C-22 is a

regressive Bill. It is a Bill that ignores the reality of Canada, and ignores the reality of the lot of the average Canadian.

I petition Members opposite—

An Hon. Member: You say that about every Bill.

Mr. Tobin: I petition Members opposite, as they did in respect of the attempt to deindex senior citizens' pensions, to go back to their ridings, to go across this land, to go into the main streets of the towns and communities and into the houses at the end of the street and on the wrong side of the tracks, and to then come back to this Parliament and tell us that Bill C-22 is necessary or that it can still be supported in good conscience.

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, the speech we have just heard gives new meaning to the word "demagoguery" in terms of content. I see that the Hon. Member for Sudbury (Mr. Frith) has just entered the Chamber. Perhaps the Hon. Member for Humber—Port au Port—St. Barbe (Mr. Tobin) should talk to his colleague, the Hon. Member for Sudbury, who is himself a pharmacist and who said, in *The Canadian Pharmaceutical Review*, that he is in favour of restoring—

An Hon. Member: Give us Eastman.

Mr. Andre: —that he is in favour of restoring patent protection to the inventors or discoverers of drugs. He accepts the centuries-old principle that the inventor, the creator, has in fact created something of value, something of importance, and as such deserves patent protection.

He might invite his Leader into his plush office—and I presume he was describing his office when he went on about the plushness of offices. He might invite his Leader into his plush office and talk to his Leader about the time when he was in the private sector, as Chairman of Sandoz, a multinational drug company, and the fact that his Leader, while in that position, was frequently heard to say to his colleagues in the business that the Government had gone too far in 1969 and that patent protection should be restored, with some limitations on the compulsory licences.

He might talk to the former Member for Nickel Belt, the Hon. Judy Erola. Perhaps he should talk to the Hon. Member for Papineau (Mr. Ouellet) who, as Minister of Consumer and Corporate Affairs, brought down a White Paper admitting that in fact it was necessary to make changes to the Patent Act to restore patent protection. This was a White Paper of a Government of which the Hon. Member was a supporter.

Before he launches into these great tirades about understanding and sensitivity, he might perhaps examine the record of his own Party. But then, of course, Sir, I would be asking him to be an exception in his own Party. If they have two positions on trade, two positions on the Cruise, why should they not have two positions on Bill C-22?

Some Hon. Members: Hear, hear!

Mr. Andre: Why not?

Mr. Dingwall: Point of order, Mr. Speaker.

Mr. Deputy Speaker: On a point of order, the Hon. Member for Cape Breton—East Richmond (Mr. Dingwall).

An Hon. Member: Here we go again! No one interrupted his speech.

Mr. Dingwall: Mr. Speaker, I cannot help it if the Hon. Minister is extremely envious of the fact—

An Hon. Member: What is the point of order?

Some Hon. Members: This is not a point of order.

Mr. Dingwall: —is extremely envious, Mr. Speaker, of the fact that we have with us in the Liberal Party perhaps the greatest orator in the House. If he is jealous of that fact, Mr. Speaker, fine; but—

An Hon. Member: That is not a point of order.

Some Hon. Members: Order!

An Hon. Member: What is the point of order?

Mr. Deputy Speaker: I am sure the Hon. Member will tell us.

Mr. Dingwall: Mr. Speaker, my point of order is this: I do not think it appropriate for a Minister of the Crown, particularly in respect of a piece of legislation before the House, to mislead the House purposely on the positions of other Members.

An Hon. Member: Well said.

Some Hon. Members: Hear, hear!

Mr. Deputy Speaker: The Hon. Minister of Consumer and Corporate Affairs (Mr. Andre).

Mr. Andre: Mr. Speaker, before I run out of time, I wish to inform the House as follows: There has been consultation among representatives of the Parties. It has not been possible to reach agreement respecting the provisions of Standing Order 115 or Standing Order 116, dealing with the report stage of Bill C-22, an Act to amend the Patent Act and to provide for certain matters in relation thereto. Therefore, at the next sitting of the House, I shall propose a motion, pursuant to Standing Order 117, to allocate one sitting day to the report stage and two sitting days to the third reading of Bill C-22.

Some Hon. Members: Hear, hear!

Some Hon. Members: Shame, shame!

Mr. Andre: Mr. Speaker, just before members of the Opposition get on with their demagoguery, I wish to make a

point respecting the nature of support and understanding. This is a point that has already been made but which seems to have escaped the notice of some of the opposition Members.

It has been suggested that we are on thin ice in so far as this Bill is concerned. Given that the Quebec National Assembly, under two different Governments, has unanimously passed resolutions asking the Government to do this, that would seem not to be the case. It seems to me that the opposition Members from the Province of Quebec, and those who aspire to have significant numbers from Quebec, ought to bear that in mind.

An Hon. Member: Bring us Dr. Eastman.

Mr. Andre: When one has virtually the entire scientific community across the country saying that this is important—

Some Hon. Members: Not so; not true.

Mr. Andre: —when one has Canada's most recent—

Mr. Prud'homme: On a point of order, Mr. Speaker.

Mr. Deputy Speaker: Order, please. On a point of order, the Hon. Member for Saint-Dennis (Mr. Prud'homme).

Mr. Prud'homme: Mr. Speaker, I am not sure whether this is an *appel au règlement* or a question of privilege.

The Hon. Minister has spoken of a unanimous resolution having been passed by two separate Governments of the Province of Quebec calling for these amendments. Many years ago, we had a provincial Government asking that the federal Government not implement the old age pension program—

Mr. Deputy Speaker: That is not a point of order.

An Hon. Member: Not only is it not a point of order, one cannot tell what he is talking about.

Mr. Deputy Speaker: The Hon. Minister of Consumer and Corporate Affairs.

Mr. Andre: Mr. Speaker, I was merely reflecting on the fact—

Mr. Henderson: On a point of order, Mr. Speaker.

Mr. Deputy Speaker: I regret that I have to interrupt the Hon. Minister again. The Hon. Member for Egmont (Mr. Henderson) on a point of order.

Mr. Henderson: Mr. Speaker, the Minister made the point that two provincial legislatures unanimously passed a resolution supporting this Bill. I want to point out to the Minister that the Prince Edward Island Legislature also passed a resolution, and also unanimously, calling on the Government not to—

An Hon. Member: This is debate.

• (1650)

Mr. Deputy Speaker: Order, please. On debate, the Hon. Minister.

Mr. Andre: I just want to point out, Mr. Speaker, that I did not interrupt opposition Members when they were speaking—

Mr. Gray (Windsor West): Mr. Speaker, I rise on a point of order. I thought I just heard the Hon. Minister use words to the effect that he was going to let opposition Members get on with their demagoguery.

I respectfully direct Your Honour to Citation 320 at pages 105 and 106 of Beauchesne's Fifth Edition. Subclause (2) reads:

Since 1958, it has been ruled unparliamentary to use the following expressions:

And at page 106 Your Honour will see the word "demagogue", which apparently was ruled unparliamentary on June 16, 1963, as reported at page 10194 of *Debates*.

Therefore I ask Your Honour to ask the Hon. Minister to withdraw his clearly unparliamentary remark.

Mr. Lewis: Mr. Speaker, I rise on the same point of order. Obviously the Chair will know that the Hon. Minister used the term "demagoguery" and never in any way called any one member of the Opposition a demagogue.

Mr. Tobin: Mr. Speaker, on a point of order—

Mr. Deputy Speaker: The Hon. Minister has the floor.

Mr. Andre: Mr. Speaker, as the Parliamentary Secretary to the President of the Privy Council (Mr. Lewis) pointed out, I did not call anybody a demagogue. I suggested that there was a lot of demagoguery. If that is offensive to the Hon. House Leader of the Liberal Party and if you find it unacceptable, I would substitute therefor "wild exaggeration". I just want to point out—

Mr. Tobin: Mr. Speaker, on that point of order, I was the recipient, in my own humble way of reflecting the views of Newfoundlanders, of the Minister's statement in which he said that the Hon. Member was giving a new definition to the term "demagoguery", and the "blues" will show that.

On behalf of my constituents, whose humble voices I was merely reflecting and echoing off these ungodly walls—

Some Hon. Members: Order!

Mr. Tobin: —I ask the Minister to withdraw that insult to my constituents.

Mr. Deputy Speaker: The Minister has already spoken, and I consider the incident closed. Will the Minister continue, please.

Mr. Andre: Thank you, Mr. Speaker. I wonder why the Opposition is so reluctant to let me speak, given that we have sat here, all of us collectively on this side, and allowed each

Member on that side who wished to speak to take his or her 10 minutes uninterrupted, which is the usual courtesy extended in the House.

I just wanted to point out, as I have done, the recent poll which in fact asked fair questions. It pointed out that when the facts were put to the people and they are asked: "Are you willing to pay higher prices for more research and development", the answer was "yes", 64 per cent of the time. If we say: "Would you be prepared to see the establishment of patent rights with a control mechanism to keep the price of drugs less than the cost of living", which is in the Bill, as Members who have looked at the Bill know, the support was 82 per cent. It is simply false to make the statement that in fact there is overwhelming opposition.

Given that the Hon. Leader of the New Democratic Party sent out some 300,000 letters, according to the Hon. Member for Beaches (Mr. Young), who I believe made that comment; and given that the CLC, Bob White of the Autoworkers, the Government of Manitoba, and so on have really blanketed the country with all manner of brochures, letters, and so on, trying to scare the dickens out of people, without success, I think a support of 82 per cent is pretty remarkable.

It shows that people are smarter than some members of the Opposition give them credit for. I think that deep in their hearts members of the Opposition know full well that this is a good Bill and that this is a necessary Bill. They know that research and development is absolutely essential to our future, and that we will not have research and development unless we have patent protection for the researchers and the developers. That they know; other people know that.

Mr. Tobin: Who paid for the poll?

Mr. Andre: That is why, if we are acting responsibly as a Parliament, we will get the Bill through.

Mr. Tobin: No answer.

Mr. Andre: The delay has already cost the country several hundreds of millions of dollars in research and development. Every month of delay delays that activity in the country.

The Hon. Member's collar is pinching or something—

Mr. de Corneille: You poor fellow, you want to muzzle us.

Mr. Andre: The fact is that any objective examination of the facts indicates that this is a good Bill.

As to the question of senior citizens, 95 per cent of them in the country are covered by drug plans. They are not personally affected, and 100 per cent of senior citizens who receive the GIS are covered by drug plans. This constant tirade by the Opposition is bad for senior citizens, is simply false, on the facts, and is a scare tactic. Indeed, one might even call it "demagoguery"; I do not know, but it certainly is not the truth. In their hearts they know it, as do senior citizens.

Mr. Tobin: Mr. Speaker, I rise on a point of order. The Minister, who never told us who paid for the poll, once again used the term in reference to Members opposite and their views in respect of Bill C-22—

Mr. Deputy Speaker: That is not a point of order.

Mr. Tobin: Mr. Speaker, I rise on a question of privilege. Using the same citation as the one raised by the House Leader of the Opposition in respect of the words "demagoguery" and "demagogue", again the Minister used the term in reference to Members opposite who have made their views known, on behalf of their constituents, in respect of Bill C-22.

I would ask you, Mr. Speaker, using the appropriate citation, to have the Minister withdraw again that lame excuse for a debate.

Mr. Deputy Speaker: The Chair does not believe the Hon. Minister was aiming his remarks at a particular Member, therefore—

Mr. Tobin: Well, Mr. Speaker, who was he aiming them at; at people in the Gallery or the Speaker?

Mr. Deputy Speaker: No. I think he was aiming them at members of the Opposition in general, which is not contrary to Beauchesne's.

Mr. Vic Althouse (Humboldt—Lake Centre): Mr. Speaker, in the short time remaining in the debate this afternoon, I should like to return to the point at issue today and discuss the amendment offered by the Hon. Member for Winnipeg North (Mr. Orlikow).

It was interesting to have the disruption of the day's proceedings by the Minister who spent no time addressing the particular amendment. It is unfortunate that he did not do so, because I believe he could have made a very useful contribution to the particular amendment dealing with Bill C-22. In effect it is a part of Bill C-22 which is a catch-22 for both consumers of drugs and producers of generic drugs in the country. They have been caught by the Bill in a situation where, even though most of the paperwork has been completed to begin the production of generic drugs at considerably lower prices than the ones which will be in effect after the drug Bill is passed, they will be locked into a position, as a result of some of the requirements of the Bill, dating backward to June 27, 1986.

We think it is very unfair that any group of citizens or producers who have virtually completed applications to produce generic drugs should be treated so badly and in a negligent manner by legislation which in effect will be retroactive to June, 1986. This will stop some 153 applications, so producers will not be able to produce them and consumers will not get the advantage of lower prices as a result.

I notice your time signal, Mr. Speaker. I will continue my remarks next day.

Mr. Deputy Speaker: It being five o'clock, the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

• (1700)

PRIVATE MEMBERS' BUSINESS--PUBLIC BILLS

[*English*]

PARITY PRICES FOR FARM PRODUCTS ACT

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Nystrom that Bill C-221, an Act respecting parity prices for farm products, be read the second time and referred to a legislative committee.

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, I appreciate the opportunity to speak to the Parity Prices for Farm Products Act because right now the farm community is in crisis. It is important that the Members of Parliament in this House and that Governments right across Canada do something about this crisis as quickly as possible. There are a number of areas on which every Member and every Government in Canada would agree. If we could take those agreements and put them before the Parliaments of Canada we should be able to come up with some kind of a solution which would assist the survival of farmers. Those areas of agreement are very simple and straightforward. We should at least give lip service—I hope more than that—to the survival of the family farm. The family farm is the basic production unit. It is a necessary part of the agricultural industry. We should have a great deal of compassion for the farmers' crisis and we should try to do something about it. If we in this House are unable and unwilling, then we will be responsible because it is we who can make changes. For several years the family farm has been in crisis. This crisis was caused by a number of things, one being the rising cost of necessary inputs, such as fuel, fertilizer and so on. Returns from commodities sold by farmers, be they apples, pork, beef or grain, have dropped to the point where the farmer can no longer recover the cost of production. Everyone recognizes that and I am sure everybody realizes that we must do something about it.

As I pointed out, there are two ways we can deal with this situation. There are several others however. First, we must bring down input costs, which is something we have looked at in the agricultural committee. We have not had any action and we have not taken any action. We have spoken to many producers and to the Farm Credit Corporation. Everybody comes up with a good story as to why there are problems and why farm income is not covering production costs. Many groups have come up with ideas about reducing inputs, but all of them come back to the one basic requirement. If you do not increase the farmer's income and if you do not increase the product returns, how can you expect to balance the books? This Government and other Governments in the past have put some procedures in place, namely direct deficiency payments, but they end up as subsidies. Most farmers will accept them if they are going under, but they do not particularly like to do so. There are stabilization programs which we have developed to a fine level across Canada for various products. However, we never really solve the problem.

Bill C-221 is a suggestion which recognizes two deficiencies in the agricultural industry. For example, if you buy a loaf of bread for one dollar, the farmer who provides the grain for that loaf of bread gets only about 6 cents. That situation happens with other commodities, not only with grain.

If this Bill is accepted by the Government of Canada and is recognized as a solution by the other Governments across the country, then it would alleviate to some extent the problems of the family farm. A very simple approach is suggested in the Bill. For those products that we sell in Canada, we should charge enough to cover the cost of production. This will not solve the problem entirely, but to a certain extent it will. In western Canada about 8 per cent of our grain is used in the domestic market. Should this Bill be put into place, the cost of production would be paid to the farmer. It might be a little higher than is the cost now or it might be a little lower, but this will stabilize at least that portion of the agricultural industry which supplies the domestic market.

What if this idea were expanded across the board? Depending upon the world price for a large proportion of our market, we cannot say that you have to pay $5 a bushel for grain, but it might be an approach which would bring to the minds of the urban people of Canada that they have some kind of responsibility and that giving lip service to the idea of the family farm will cost them something somewhere. We can pay a little more for food.

A number of organizations across the country have accepted this as a basic tenet. In fact, supply management production units use the theory in the Bill that the cost of production should have some bearing on the price of the product. We do this in the dairy industry and in the egg industry. We should be able to do it partially in some other areas. This Bill should be looked at very closely and its theory should be used to try to solve the problems in agriculture which will allow for the survival of the family farm.

• (1710)

[*Translation*]

Mr. Michel Champagne (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, first of all I would like to thank you for this opportunity on speaking to Bill C-221, presented by the NDP Member for Yorkton—Melville (Mr. Nystrom). Mr. Speaker, as you know, the purpose of this Bill is to introduce parity pricing for agricultural products on the domestic market. Unfortunately, when the Hon. Member introduced his Bill in the House, there was something missing. Although at first glance, the Bill seems to bring something

positive and to be a good thing for agriculture, if we look at the Bill a little more closely, we realize that there are a number of problems and shortcomings.

One of those shortcomings is when he says we could set a parity price for grain.

I think the Hon. Member conveniently forgot that as far as grain is concerned, Canada is a net exporting country. This means it produces more than it consumes. Anyone with any notion of agriculture will realize that Western Canada is famous the world over for the quality of its products and for the productivity of its grain acreage. Introducing the concept of parity pricing would involve, as was said by the previous speaker for the New Democratic Party, or at least that is what he tried to prove, some kind of supply management, marketing boards or joint programs. At this point, there is a very fundamental question we must ask, and I saw no mention of this when I read the Hon. Member's Bill. What are we supposed to do with our overall domestic grain production as proposed in the Hon. Member's Bill? What will we do with the surplus? If we have a joint program, if we have supply management, we will obviously make production subject to the needs of the Canadian consumer.

Mr. Speaker, the Canadian market is about 26 million. That is a far cry from 225 million Americans or 320 million in the Common Market. And that is why I would have liked to see the Hon. Member's Bill reflect how he intends to oblige certain farm producers and family farms-a subject dear to the previous speaker- how is he going to oblige these producers to get out of production or cut back on production. What are we going to do with our vast Canadian prairies? How are we going to make these farms profitable?

Mr. Speaker, it is very easy to suggest join plans and supply management, but it requires organization and planning. If we look at what happened in the past, we realize that supply management and quotas were not introduced in a day and especially not as a result of imposing a Bill as proposed by the Hon. Member for the NDP. I say "imposing" because this Government, the Progressive Conservative Government, and the Minister of Agriculture (Mr. Wise) have always said they would give farm producers the marketing boards they wanted, provided they covered the majority of production and the majority of producers. We have imposed nothing and we are not going to. We are working in co-operation with the provinces and agricultural producers in the area concerned.

Mr. Speaker, when we are very close to agricultural policy and problems, we realize one thing, and it is that parity pricing for grain will create a tremendous problem. It will be tantamount to taking the present problem, an international problem with an international context, namely the war between the Common Market and the U.S., and trying to solve it according to the philosophy of the Opposition which says that Canadian agriculture must have additional funding because the family farm is in danger.

Mr. Speaker, I think that New Democratic Party Members should realize that the Bill introduced by the Hon. Member for Yorkton—Melville advocates a medium—or long-term decline of the western agricultural community, lower production if you will, because the measure implies that it will eventually be possible to set up joint projects. That being so, Mr. Speaker, I wonder how and under what principle the New Democrats will be able to defend Canadian farmers, particularly in Western Canada.

As you would know, Mr. Speaker, setting up a joint project or establishing marketing boards is a lot more complicated than drafting a simple piece of legislation. The matter has to be debated first. We have to sit down with the agricultural producers. First, they must discuss the matter among themselves because—and the NDP Members may not know this—there exists considerable regional disparity from the Atlantic to the Pacific, including Quebec, Ontario, and the Prairie Provinces. Needs are wide-ranging and differ from one region to the next. Each province has its own priorities, even with respect to the same products. Given such a legislative measure as the one proposed by my colleague from Yorkton—Melville, we must wonder how we can achieve a symbiosis of all provinces and all producers and end up with a combined, joint and effective production effort, a production geared to the needs of the Canadian market first, and second to the needs of the export market. It may be a cinch to envisage this project within the parameters of a legislative measure, but seeing it through in the agricultural field, as it were, is something else again. The wide variety of joint projects and marketing boards set up in recent years will attest to that.

NDP Members who are interested in agriculture are fully aware of this. Let us take milk as an example, Mr. Speaker. How long did dairy producers have to sit down to discuss and negotiate with the federal Government and the provinces to agree on fair sharing—historic sharing, some would say—of the domestic production, to base the once disorderly total production on the needs of the Canadian market? It took quite a few years and was not accomplished through a legislative measure. Far from it. This was done on the basis of negotiations and consultations, and above all on the basis of the needs of the Canadian dairy industry as a whole, arising from the uneven production levels that were the norm in the dairy sector.

Mr. Speaker, the same applies to all production units that have marketing boards today. And this Government, the Progressive Conservative Government, never said it would not set up marketing boards. On the contrary. It has just set up a marketing board for incubated eggs because the producers asked us to and because overall production was in danger . . . We met with the producers, who said: Yes, this is the right time. Yes, we are going to sit down and negotiate. That was done. We may see one for potatoes. But above all, Mr. Speaker, I feel that the basic integrity of Canadian agriculture is to let the farmer set his own goals and determine what kind of marketing boards he wants, if any, so that the ten provinces

involved in this production area can reach an agreement on either a marketing board or joint programs.

However, Mr. Speaker, I don't think imposing a solution would be wise, considering the complex situation in our agricultural industry and the fact that if we were to implement legislation of the kind proposed by the Hon. Member . . . nowhere does this Bill consider what is referred to as bottom, side, and top loading. The Bill does not allow for provincial subsidies or for federal subsidies, and in the final instance, Mr. Speaker, the effect would probably be to distort the situation, to the detriment of Canadian agriculture, the consumer and agriculture in general.

Mr. Speaker, that is why I would advise the Hon. Member to revise his Bill, to take a second look at it, to work on it and to discuss the matter with producers and with Members of this House, and maybe after a few years come back with a full-fledged Bill, a Bill that allows for all aspects of the situation in Canadian agriculture, that considers the needs of this industry and respects the integrity of agriculture in general.

• (1720)

[*English*]

Mr. John Gormley (The Battlefords—Meadow Lake): Mr. Speaker, it is a pleasure to say a few words this afternoon in the debate on Bill C-221 put forward by my friend from the NDP, the Hon. Member for Yorkton—Melville (Mr. Nystrom). That Member, in the Saskatchewan tradition, has the concern of farmers at heart. Those of us who are great Diefenbaker Tories look at the tradition of the Tommy Douglas-CCF people, of whom the Hon. Member is one, and we see a shared interest in Saskatchewan agriculture. For that reason it is a real pleasure to address a few words to this Bill.

The Bill attempts to get at the root of many of the problems encountered by Saskatchewan producers, that being obtaining an acceptable price for their product. While I have some problems with the notion of parity pricing and what the Hon. Member is trying to do in that respect, the underlying intent of his Bill is one that all Members of this House support, particularly those from Saskatchewan. That intent is to ensure that grain producers secure a good price for their product. In constituencies like mine the overwhelming majority of producers are caught in a cost-price squeeze. That, as the name implies, is a situation where the cost of doing business, the cost of putting in a crop, is rising at a rate which outstrips the price you get for the product. This problem, which has existed for some years, has been exacerbated over the last two crop years by the subsidy dispute between the European Economic Community and the United States.

If one compares farm income and the decline in world prices we see that the greatest burden has been borne by the grain and oil-seeds sector of our agricultural economy. Grains and oil-seeds are the lifeblood of Saskatchewan farmers. While the income of farmers in that sector will be at about the same level this year as last, one should not be deceived by those statistics. They indicate a very high level of government support, both federal and provincial. For 1986, the percentage of farm income by way of government support was approximately five times that of five years ago. For example, $1.9 billion of farm income came from government assistance compared to $367 million in 1981. While it is clear that Governments are attempting to respond to the cost-price squeeze, our farmers are not faring particularly well. Wheat prices have dropped about 30 per cent. This is due to the downward pressure caused by the subsidy war I referred to. Producers are looking for a government response that will help relieve the squeeze farmers are in.

For this Government at this point in its mandate there are few issues as fundamentally important as agriculture. For many of the 65 municipalities in my constituency agriculture is the lifeblood. If agriculture is not doing well at a particular time, neither are those communities or the many businesses in those communities which are dependent 100 per cent on agriculture. We understand that when farming is prospering, those communities will prosper as well.

In addressing a few words specifically to what my friend is proposing, namely parity pricing, I want to say that I do not think that this solution will work. It in fact may be detrimental to the Saskatchewan farm economy. Parity pricing ignores the importance of market forces and the inevitability of change in productivity. It ignores the often dynamic and unpredictable nature of agriculture. That fact is reflected across the country in every region. Agriculture is simply not one monolithic stack-type industry to be dealt with through a parity pricing type formula. Our Government believes that the farm industry is better served by programs which increase efficiency and competitiveness in the market-place. It is important to see the agricultural market-place for what it is. There are national supply management agencies in place for dairy and poultry products, but they were established at the direct request of the producers. Even so, those systems do take into account the fluctuating nature of markets. They have built-in flexibility to protect both producers and consumers. This Bill does not have that kind of flexibility.

Farmers in every part of my province will tell you that the market forces of supply and demand are what they ultimately farm for. They acknowledge the crucial need for price support and financial assistance in order to reduce input costs when supply and demand in world markets has been skewed by forces beyond our control. Farmers will be the first to tell you that the market-place is of crucial importance to them. However, it is not a magic wand which will solve all the problems in one broad stroke. We cannot accomplish everything with one piece of legislation, and we in this Government do not pretend otherwise. Our Government has been working with provincial Governments and the farm sector to build a network of programs to help strengthen the productivity, efficiency and competitiveness of the industry.

I want to share with the House a few of the initiatives our Government has taken in support of agriculture. The Special Canadian Grains Program was a timely and much-needed

response to the price problems facing farmers across Canada. A commitment of $1 billion to agriculture is no small feat. It is the largest single transfer of funds to the agricultural economy on an emergency basis in the history of agriculture. Farmers across Saskatchewan and the rest of Canada understand the value of that program. However, this Government will be the first to agree that if one is to continue to build agriculture, we may be called upon again to respond to the needs of farmers. Farm organizations and producers' groups have been meeting with my colleagues, the Minister of State for the Canadian Wheat Board (Mr. Mayer) and the Minister of Agriculture (Mr. Wise). Those Ministers have been working overtime to ensure that the concerns of prairie farmers are met.

In recent months our Government offered special drought assistance to those producers who suffered the effect of consecutive years of drought. As well, there was assistance for those who live in flooded areas of Saskatchewan. Amendments to the Western Grain Stabilization Act have allowed interim payments to farmers, culminating in a total payment of $859 million for the last crop. The red meat stabilization program was put in place and is helping to stabilize returns for red meat producers without falsely shielding them from market forces. On the input side are the farm fuel rebates, the $80 million five-year interest rate reduction of the Farm Credit Corporation, and many other programs of the Government which is committed to helping farmers deal with this particularly difficult cost-price squeeze.

• (1730)

In conclusion, I commend my friend from Yorkton—Melville, with whom I spend a considerable amount of time debating agriculture and many other issues, on his desire to ease Saskatchewan and Canadian farmers through a particularly difficult situation. However, I reiterate that the philosophic and practical limits of parity pricing are not the solution for our agricultural problems. I join with all Members of Parliament concerned about Saskatchewan and Canadian agriculture to work with the Government to see that the proper solutions are found.

[*Translation*]

Mr. Jean-Guy Guilbault (Drummond): I welcome this opportunity to take part in the debate on Bill C-221, presented by the Hon. Member for Yorkton—Melville (Mr. Nystrom).

Mr. Speaker, I would also like to find some easy answers or some way of dealing with the problems besetting Canadian agriculture, but I do not think that, at this time, Bill C-221 is what we need to solve all those problems. As was said earlier by the Hon. Member for Prince Albert (Mr. Hovdebo), this Bill is only an idea or an approach. Mr. Speaker, I would like to point out that a progressive agricultural sector and a reasonable return on the work and know-how invested by Canadian farmers are essential to the strength of our economy.

However, we must consider the adverse consequences a parity pricing system could have for our farmers and the Canadian economy as a whole. The parity pricing concept might do more harm than good, for a number of reasons. When prices are set on the basis of production costs, we must consider that progress in farm technology has made it possible to combine inputs more effectively and thus lower costs, which has regularly helped to keep the price of products down.

Setting a price on production is a very complex procedure. In fact, we have to make a distinction between costs that are the result of a direct expenditure, and other costs such as the fair return on the farmer's work and his investment, which is difficult to evaluate to any degree of accuracy. An estimate can be made, and that is already being done in certain sectors, but it is a very problematic issue and one on which views may differ considerably.

If production costs were set at a level higher than the market price, we would need a system of quotas or a form of supply management for all production sectors. It is inconceivable to introduce a price setting system without knowing how to control supply or dispose of production that is surplus to the needs of our usual markets.

Mr. Speaker, as you know, Canada is an exporting country and we depend on our export markets. These generate nearly half of Canada's net farm income, and our products must be competitive on foreign markets. In fact, if the price of a certain commodity is set too high, we would have to control imports, which would be likely to increase, and also we could no longer export because our products would probably be too expensive on international markets. Our competitive position would be threatened.

To maintain our presence on these markets, we would have to provide export subsidies, which would undoubtedly elicit strong reaction from our trading partners. Canada would be accused of selling below production prices or of dumping. That is what is happening today to the United States which has been practising dumping in certain European countries. It would of course be instrumental in isolating us from the world trading community and would have disastrous consequences not only for agriculture but for the entire Canadian economy.

Unfortunately, the subsidy war referred to earlier, in which the United States and the Common Market are involved, is threatening the livelihood of Canadian producers. Because of pressures being exercised outside our borders, the price of grain and oilseeds has dropped by at least 20 to 25 per cent compared to last year. And they probably will not recover before market conditions are sound again.

Those are the reasons why, Mr. Speaker, Canada is trying to stop that unnecessary war that will have no winner. With that in mind the Minister of Agriculture (Mr. Wise) went to Brussels and Washington to express Canadas' views to both opposing parties.

Also, the Minister of State responsible for the Canadian Wheat Board (Mr. Mayer) met with representatives of the five major grain exporting nations. The first meeting was held at Whistler, B.C., in June 1986, at the Minister's request. A second conference has just ended in San Diego, California. At

the conclusion of the latter, the Minister of State expressed his confidence that discussions between the five major grain exporting nations will reflect favourably on other multilateral negotiations dealing with agricultural trade.

One thing is sure however—Treasuries in the United States and the European Economic Community are not inexhaustible. It is my hope that those nations soon will realize the uselessness of a high price subsidization policy and massive export subsidies.

Nonetheless, Mr. Speaker, Canada holds on to its position on the global markets, even though grain prices have declined. The essential is to hold firm, because the efficiency of Canadian grain farmers compares favourably with that of any other producer anywhere in the world.

We also have a natural competitive edge thanks to our soil and our climate, to which must be added the quality of our grain and the skill of the grain producer himself.

The best way to attract and keep clients is to offer a superior quality product in the first place to build a reputation for reliability and to have competitive pricing. Let us try to increase our export potential by way of an aggressive marketing. We can increase our competitive position through research, technological progress and transfers, soil conservation and other initiatives that, given time, will allow us to reduce our production costs.

Eventually, Mr. Speaker, we will soon realize that this is more effective than the mere piling up of subsidies. It also requires more imagination, however. It is important that we be present on the markets when the subsidy war ends. We can then continue to offer what has earned us our reputation—superior quality products at competitive prices.

[*English*]

Mr. John A. MacDougall (Timiskaming): Mr. Speaker, it is an honour for me to be able to speak this afternoon on Bill C-221 introduced by the Member for Yorkton—Melville (Mr. Nystrom). Before speaking on this Bill I would like to indicate that the riding of Timiskaming has sometimes been noted more as an area for mining and lumbering. I should say that the little clay belt plays a very important role in the riding of Timiskaming in a number of areas of agriculture. People from other parts of Canada sometimes do not recognize that northern Ontario has a good agricultural base and does not simply consist of ice, snow, rock, trees and black flies. However, in the little clay belt in the riding of Timiskaming there are some 750 farmers who vary from dairy operations, to hog, beef, poultry and numerous cash crops.

• (1740)

There is no doubt that the agricultural community in Timiskaming has experienced difficult times just as have other parts of the agriculture community in Canada. The fact is that there have been problems with commodity pricing.

Since I came here in 1982 we have been trying to address those concerns facing our agricultural community. We should recognize that the Minister of Agriculture (Mr. Wise) and the Minister of State for the Canadian Wheat Board (Mr. Mayer) have been very helpful in addressing our concerns in northern Ontario.

The concept of parity pricing was used in the United States in the 1940s and 1950s. Parity prices, as defined in U.S. legislation, were those prices which gave farm products the same purchasing power with respect to articles farmers bought in an historic base. To calculate the parity price for a commodity, the base price was multiplied by an index of prices paid by farmers.

There was a fundamental problem with the parity pricing concept. The indexing procedure took no account of changes in technology and productivity that had occurred since the base. In other words, improvements and changes in inputs and efficiency gains, which reduce costs, were not reflected in the parity prices. As a result, parity prices tended to yield price levels which were well above the costs of efficient producers. It was for this reason that the parity price system was abandoned in the United States.

Bill C-221, an Act respecting parity prices for farm products, attempts to get around this problem by proposing to set prices on the basis of an annual cost of production formula. More specifically, it proposes to: first, fix, on the basis of an annual cost of production formula, the prices of wheat, oats and barley used for domestic human consumption at between 90 per cent and 110 per cent of the cost of production; second, establish voluntary commissions for beef and pork with all the powers, including import controls and the determination of prices, necessary to market regulated products for participating producers; and third, after a five-year period broaden the authority of the commissions on the basis of a producer plebiscite.

While very simple in principle, the concept of cost of production pricing is very complicated in practice. It is, first, necessary to clearly define what is meant by cost of production. This is not done in Bill C-221. A clear distinction must be made between cash costs and returns to labour and investment. Returns to operator, labour and investment are not out of pocket costs but should be provided for in any price setting exercise.

In attempting to calculate a price based on production costs, two basic questions must be answered: one, how does one measure cash costs; and two, what is a fair return to operator, labour and investment?

Cost of production surveys for farms have shown a very wide farm-to-farm variation in the cash costs of individual farmers and an equally wide variation in the productivity of labour. If high cost and low productivity farmers are included in cost and return calculations, the resulting support prices are likely to be well above the levels needed to achieve satisfactory profits for efficient farmers. This situation usually results in high returns

to investment for efficient producers and rapidly rising asset values, especially land or quotas. This, in turn, makes it difficult for new farmers to enter the industry. If only low cost and high productivity farmers are included in the calculations, the support prices may be considered to be too low by many producers and pressure will build to adjust the calculations to give higher price supports.

Another problem with cost of production pricing is the production response which will arise if prices are set higher than market clearing levels. This problem is usually addressed with some form of quota or supply-management system. One cannot introduce a cost of production pricing system without having a clear plan for either limiting supply to available markets or disposing of excess product outside of such markets.

Let us consider the impact on trade. Artificial price supports can have serious trade implications if internal price supports are higher than corresponding import prices.

If a country produces less of a commodity than it consumes, high internal prices can be maintained above import prices by imposing tariffs or by restricting imports. Such import restrictions are permitted under General Agreement on Tariffs and Trade rules as long as effective production controls exist. For example, import restrictions on dairy and poultry products are permitted in Canada because effective supply-management systems exist.

If a country produces more of a commodity than it consumes, high internal price supports are difficult and costly to maintain. The European Economic Community provides an illustration of the problem. High internal price supports have resulted in surplus production which has to be disposed of through export subsidies which are very costly to EEC taxpayers. The use of export subsidies by the EEC was permitted under the original GATT.

If Canadian farm products are to be exported they must be priced competitively in international markets. If, for example, beef and pork commissions, as proposed in Bill C-221, were established and internal prices were established at levels higher than import prices, import controls would be needed to prevent beef and pork from moving into Canada. At the same time, exports would likely cease because of uncompetitive prices. If Canada attempted to continue exporting by using subsidies or operating two-price systems, accusations of dumping would arise from our trading partners and countervail actions under GATT rules would ensue.

In summary, while the concept of parity pricing has surface appeal, it is not consistent with the development of a strong export market. For export oriented sectors it is likely that programs such as the Western Grain Stabilization Program and the Tripartite Stabilization Programs for beef, pork and lamb provide a better alternative to parity pricing. These programs provide protection against periodic weaknesses in markets but ensure that longer run returns reflect market experience.

In closing, let me say that the concerns of the agriculture community are shared by all of us in the House. However, I believe that at this time Bill C-221 does not really address the concerns of all the agricultural community. I believe the manner in which the Hon. Minister of Agriculture has been addressing these concerns has been appreciated.

Mr. Vic Althouse (Humboldt—Lake Centre): Mr. Speaker, Bill C-221 is an Act to introduce a concept described as parity pricing as well as to set up marketing commissions for beef and hogs. Conservative Members, at least, have been quite clear in saying we need something different from the present system and that we must use some imagination in arriving at a pricing system to solve what they vaguely describe as the farm problem. They have decided that because the words "parity pricing" became attached to this particular set of proposals they cannot work and quote some of the experiences of the United States as being proof of that. However, when one looks at the experience of the United States, there is very little question that parity pricing worked in that it achieved the ends it was designed to achieve, that is, full employment in agriculture and a return on the product which will pay most of the cost of producing the product on the land. It also had the effect of achieving very efficient and viable farm communities and built a very strong rural base in the United States during the period of time it experimented with the parity pricing system.

• (1750)

Had Hon. Members opposite looked a little at the European agricultural situation, they would have seen that something similar to the U.S. experience pertains there as well. The Europeans, who, for various reasons, some of which include having had a large band of the electorate facing starvation during the Second World War, decided, post-World War II, to establish a system of agricultural pricing which would make certain that consumers in Europe would not again be forced to rely on imports from far away across an ocean or from across the Russian frontier. They wanted to become self-sufficient. They set out that goal and achieved it. They achieved it at a relatively low cost compared to the system of subsidies which is now in place in the United States. The Americans have committed themselves to a further four years of subsidization at the rate of some $35 billion to $36 billion per annum. That is a tremendous amount of government funds going into American agriculture, and I submit it is costing American taxpayers far more than the European plan is costing European taxpayers, and that the American plan will probably place the American taxpayers in bankruptcy much faster than the European plan will do to the European taxpayers. I say this because basically the difference between the two is that in Europe the consumers are being asked to pay a little more money for their food and that extra money goes directly back to the farmers. That is essentially what my friend, the Hon. Member for Yorkton—Melville (Mr. Nystrom), was attempting to do with his Bill. He was attempting to pay Canadian farmers approximately their full production costs for that portion of their production which is sold within the country.

In spite of all the rhetoric I heard this afternoon from some of the Conservatives who spoke on this motion, this country is doing some of that right now. We have a two-price system for wheat at the moment, based at $7 a bushel for wheat consumed in this country, which comes close to the cost of production. We are doing that, and it is not wrecking the economy particularly, neither is it doing a whole lot of good. However, it applies only to domestically consumed wheat used for human consumption and does not go quite as far as the Bill which was presented by my friend, the Hon. Member for Yorkton—Melville, which would include wheat, oats and barley consumed by livestock and used for other purposes of animal and poultry production.

As anyone who understands agriculture will know, with those products already being produced under supply-management systems, namely, broiler chickens, turkeys, eggs and dairy products, there is no problem coping with this increased feed cost. It simply goes into the price of the product, which would be reflected, granted, in higher prices to consumers. However, it would also mean a much stronger rural community and agricultural base.

I think what makes farmers upset is when they hear speeches such as we heard from some Hon. Members today, who delivered all the old shibboleths about how impossible it is to control surpluses and how one must have a market system which reflects the true market rather than the cost of production. Most farmers begin to ask themselves, why it is that only I have to contend with this kind of market? They remark how few other producers contend with that type of market system. They look around at the things they buy and compare costs in terms of direct trades. I hear my friends and neighbours saying that the last time they bought a new car in 1977, they spent 2,000 bushels of No. 1 wheat to buy that car, which cost about $6,000. It was a full-size Chevrolet with everything on it. Now when they go to price a full-size Chevrolet with everything on it, they find it will cost at least $18,000, and it will take about 8,000 bushels of No. 1 wheat to buy that car.

Some of my friends opposite talked about technological change and how new technology would bring new advantages and permit the lowering of costs. From my simple vantage point of sitting on the farm and in this House, I know that a great deal of technological change has occurred in the automobile industry since 1977 when a new Chevrolet cost about 2,000 bushels of wheat. I know that has not resulted in a lower-priced car. It is now going to cost 8,000 bushels of wheat to buy the same thing, and they have not even changed the models very much. As you know, Mr. Speaker, they almost look the same. Yet the price is more than four times as high in terms of producing a bushel of wheat.

I know we on the farm are a very efficient lot. However, our production techniques have not changed greatly since 1977, either. We have perhaps tooled up to a little larger equipment than was generally in use in 1977, but for most farms in my area, the equipment has not gone through any great technological changes. We were using four-wheel drive tractors and 30 to 50 foot cultivating and seeding machinery then, and we are doing so now. The cost of a number of things we are using in the new technology of grain production have increased quite markedly in that time. Fertilizer prices are more than double since that period of time. In fact, going back to 1977, I would warrant they have almost tripled. Chemicals have increased two, three and four times, depending on the kind of chemical. Fuel costs have doubled and tripled in that period of time as well. Yet farmers are being asked to take relatively shrinking prices for their production while looking around and seeing that everything they buy on the market, which is supposed to reflect all of the technological advantages of industry in North America, costs in our terms four and five times as much as they receive for our product. We realize that those manufacturers are working in a market-place which reflects their cost of production and that is why they have put the price up four and five times what it was back in 1977. They are recovering their full costs of production, plus a profit, and the intention of my Hon. friend the, Hon. Member for Yorkton—Melville, is to set in place a few market mechanisms so that farmers will have the same opportunity for their products.

[*Translation*]

Mr. Deputy Speaker: Order, please. The hour provided for the consideration of Private Members Business has now expired. Pursuant to Standing Order 36(2), the order shall be dropped to the bottom of the order of precedence on the Order Paper.

• (1800)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 66 deemed to have been moved.

ADMINISTRATION OF JUSTICE—CONFIDENCE IN SYSTEM—MINISTER'S POSITION

Mr. Alan Redway (York East): Mr. Speaker, I do not know that I have ever asked you what it is that makes you wake up in the morning. I would like to know what it is. Perhaps it is the sunlight that streams through the window in the morning. Perhaps it is an alarm clock; or perhaps it is a clock-radio.

Personally, Mr. Speaker, I am awakened by a clock-radio, and more often than not, it is not soft music that I awaken to but a loud authoritative news voice giving me some news and some comment, and usually the news, or at least part of it, includes a description of some very grisly crime that has occurred, and that authoritative news voice is telling me that we should be bringing back capital punishment. It berates those who oppose capital punishment or who are wavering a little on capital punishment in any way, shape or form.

Last summer, Mr. Speaker, I, along with people right across Canada, woke up to news reports about a little girl in Toronto by the name of Allison Parrot. We first heard reports about her disappearance, and then we heard reports about her grisly murder.

This authoritative news voice kept telling us that we should be bringing back the death penalty. As a result of that urging, and all of those reports, there was in my constituency office, my office in Ottawa and my home, a deluge of requests to bring back the death penalty. I had an inundation of letters and telephone calls urging me to support the return of the death penalty, all the time pointing out that for many years the polls reflected support for the return of capital punishment.

Mr. Speaker, why is it that that happens so regularly? I do not know about you, Mr. Speaker, but I personally believe that that feeling was reflected in the comments of the Minister of Justice (Mr. Hnatyshyn) and the Attorney General of the Province of Ontario, and more recently in the comments of the Chairman of the Canadian Sentencing Commission, all of whom have said that Canadians have lost confidence in our criminal justice system.

The recent vigilante killings by store owners in Calgary and Montreal are yet further illustrations of that very point, that feeling of frustration on the part of the Canadian people. The Minister of Justice, as you will recall, Mr. Speaker, also said that vigilante system is unacceptable; that a "Charles Bronson" system of justice is unacceptable.

I agree with those statements, Mr. Speaker, and I know you do, too. But, Mr. Speaker, it is the job of the Minister of Justice, the job of the provincial Attorneys General, to ensure that we have a system of justice in which Canadians can have confidence. Canadians must have confidence in their criminal justice system.

What is being done about it, Mr. Speaker? Of course, we are going to have a free vote on the issue of capital punishment. But, is that the answer? I doubt that you think so, Mr. Speaker, and I do not think so either. I believe that if the former Government, a Government that was in power for 15 years or more, had taken some action to tighten up the bail laws, as well as the sentencing and parole laws, we would not have this problem now, and Canadians would in fact have confidence in the criminal justice system.

Mr. Speaker, you know as well as I do that the present Government—bless it—cannot escape blame, either. Canadians voted for a change in September of 1984, and here we are today, insofar as the criminal justice system is concerned, and very little has been changed. In fact, we seem to be following the same old agenda. Perhaps it is the Liberal agenda, perhaps it is a bureaucratic agenda, but it is not the agenda of Canadians. Canadians know that between the years 1976 and 1985 violent crime increased 25.7 per cent in the country. They want the criminal justice system to be tightened up. I believe that public opinion polls would be very different now on the question of capital punishment if steps had been taken to tighten up the criminal justice system.

• (1805)

Irrespective of whether capital punishment is brought back, Canadians want the system tightened up. The Minister of Justice would not have to worry about a vigilante or a Charles Bronson system of justice or about the confidence of Canadians in the criminal justice system if he would only tighten up the bail laws, sentencing, and parole.

The Minister and the Government have had some 2.5 years to do it. However, there are 2.5 years left in the mandate of the Government. That is enough time for the Minister of Justice to take some decisive action in this area so that he can leave a legacy of which he can be proud, of which I can be proud, and of which Canadians can be proud.

I am looking forward to hearing from the Parliamentary Secretary tonight that the Minister of Justice is about to take some decisive action and to leave a legacy of which all of us could be proud.

[*Translation*]

Mr. François Gérin (Parliamentary Secretary to Minister of Justice and Attorney General of Canada): First of all, Mr. Speaker, I must congratulate the Hon. Member for raising this issue and for his remarks. I know that he is deeply concerned about this issue, having advocated these principles ever since his election. I must say that fortunately some Hon. Members devote their time and energy promoting major issues. It is true that the system we have inherited must be changed and changed thoroughly, but these changes cannot happen overnight. They can only be carried out following a rather extensive consultation. And we started this extensive consultation the moment we came to power in September 1984, something of which the Hon. Member is well aware for having contributed to it.

And this consultation has started to pay off. For instance, two weeks ago, the Canadian Sentencing Commission tabled its report which indicated what a great many people knew already, namely, that there are differences in sentencing for the same crimes which people just cannot understand. That is why they answer in various polls that they no longer understand the system. Referring for instance to the various examples given by my hon. friend concerning the perception which people have of the criminal justice system and especially the vigilante type of justice, we realize that people do not quite understand the principle of necessary force involved in cases of legitimate defence. As much as 68 per cent of poll respondents were quoted at saying that a vigilante type of justice could be legitimate under certain circumstances. But if they have been asked a different question, such as: Would you agree that the victim should use more force than necessary? Well, I am sure most Canadians would have said no.

So it would seem that Criminal Code provisions as worded may lead to confusion. People should be better informed

through publicity, and for the benefit of the general public—with more forthcoming co-operation from our provincial colleagues—we might try to make the Criminal Code more readily understandable.

Of course we must point out that the Law Reform Commission is doing very important research with respect to sentencing delimitation. Later this fall it will present a report on release in an attempt to simplify the system and make it easier for people to understand the whole process, so perhaps in this case the conclusion will be that when somebody is given a three-year sentence, indeed he should not be released after serving six months.

But this can only be done after consultation, including the work done by the Hon. Member as well his questions and comments, and then likely by next fall or sometime next year the Government, under its mandate, will be in a position to make certain recommendations which should considerably improve the system, and more particularly the public perception of the Canadian judiciary system.

• (1810)

[*English*]

THE CONSTITUTION—REQUEST FOR INCLUSION OF PROPERTY RIGHTS

Mr. Jim Jepson (London East): Mr. Speaker, in September 1985 and on March 11, 1987 I raised the question of the inclusion of property rights in the Charter concerning the very grave oversight on the part of the Liberal Government when it drew up the Charter revisions.

I do not think there is any Canadian living in Canada who would hold one particular right more dearly to his or her heart than the right to own property. There are many individuals who have chosen Canada as their new home because of the freedoms that we enjoy to work hard and to acquire wealth and property.

Now that we have been in office for two and a half years, I feel it is time to bring this important matter to the front burner. I urge the Minister to address this matter as quickly as possible with his provincial counterparts. We all know that to make this change requires the approval of the majority of the provinces.

In response to my question, the Minister of Justice and the Attorney General of Canada (Mr. Hnatyshyn) said he will be dealing with the matter, but the purpose of my speaking again this evening is to reinforce how important property rights are, not only to me as a Member of Parliament, but to my constituents and constituents right across the land. I urge the Minister to give this matter his urgent attention and include property rights in the Charter in order to make that Charter complete.

Mr. François Gérin (Parliamentary Secretary to Minister of Justice and Attorney General of Canada): Mr. Speaker, I wish to assure the Hon. Member of our sympathy for the entrenchment of property rights in the Constitution. He is aware of the long record of support of the Conservative Party for property rights. In 1960, the Progressive Conservative Government under the leadership of the late former Prime Minister, the Right Hon. John G. Diefenbaker, introduced the Canadian Bill of Rights. The Bill of Rights provides protections for property rights at the federal level. In particular, it protects the right of every individual to the enjoyment of property and the right not to be deprived thereof, except by due process of law. Since the introduction of the Canadian Bill of Rights, we have continued to advocate property rights. In the process leading up to the patriation of the Constitution and after, we pressed the Liberal Government to add property rights to the Constitution.

It was in this context that the previous Attorney General of Canada asked the Attorneys General of the provinces last year to establish a working group of officials to examine the entrenchment of property rights. The Attorneys General agreed, and a working group was established. Women's groups, aboriginal people, environment groups and provincial Governments have expressed concerns about the impact of entrenching property rights and about legal uncertainties relating to property rights. The working group is analysing these questions. I understand that the working group is making good progress and it will be reporting to the Attorneys General in due course.

Last August in their Edmonton declaration the provincial Premiers specifically asked that the question of Quebec and the Constitution be dealt with first before we deal with any other matters of constitutional reform and they specifically included in these the matter of property rights. At the conclusion of their annual conference in Vancouver last November, the First Ministers of the provinces reiterated their view that there should be another stage following the present round of discussions to deal with other matters, including property rights.

• (1815)

An amendment to the Constitution would require the assent of at least seven provinces and the assent of at least 50 per cent of the population of the provinces. The Hon. Member will appreciate that we wish to co-operate with the provinces as their agreement on the matter of property rights is essential. The current round of constitutional discussions is not over yet so we do not have a definite schedule for the next round of discussions. However, the matter of property rights is progressing with the efforts of the working group on property rights.

HUMAN RIGHTS—EAST TIMOR—INVASION BY INDONESIAN TROOPS. (B) REQUEST FOR REPRESENTATIONS TO UNITED NATIONS

Mr. Roland de Corneille (Eglinton—Lawrence): Mr. Speaker, on February 17, I asked the Secretary of State for External Affairs (Mr. Clark) a question on behalf of a pathetic, suffering, tortured population in a little section of a little island called East Timor and a little section of another little island called Irian Jaya, some 500 kilometres North of

Australia. These people have been crushed under the boots of an oppressive dictatorship in Indonesia. I asked the Minister politely without innuendo or sarcasm of any kind the following question:

> Mr. Speaker, the Secretary of State for External Affairs knows that Canada has allotted $300 million in aid through CIDA to Indonesia over a five-year period. In fact, that represents the fourth largest Canadian aid program in all of Asia. How can the Government continue to ignore the fact that Indonesia has invaded East Timor with 40,000 troops and is conducting "Operation Extinction", which is tantamount to genocide? What kind of representations will the Secretary of State for External Affairs make to the Minister of Foreign Affairs of Indonesia, Dr. Mochtar, who is in Ottawa at the present time?

The Minister's reply included the following remarks:

> It would be a change in the basis of his representations in the House, if they were based on fact.

He went on to say:

> I would invite the Hon. Member, rather than relying upon the editorial opinion of *The Globe and Mail*, to learn the facts for himself and to avoid making accusations which he cannot support with facts.

Instead of treating this question with sympathy, the Secretary of State for External Affairs had to resort to personal attacks on the questioner. This is a sad regression and a breach of the promise the Prime Minister (Mr. Mulroney) made for a new era of civility. In any case, insults will not change the suffering of those people nor will it stop my determination to bring their tragedy to the attention of the House and the Canadian people.

In the House of Commons, I asked the Secretary of State for External Affairs to make representations to the Indonesian Foreign Minister, Dr. Mochtar. The Minister replied that these arguments are exaggerated. I asked him to make representations on behalf of the indigenous people at the Human Rights Commission meeting in Geneva and he told me that unless I went to see for myself, I should not make accusations I could not support with facts. This is an incredible reply in view of the record of Indonesia and the reports which are a shocking indictment of human rights violations in East Timor as well as the fact that over 10,000 pathetic refugees from Irian Jaya have poured across the border into United Nations camps in Papua New Guinea.

Although the Red Cross is the only organization allowed into East Timor and is not even allowed into Irian Jaya, it is effectively muzzled because, as a humanitarian organization, it is not allowed to discuss anything except how many prisoners it could visit and the state of their care and rehabilitation. There are no other groups that the Indonesians will allow to enter East Timor or Irian Jaya.

When I was recently at the United Nations Human Rights Commission in Geneva, I was told about the refugees by the United Nations High Commission on Refugees. I was told about the atrocities by Amnesty International, Pax Christi, Pax Romana, the Canada-Asia working group of churches, the Australian Council for Overseas Aid, the International Christian Consultation on East Timor and of reports that were smuggled out to the members of the Pacific Conference of Churches that met at Samoa. I spoke to delegates from France and Portugal who appealed to Indonesia to end its atrocities and who appealed as well to the International Red Cross and others in Geneva whose names I cannot mention because of their links to people within East Timor. However, they are extremely credible.

I also spoke to Indonesian delegates. They confirmed that they will not allow human rights organizations or churches into Irian Jaya or into East Timor because they only "come to make trouble and lie about us". They also refused to explain why over the years they have never replied to accusations made by the United Nations Human Rights Commission.

Whom should we believe? Should we believe the reports of these human rights organizations based on information from refugees and smuggled messages, reports that are reliable, or should we accept the reassurances of the Minister who bases his information on the reports of the Canadian Ambassador to Indonesia who, given the opportunity to see East Timor, said: "Things aren't as bad as they were and have been exaggerated"?

I would hope that this time I will receive a decent, concerned and respectful answer to this question which deals with human suffering. It deserves no less from the Government of Canada, a nation with a great record of concern for human rights when they are brought to our attention.

• (1820)

[*Translation*]

Mr. Jean-Guy Hudon (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, I am pleased today to reply to my colleague concerning the question of East Tumor, a question which of course is at the origin of impassioned reactions. I wonder how Opposition Members invariably manage to question the sources of information on certain anomalies or problems which exist in the world.

Mr. Speaker, rumours about many losses of life in Timor are founded. They are indeed true. When people are in that state, Mr. Speaker, when there is a civil war, it is not the only reason, it is not simply indiscriminate killing of the population, but it is, and this was confirmed by the International Red Cross Committee in 1979—which by the way saved 70,000 people—famine, lack of shelter, disease, malnutrition which are causing the largest number of deaths.

Naturally, Mr. Speaker, during a civil war you can count all the casualties and say that they result strictly from that war. You can count that way, but that is not what I call violation of human rights. According to our reports, there are no such violations of human rights at the present time.

Mr. Speaker, the news we get and the information my colleague received, are, according to our own information, exaggerated. Following the visit of the Minister of Foreign Affairs from Indonesia there were reports in the *Sunday Star* and in *The Ottawa Citizen* which were far more balanced than the accusations first made.

Clearly, Canada is greatly concerned by the recurrent rumors about violations of human rights. However, we are not going to put an end to our programs simply because of unconfirmed rumors. We now have the assistance of the International Red Cross and some other international groups which keep us up to date, inform us of the most recent developments, and even the questions put by my colleague are not ignored. We try to get information, we are concerned, and Canada, Mr. Speaker, precisely because it has great respect for human rights, will do its utmost to see that these rights are respected the world over.

Mr. Deputy Speaker: The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 2 p.m. pursuant to Standing Order 3(1).

The House adjourned at 6.23 p.m.

APPENDIX

ADDRESS

of

RONALD WILSON REAGAN

President of the United States of America

to

Both Houses of Parliament

in the

HOUSE OF COMMONS CHAMBER, OTTAWA

on

Monday, April 6, 1987

ADDRESS
of
RONALD WILSON REAGAN
President of the United States of America
to
Both Houses of Parliament
in the
HOUSE OF COMMONS CHAMBER, OTTAWA
on
Monday, April 6, 1987

The President was welcomed by the Right Honourable Brian Mulroney, Prime Minister of Canada, and thanked by the Honourable Guy Charbonneau, Speaker of the Senate and Honourable John A. Fraser, Speaker of the House of Commons.

Hon. John A. Fraser (Speaker of the House of Commons): Order, please.

Mr. President, we welcome you to this Chamber where the Canadian people are represented by Members of Parliament and Senators who comprise the Parliament of Canada.

[*Translation*]

We are honoured to have you in our midst.

[*English*]

I now invite the Right Honourable the Prime Minister to introduce our distinguished guest.

Some Hon. Members: Hear, hear!

Right Hon. Brian Mulroney (Prime Minister): Mr. President, in the House of Commons, for me, that is known as 82 per cent of a standing ovation.

Some Hon. Members: Oh, oh!

Mr. Mulroney: But we are not going to forget it.

Mr. Speaker of the Senate, Mr. Speaker of the House of Commons, Mr. President and Mrs. Reagan, Mesdames et Messieurs:

Mr. President, I welcome you to this House. I should at once thank you for arranging your schedule so that your visit here would result in the cancellation of Question Period.

Some Hon. Members: Oh, oh!

Mr. Mulroney: If you would like to stay around all week—

Some Hon. Members: Oh, oh!

Almost 30 years ago, Prime Minister John Diefenbaker, in introducing President Eisenhower here in this Chamber, described him as the "leader of a mighty state" and as "someone who comes to us as a good neighbour and friend". There are Hon. Members of this Parliament here today who were present in this Chamber three decades ago. They would agree, I am sure, that much has changed since then, but they would agree as well that unchanged is the sincerity of our friendship and the profound respect our peoples have for democratic values and for each other.

[*Translation*]

We are aware this is the bi-centennial year of the American Constitution—a declaration of freedom and independence which has been a light of inspiration and hope to so much of mankind for two centuries.

Our two countries—different in so many ways—share more than a common border in a continent. We share in the advance of liberty and human dignity in a world still darkened by oppression, still bearing the stain of racism and intolerance. We share, as well, respect for our sovereign right to act in the best interests of the people we serve. We would hope for other peoples and other nations something of our own ongoing experience of trust and confidence and mutual respect.

Mr. President, you will know that much is different from your last visit to the House of Commons. The change is reflected in our joint agenda.

[*English*]

Canadians view with increasing concern the effects of acid rain upon our environment. But this is more than a Canadian problem. It is a transboundary problem which requires a transboundary response.

I urgently invite the United States administration and the American Congress to join with this Parliament, and the Government of Canada in concluding a firm bilateral accord which will provide a North American solution to acid rain.

Some Hon. Members: Hear, hear!

• (1445)

Mr. Mulroney: In this matter, time is not our ally but our enemy. The longer we delay, the greater the cost. For what would be said of a generation that sought the stars but permitted its lakes and streams to languish and die?

[*Translation*]

Mr. President, you have described our present bi-lateral negotiations as presenting the opportunity for concluding—in your words—an "historic trade agreement".

[*English*]

With regard to trade and the trade agreement, Mr. President, if such a trade agreement is fair to both countries, it will be good for both peoples.

Some Hon. Members: Hear, hear!

[*Translation*]

Mr. Mulroney: We are determined that this opportunity shall not pass in this generation, because the prosperity and competitive advantage of the next generation may well depend on it.

[*English*]

As we are linked in commerce and trade, so are we linked in the defence of our continent through NORAD, and in the defence of the Atlantic Alliance through NATO. As we are partners in progress, so are we partners in defending our democratic way of life.

Some Hon. Members: Hear, hear!

Mr. Mulroney: Canada is not a neutral nation. We are not, and never have been, mere spectators in the struggle between freedom and tyranny.

Some Hon. Members: Hear, hear!

Mr. Mulroney: Canada's credentials have been richly earned both in the defence of freedom and in the pursuit of peace.

Geographically situated between the two superpowers, Canada lives in the shadow of nuclear armaments.

[*Translation*]

Our people, deeply concerned about the arms race, are now encouraged by recent prospects for arms reduction. If the United States and the Soviet Union can conclude an agreement on short and medium range missiles, other arms reductions accords can follow.

A new day can begin. As President Eisenhower said in this House: "Beyond the shadow of the nuclear cloud, the horizon is bright with promise." Regrettably, after three decades that promise remains unfulfilled.

[*English*]

But with strength, solidarity and resolve, that promise may yet be secured.

It is the promise of a world in which a liberalized trading system works for the benefit of the developing, no less than the developed nations.

It is the promise of a world free of international terrorism, which our two Governments remain firmly resolved to combat.

It is the promise of a world free from the evil of apartheid, because the majority in South Africa cannot and must not remain in political and economic bondage.

It is the promise of a world where children learn tolerance and lead lives that exemplify it.

[*Translation*]

Those are but a few of our mutual obligations to a larger world, a world which looks to our two countries as beacons of liberty, of prosperity and generosity of spirit.

[*English*]

Mr. President, Sir Winston Churchill described the relationships between our nations as "an example for every country and a pattern for the future of the world". In testimony to that, this unique and enduring relationship has been celebrated recently by a joint resolution of the American Congress and the Parliament of Canada which proclaims July 2 and 3, the two days between our respective national days, as the "Canada-United States days of peace and friendship".

Some Hon. Members: Hear, hear!

Mr. Mulroney: Our respective legislators have served their constituents well.

Six years ago, on your first visit to this Chamber, Prime Minister Trudeau said: "I wish you well in your task and comfort in your burden. May part of that comfort come from the assurance of Canada's abiding friendship for your country and your people".

Mr. President, I make mine the words of Prime Minister Trudeau. As we once again welcome you and Mrs. Reagan in our midst, you will know that that sentiment remains indeed unchallenged and unchanged in this House, in this Parliament, and in this country.

Some Hon. Members: Hear, hear!

Mr. Mulroney: May I say to you, Mr. President, and to you, Mrs. Reagan, that in Canada you are among friends.

Ladies and gentlemen, the President of the United States.

Some Hon. Members: Hear, hear!

Mr. Ronald W. Reagan (President of the United States): Mr. Prime Minister, Mr. Speaker of the Senate, Mr. Speaker of the House of Commons, honourable Senators, Members of the House of Commons, distinguished members of the diplomatic corps, ladies and gentlemen:

It is a great honour to speak to you today. As you know, this is my third official visit to Canada. My last two were the first foreign trips I had taken after each election. But our constitutional prohibitions being what they are, I thought it was not wise to wait for another election before visiting you again.

Some Hon. Members: Oh, oh!

Mr. Reagan: I also wanted to time this trip after March so people would not think that these state visits are just an excuse for Prime Minister Mulroney and me to celebrate St. Patrick's Day together.

On each of these occasions I have been struck by how much our two nations have in common. Despite our many important differences, you see the similarities of our national characters in, among other things, the sports we share; hockey, baseball, football—with some modifications—and that fourth sport which seems to be as popular on both sides of the 49th parallel, giving a hard time to political leaders of Irish descent.

Some Hon. Members: Oh, oh!

Mr. Reagan: It is truly an honour to have a second opportunity to address this august body, this great democratic legislature that has been witness to and shaper of so much of

the history of freedom. I remember those days, not so very long after the attack on Pearl Harbour had once again united our two nations in a world conflict, when Winston Churchill stood where I am standing today. Wake Island had fallen just a week before; on Christmas Day, after an heroic defence by Canadian troops, Hong Kong was captured by the Axis; Manila was soon to be swallowed up as well.

But those who might have been expecting a picture of democracy in retreat got something very different from that indomitable spirit. "We have not journeyed all this way across the centuries," he said, "across the oceans, across the mountains, across the prairies, because we are made of sugar candy". Churchill was speaking of the members of the British Commonwealth, most specifically of the people of Canada, but I confess we Americans have always flattered ourselves that, though the thought was unspoken, he had us in mind, too.

As two proud and independent peoples there is much that distinguishes us, one from the other, but there is also much that we share: a vast continent, with its common hardships and uncommon beauties, generations of mutual respect and support, and an abiding friendship that grows ever stronger. We are two nations, each built by immigrants, refugees from tyranny and want, pioneers of a new land of liberty. The first settlers of this new world, alone before the majesty of nature, alone before God, must have been thrown back on first principles, must have realized that it was only in their most basic values that they would find the wisdom to endure and the strength to triumph. And so a dedication was formed, as hard as the granite of the Rockies—a dedication to freedom, a commitment to those unalienable human rights and their only possible guarantee, the institutions of democratic government.

A shared history, yes, but more than that: a shared purpose. It must have seemed to Churchill, besieged and isolated as he was in the one corner of Europe still clinging to freedom, that this American continent, and his two great friends and one-time colonies, had been placed here by a wise and prescient God, protected between two vast oceans, to keep freedom safe. In the crisis of the moment Churchill said it was not then time to "—speak of the hopes of the future, or the broader world which lies beyond our struggles and our victory". We must first, he said, "—win that world for our children".

In a very real sense, that is still our imperative today: to win the world for our children, to win it for freedom.

Some Hon. Members: Hear, hear!

Mr. Reagan: Today our task is not merely the survival of liberty, but to keep the peace while we extend liberty to a world desperately in need. Today we still contend against war, against a foreign expansionism, and I will speak to that in a moment. But I wish first to talk about a second struggle, one that must occupy an equal place in our attentions, the struggle against the plagues of poverty and under-development that still ravage so much of mankind.

Our two nations have committed many resources to that struggle, but we have it within our power at this moment to take an historic step toward a growing world economy and an expanding cycle of prosperity that reaches beyond the industrialized powers even to the developing nations. We can lead, first, by our powerful example, specifically by the example of Prime Minister Mulroney's far-sighted proposal to establish a free trade agreement that would eliminate most remaining trade barriers between Canada and the United States.

Some Hon. Members: Hear, hear!

Mr. Reagan: After the Allied victory over the Axis powers, America and Canada combined their efforts to help restore Europe to economic health. Those were golden years of international economic co-operation that saw the creation of GATT which knocked down the tariff barriers that had so damaged the world economy; the International Monetary Fund; and 30 years ago last month, the creation of the Common Market. The theme that ran through it all was free and fair trade. Free and fair trade was the lifeblood of a reinvigorated Europe, a revitalized free world that saw a generation of growth unparalleled in history.

We must keep these principles fixed in our minds as we move forward on Prime Minister Mulroney's free trade proposal, a proposal that, I am convinced, will prove no less historic. Already our two nations generate the world's largest volume of trade. The United States trades more with the Province of Ontario alone than with Japan. United States citizens are by far the principal foreign investors in Canada, and Canadians, on a per capita basis, are even greater investors in our country. This two-way traffic in trade and investment has helped to create new jobs by the millions, expand opportunity for both our peoples, and augment the prosperity of both our nations.

Prime Minister Mulroney's proposal would establish the largest free trade area in the world, benefiting not only our two countries but setting an example of co-operation to all nations that now wrestle against the siren temptation of protectionism. To those who would hunker down behind barriers to fight a destructive and self-defeating round of trade battles, Canada and the United States will show the positive way.

Some Hon. Members: Hear, hear!

Mr. Reagan: We will overcome the impulse of economic isolationism with a brotherly embrace, an embrace, it is not too much to hope, that may some day extend throughout the Americas and ultimately encompass all free nations.

We can look forward to the day when the free flow of trade from the southern reaches of Tierra del Fuego to the northern outposts of the Arctic Circle, unites the people of the western hemisphere in a bond of mutually beneficial exchange, when all borders become what the U.S.-Canadian border so long has been—a meeting place rather than a dividing line.

Some Hon. Members: Hear, hear!

• (1500)

Mr. Reagan: We recognize that the issues facing us are many and difficult. And just as this proud Parliament is watching our negotiations, so too is the United States Congress. A comprehensive, balanced agreement that provides open trade and investment on a comprehensive basis, an agreement in which both sides are winners—that is our goal.

Augmenting the spirit of the Uruguay trade negotiations, prelude to our economic summit in Venice this June, our free trade discussions here will be a model of co-operation to the world. Mr. Prime Minister, this will be a pioneering agreement worthy of a pioneering people; a visionary strategy, worthy of the elected head of one of the world's greatest democracies. Mr. Prime Minister, we salute you; and I pledge to you now that, for our part, we shall commit ourselves and the resources of our administration to good faith negotiations that will make this visionary proposal a reality.

Some Hon. Members: Hear, hear!

Mr. Reagan: And on this, the Canadian people and the Members of Parliament have my word.

Freedom works. The democratic freedoms that secure the God-given rights of man, and the economic freedoms that open the door to prosperity—they are the hope and, we trust, the destiny of mankind.

If free trade is the lifeblood, free enterprise is the heart of prosperity.

Some Hon. Members: Hear, hear!

Mr. Reagan: Jobs, rising incomes, opportunity—they must be created, day to day, through the enterprise of free men and women. We have had to learn and re-learn this lesson in this century. In my own country, we have witnessed an expansion and strengthening of many of our civil liberties, but too often we have seen our economic liberties neglected, even abused. We have protected the freedom of expression of the author, as we should—but what of the freedom of expression of the entrepreneur, whose pen and paper are capital and whose profits and literature are the heroic epic of free enterprise, a tale of creativity and invention that not only delights the mind, but has improved the condition of man, feeding the poor with new grains, bringing hope to the ailing with new cures, vanquishing ignorance with wondrous new information technologies.

In the United States we have found a new consensus, among members of both Parties, in a reformed tax structure that lowers tax rates and frees the spirit of enterprise of our people. Today, that consensus is broadening as your great free market nation seeks the same path back to the first principles of economic growth through rate-reducing tax reform. We see movements in Germany and Japan, as well, to cut tax rates. But this must be only the beginning; for what is simply beneficial to us is a matter of the most dire necessity to the nations and peoples of the developing world. And this is the second great example that, together, we offer to the nations of the world in desperate economic need. For the poorer, the more desperate their condition, the more urgently they need the growth that only economic freedom can bring.

We have seen time and again the healing, invigorating effects of economic freedom: tax rate cuts lifted both Germany and Japan out of post-war stagnation and into the forefront of the world economy; low tax rates catapulted the nations of the Pacific Basin out of the Third World, making them major economic partners today.

A recent study prepared for our Government found a direct relationship between the high tax rates and other statist policies of many underdeveloped countries and a cycle of deepening poverty and despair. On the other hand, the study found that countries with low tax rates and free market policies are among the fastest growing in the world, providing improved living standards and increased opportunity for all their people.

We apply the principles of economic freedom at home; we should not export central planning and statist economics abroad. When the Holy Father came to this country, he spoke of the moral obligation of the wealthier nations to share with those less fortunate—it is time to take up that challenge. Both our countries have been generous donors of foreign aid, and that is important.

But our own experience, the experience of this century, has shown that the only effective way to share prosperity is to share the conditions that generate prosperity. History has proven beyond a shadow of a doubt that statism spreads poverty; it is only freedom that begets wealth. Free markets, low tax rates, free trade—this is the most valuable foreign aid we can give to the developing nations of the Third World.

Some Hon. Members: Hear, hear!

Mr. Reagan: These are the weapons of peace we must deploy in the struggle to win a future of liberty for mankind. So many have come to Canada and the United States in hope—let us now give that hope to the world.

Throughout our history our two nations have keenly felt our international responsibilities. Instrumental in founding and maintaining the NATO alliance, through co-operative efforts in NORAD, Canada has taken a leading role in the defence of the free world. Meanwhile, we have co-operated in extending every effort to lessen the dangers of a nuclear-armed world.

Over the past six years, the United States—working closely with Canada and our other allies—has sought to achieve deep reductions in Soviet and American nuclear arms. Thanks to the firmness shown by the Alliance, we are moving toward a breakthrough agreement that would dramatically reduce an entire class of weapons—American and Soviet longer-range, intermediate range, INF missiles in Europe and Asia.

We have travelled far to get here—from past treaties that only codified the nuclear build-up, to the point where we may soon see the dismantling of thousands of these agents of annihilation. We are hopeful—we are expectant—but we face many difficulties still. As our negotiators continue to work toward a sound agreement, we are not going to abandon our basic principles—or our allies' interests—for the sake of a quick fix, an inadequate accord.

We will work for truly verifiable reductions that strengthen the security of our friends and allies in both Europe and Asia and that cannot be circumvented by any imbalance in shorter-range INF systems. In short, America will stand where she always stood: with her allies, in defence of freedom and the cause of peace.

We must continue to keep in mind, as well, that a major impetus in our reduction talks has been the growing reality of our Strategic Defence Initiative. SDI supports and advances the objectives of arms control—

Mr. Robinson: No way.

Mr. Reagan: —offering a more stable and secure environment as we pursue our goal of deep reductions in nuclear weapons. We must move away from a situation of Mutual Assured Destruction—so aptly called MAD, the MAD policy. We need defensive systems that threaten no one, that would save human lives instead of targeting them.

Some Hon. Members: Hear, hear!

Mr. Reagan: We must remember that the Soviet Union has spent 15 times as much on strategic defences as we have over the last 10 years, while their record of compliance with existing arms treaties continues to be a cause for concern. Most people do not understand that Mutual Assured Destruction has left our populations absolutely defenceless. This is an intolerable situation; the truly moral course is to move forward quickly with a new strategy of peace—based not on the ability to threaten lives, but on our confidence that we can save them. Let us choose a defence that truly defends.

As we have pursued better relations with the Soviet Union, we have laboured to deal realistically with the basic issues that divide that nation from the free world. Our insistence that the Soviet Union adhere to its Helsinki human rights agreement is not just a moral imperative; we know that no nation can truly be at peace with its neighbours if it is not at peace with its own people.

In recent months, we have heard hopeful talk of change in Moscow, of a new openness. Some political prisoners have been released; the BBC is no longer jammed—we welcome these positive signs and hope that they are only the first steps toward a true liberalization of Soviet society.

To the extent the Soviet Union truly opens its society—to that extent its economy and the life of its people will improve; to that extent we may hope its aggression will diminish. Disappointingly, however, there so far has been little movement on the Soviet side toward the peaceful settlement of regional conflicts that today are flaring across the globe.

Despite announcements of ceasefires and talk of national reconciliation, the Soviet's terrible war against Afghanistan remains unabated—and Soviet attacks on neighbouring Pakistan have escalated dangerously. In Cambodia, Ethiopia, and Angola, the Soviet Union continues to support brutal wars of Communist Governments against their own people. In Nicaragua, we see such a campaign on our own shores—

Mr. Parry: Shameful!

Mr. Reagan: Is there an echo in here?

Some Hon. Members: Hear, hear!

Mr. Reagan: Thank you. In Nicaragua, we see such a campaign on our own shores, threatening destabilization throughout Central America. This is not just a question of self-protection; the higher principle is that the people of Nicaragua have the right to decide their own future.

Some Hon. Members: Hear, hear!

Mr. Reagan: The surest sign that the Soviet Union truly wants better relations, that it truly wants peace, would be to end its global strategy to impose one-party dictatorships—allow the people of this world to determine their own futures, in liberty and peace. We know that when people are given the opportunity to choose, they choose freedom.

Truly, the future belongs to the free. In our own hemisphere, we have seen a freedom tide sweep over South and Central America: Six years ago, only 30 per cent of the people of Latin America lived in democracies—today, over 90 per cent do. Around the world, resistance movements are rising up to throw off the totalitarian yoke. Even in China, they debate the pace of reform but acknowledge its necessity.

• (1515)

On the border between Canada and the United States stands a plaque commemorating over a century and a half of friendship. It calls the border: "a lesson of peace to all nations", and that is what it is: a concrete, living lesson that the path to peace is freedom, that the relations of free peoples, no matter how different, no matter how distinct their national characters, will be marked by admiration, not hostility.

Go stand along the border at the beginning of July. You will see the Maple Leaf and the Stars and Stripes mixed in a swirling cloud of visitors and celebrants. As a Canadian writer once put it: "What's the difference between Dominion Day and July 4? About 48 hours".

Some Hon. Members: Hear, hear!

Mr. Reagan: Yes, we have differences, disputes, as any two sovereign nations will. But we are always able to work them out, *entre amis*.

One area of particular concern to all Canadians, I know, is the problem of acid rain. When the Prime Minister and I met in Quebec two years ago, we appointed two distinguished Envoys, Bill Davis and Drew Lewis, to examine the problem. They issued a joint report, which we have endorsed, and we are actively implementing many of their recommendations.

The first phase of our clean coal technology program is under way. It is the beginning of a $6 billion commitment through 1992, and I have asked Congress for the full share of government spending recommended by the Envoys—$2.5 billion—for the demonstration of innovative pollution control technologies over the next five years.

Literally thousands of firms and millions of jobs will be affected by whatever steps we take on this problem, so there are no quick and easy answers. However, working together, we have made an important start. I am convinced that, as in the past, our disputes will bring us closer as we find a mutual accord, and our differences will become only another occasion for co-operation. Let me assure you that your concerns are my concerns.

I was struck recently by the words of a Canadian—a Hungarian Canadian you might call him—who came to this country, as so many before him, to escape oppression. He said: "I wanted to stretch. I needed a place where I could move mountains or carry larger stones than Sisyphus, and here was the place for it—nobody telling me what I'm supposed to believe as a Canadian—gave me a kind of freedom for my mind and my spirit and my creative energies that I had never experienced before in life. (And) I found that, for me, anyhow, anything could be possible here".

Some Hon. Members: Hear, hear!

Mr. Reagan: This is your Canada, and our continent. This is the chosen place in history our two nations occupy: a land where the mind and heart of man are free; a land of peace; a land where, indeed, anything is possible.

May I add a word about our discussions today on two issues of critical interest to our two countries. The Prime Minister and I agreed to consider the Prime Minister's proposal for a bilateral accord on acid rain, building on the tradition of agreements to control pollution of our shared international waters.

The Prime Minister and I also had a full discussion of the Arctic waters issue, and he and I agreed to inject new impetus to the discussions already under way. We are determined to find a solution based on mutual respect for sovereignty and our common security and other interests.

Some Hon. Members: Hear, hear!

Mr. Reagan: Thank you all very much, and God bless you.

Some Hon. Members: Hear, hear!

Hon. Guy Charbonneau (The Speaker of the Senate): Mr. President, Mr. Speaker of the House, Prime Minister, ladies and gentlemen:

[*Translation*]

Mr. President, first of all, I would like to thank you for your visit to this country and to the Parliament of Canada, and also for the words of wisdom and encouragement you have just spoken. They confirm that Canada and the United States of America have in common, as has ever been the case, a desire to build a better, safer and more prosperous world, with a profound respect for liberty and justice. They also confirm that the special ties between our two countries are as important to you, our neighbours and American friends, as they are to us Canadians.

[*English*]

We are particularly pleased that your visit takes place during the Bicentennial of the birth of the American Constitution, that godchild of Montesquieu's enlightenment. It is a happy reminder of the ties between Europe and America, and gives us reason to believe that the most important event in Europe in the 18th century was the Congress of Philadelphia.

The Bicentennial of your Constitution has a profound significance for us. Without it, our own Canadian Constitution might well have been quite different. Your founding fathers were innovators in their day in that they established a federation, a bold departure in a world dominated by unitary or at best confederative systems of government. We shall always be grateful to them for setting an example of a federative system of government.

Your republican Constitution and a consciousness of the relationship between Canada and the United States played a part, too, in the naming of our country in 1867, the year of Confederation. In calling the new country "The Dominion of Canada" rather than "The Kingdom of Canada", the British Government tactfully deferred to the republican feelings of our southern neighbours. It was a gesture which showed considerable statesmanship, in that it could present Canada as a republican monarchy.

In fact, in 1787, your fellow Americans saw clearly that the office of President closely resembled that of a monarch. They proposed that the President be addressed as "His Majesty". This idea was rejected, but for a time, people still spoke of the President's "throne". As you will know, Mr. President, by another paradoxical situation, the impecunious Hamilton promoted the royal symbols, while the wealthy Jefferson pleaded for the republican emblems.

In 1867 we chose to name our Upper House the Senate, and, like yours at the beginning, it is a non-elected body. After all, it was not until 1913 that by an amendment to the Constitution your country decided to elect rather than designate Senators. In that process, the prestige and influence of the House of Representatives was somewhat diminished. I doubt that my Senate colleagues expect soon to be in a similar position *vis-à-vis* the House of Commons but, as you know,

history has a habit of coming up with some surprising developments!

[*Translation*]

Mr. President, you are aware of the importance to Canadians of the ties between our two countries. Sharing a continent and common values, we are in the habit of considering you as our American cousins. Although our symbols would seem to contradict each other—the star-spangled banner of the Republic and our country's sovereignty within the British Commonwealth—our relations have always reflected a profound mutual respect.

[*English*]

Our common political origins and our long history of amity and co-operation allow us to affirm that our friendly relations are destined for perpetuity. Your presence and your words to us today are additional proof of this, and we offer you our respectful gratitude.

We are honoured that you accepted our invitation to address us. Thank you, Mr. President.

Some Hon. Members: Hear, hear!

Mr. Speaker: Mr. President, many distinguished visitors address both Houses of Parliament in this Chamber, but no occasion is more welcome than when the long friendship that exists between our two peoples is manifested by the presence here of the President of the United States.

Some Hon. Members: Hear, hear!

Mr. Speaker: On each past occasion, Presidents have spoken of the close friendship between Canada and the United States, and your words today maintain that tradition.

Canadians have reciprocated with the heartfelt welcome our people give to very special friends.

We share a continent and have done so peaceably for many generations. We have fought as allies against tyranny and for the democratic principles which we both share.

[*Translation*]

We have remained close allies, despite some difficult times. We both know that only mutual cooperation will enable our respective nations to meet their obligations to each other and to the rest of the world.

[*English*]

We who cherish freedom and parliamentary institutions are aware not only of the advantages and privileges we enjoy as free people, but also of the responsibility we have to set an example of mutual co-operation for others.

The close relationship which exists between Canadian parliamentarians and members of the Senate and House of Representatives is consequently of great significance. That close relationship will be again strengthened later this year when the Canada-United States Parliamentary Association holds its annual meeting in Vancouver, British Columbia.

These meetings exemplify a growing desire of parliamentarians in both our countries to come together to address both the problems and the opportunities which we share as a consequence of our close association as neighbours and friends.

Your visit, Sir, encourages this close relationship, and we are grateful for your personal commitment in this regard.

[*Translation*]

Mr. President, as Speaker of the House of Commons, it is with great pleasure that I welcome you to this Chamber today, on the occasion of your visit and that of Mrs. Reagan.

It is an honour and a privilege to do so, and we thank you for this opportunity.

[*English*]

You take with you our renewed expression of respect and warm affection for you and for all our American friends. Thank you, Mr. President.

Some Hon. Members: Hear, hear!

Mr. Speaker: I now adjourn this meeting.

HOUSE OF COMMONS

Wednesday, April 8, 1987

The House met at 2 p.m.

Prayers

STATEMENTS PURSUANT TO S. O. 21

[*Translation*]

FEDERAL-PROVINCIAL RELATIONS

QUEBEC

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Regretfully, Mr. Speaker, Quebecers are again being led down the garden path by the Conservative Government. Having been led down the garden path with respect to the Montreal East refinery, the shipyards, and the international banking centre, this time Quebecers are being led down the garden path by the Conservative Government in the case of the space agency.

Mr. Speaker, we can still hear the echo of the solemn Throne Speech promise made by the Prime Minister (Mr. Mulroney), one hand over his heart and the other on the Bible: a space agency shall be established. Under pressure from various provinces vying for the agency, the Prime Minister, as *Le Droit* journalist Alain Dexter pointed out, repeated the old slogan of the 1960s: When time comes there will be no commercial, there will be no space agency.

Mr. Speaker, I conclude by saying what Quebecers will reply at the next election: There will no longer be any Conservatives in Quebec.

* * *

DISASTERS

FLOODS IN BEAUCE—REQUEST FOR NEW COMPENSATION MEASURES

Mr. Gilles Bernier (Beauce): Mr. Speaker, last week the Beauce region was struck by disaster. Several hundred families were affected by flooding caused by the Chaudière River. A number of our industries have also suffered the effects of the flooding, and several villages and towns, especially Sainte-Marie-de-Beauce, have suffered damages estimated at several million dollars.

Our Government has announced that provinces affected by these disasters can apply to the federal Government for assistance after making an accurate estimate of the damages, and that we could then go ahead and spend the money.

Mr. Speaker, I would also like to suggest that this Government consider some way of compensating the victims of these disasters. Why not provide for a mechanism by which part of the losses incurred by private individuals would be tax deductible both at the federal and the provincial level?

I visited the people of Beauce after the flooding occurred, and I can say that many of these families will be faced with considerable financial problems.

Mr. Speaker, I am convinced that the Mulroney Government, in co-operation with the provinces, will take steps to deal fairly and equitably with those concerned.

* * *

• (1405)

[*English*]

ABORIGINAL RIGHTS

GOVERNMENT'S COMPREHENSIVE LAND CLAIMS POLICY

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, last December the federal Government released its long awaited comprehensive land claims policy. After years and in some cases decades, the Government promised to improve the existing claims process. For native people in British Columbia, this new policy now appears to have a price tag attached to it.

The Tahltan Tribal Council, the Nishga Tribal Council and the Taku River Tlingits have had their claims research funding cut by a total of $705,000. The reason given by DIA officials for this is that there is an absence of a formal tripartite negotiating process. In plain English, that means that B.C. claimants are being penalized because their Premier refuses to recognize the legitimate claims of aboriginal people.

The much touted comprehensive land claims policy specifically commits the federal Government strongly to encourage the provinces to negotiate. The policy claims that a fair and equitable resolution of such claims is a major priority of the Government of Canada. Finally, the new policy acknowledges that land claims negotiations are more than real estate transactions. I must agree with the spirit of such a commitment, but those commitments must be kept.

I call upon the Minister responsible to get the B.C. Government to the negotiating table and to stop penalizing claimant groups for that Government's insensitivity.

* * *

CANADIAN ARMED FORCES

EXCEPTION TAKEN TO MEMBER'S COMMENTS

Mr. W. R. Bud Jardine (Northumberland—Miramichi): Mr. Speaker, exception must be taken to the comments of the Hon. Member for Renfrew—Nipissing—Pembroke (Mr. Hopkins) concerning the Government's efforts to reverse the harm inflicted on the Canadian Armed Forces and the damage done to Canada's image since the 1960s. Since when are press reports considered substitutes for official party or government policies? When he referred to three newspaper articles, the Hon. Member implied that they contained mention of, to use his words, promises and commitments. These words are nowhere to be found in direct connection to anyone involved with the Government.

The Hon. Member conveniently cites a real growth percentage figure in the defence budget for the period between 1980 and 1984. When real growth in the late 1960s is calculated, it shows that Liberal Governments had an abysmal track record. In the early years of the Trudeau administration, the defence budget was frozen outright for three years. The effective strength of the Armed Forces was cut drastically. Our NATO effort was halved. The percentage of the defence budget dedicated to capital acquisitions was in the low teens.

Now Canada's stock with its NATO allies is at an all-time high. This is a direct result of this Government's efforts. Unfortunately, it is the Hon. Member who suffers from amnesia. It is he who is in a fog, and it is he who should bear the shame for his Party's neglect of our men and women in uniform.

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EXTERNAL AFFAIRS

NICARAGUA—CRITICISM OF UNITED STATES SUPPORT FOR CONTRA FORCES

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Mr. Speaker, I did not heckle the President of the United States when he was here as our guest on Monday but I want to tell the President today that I totally reject his policy on Nicaragua and Central America.

• (1410)

The revolution in Nicaragua was not, as the President alleged, the result of the East-West struggle, the struggle between the U.S. and the Soviet Union, but rather the result of 50 years of Somozan dictatorship, exploitation, and corruption. That was the basis of the Sandinista revolution. It is unfortunate that the U.S. Government does not understand that. How much better if the U.S. helped this small country with its economic development rather than destroying it through Contra forces.

We welcome foreign leaders in this country to discuss national problems, but when we disagree with them we should say so at the proper time, directly and formally.

* * *

FREEDOM OF INFORMATION

PARLIAMENTARY COMMITTEE'S RECOMMENDATIONS

Mr. Rob Nicholson (Niagara Falls): Mr. Speaker, I am very pleased to say that this past week the Standing Committee on Justice and Solicitor General tabled its report on the review of the Access to Information Act and the Privacy Act. I think it is important for a number of reasons, is in the spirit of open government and freedom of information, and has long been a platform of the Progressive Conservative Party.

The report makes 108 recommendations dealing with shortcomings in both Acts and in their administration. It stems from a belief that all Members of Parliament, indeed all Canadians, would agree that open government is good government, and that while Canadians expect their right to privacy to be fully protected, they also want their Government to be open.

The report proposes that the waiting period for information be reduced and that application fees be eliminated. It will prohibit the unauthorized use of social insurance numbers, and it will mean that all exemptions for information will be discretionary and subject to a significant injury test. I believe the report is a landmark in opening up government institutions and it should receive careful consideration by all Members of Parliament.

* * *

AGRICULTURE

INCOME TAX ACT—PROVISION AFFECTING OFF-FARM INCOME

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, at this time of crisis in agriculture most farm families have at least one person earning off-farm income to help pay for farm losses. This off-farm income is often required simply to stave off immediate bankruptcy.

The Conservative Government was elected in part on a commitment to make some changes to Section 31 of the Income Tax Act to allow more than $5,000 of farm losses to be written off against off-farm income. That is one more Tory election promise unfulfilled. I call upon the Minister of

Finance (Mr. Wilson) either to follow the standing committee's recommendation to double the loss limit in Section 31 of the Act, or revoke the section entirely.

* * *

[*Translation*]

PARLIAMENT

BEHAVIOUR OF NEW DEMOCRATIC PARTY MEMBERS DURING ADDRESS BY PRESIDENT OF UNITED STATES—CONSEQUENCES

Mr. Gabriel Fontaine (Lévis): Yesterday in the Soviet Union, Mr. Speaker, the Tass news agency reported that Canadian Members of Parliament had heckled the President of the United States throughout his address to the House of Commons of Canada.

Mr. Speaker, all Canadians are offended to be identified with a small group of socialists who, unfortunately, happen to be temporary Members of this House.

The abuse which the socialist comrades heaped upon the American President in the House last Monday constitutes an affront to this Parliament and to our nation. The socialist leader heard it and tacitly approved, and he stealthily left the House without saying a word after the President had concluded his remarks.

However, fearful of retaliatory reaction by the electorate, the socialist leader now admonishes his troops, his House leader among others.

If the socialist leader is serious, if his admonishments are forthright, he must at once replace his comrade the House leader.

It is only by taking immediate action that the leader of the socialist Party will prove that he is an honest man.

* * *

THE ADMINISTRATION

CONTRACT AWARDING POLICY

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, last Friday the House was in fact the victim of a malicious Government attack against the parliamentary Opposition. The insults proferred by certain Ministers are recorded in *Hansard*. Here are some of them: McCarthy-Turner. Sleaze. Out of the gutter. Gutter politics, and so on.

Yet at the same time as the Government was taking this holier-than-thou stance, certain Ministers on the other side knew full well that the Liberal Opposition was not alone in expressing doubt about the Government contract awarding policy. As a matter of fact, the Minister of Public Works (Mr. McInnes) himself knew that an RCMP investigation was under way at the very moment when the Minister was making accusations against the Opposition in the House of Commons. Earlier today the Minister did admit that the investigation has now been going on for several months already.

Fortunately, Mr. Speaker, truth has prevailed. Once again Canadians have been able to witness the hypocrisy of the Conservative Government.

* * *

• (1415)

[*English*]

POLITICAL PARTIES

"THE LOONY LEFT"

Mr. Howard Crosby (Halifax West): Mr. Speaker, during a visit to the United Kingdom Parliament at Westminster I witnessed a new political force which is ravaging the Labour Party. The new force has no real political loyalty, it only recruits socialists. Those who join are designated "the loony left". They are identifiable by the causes they espouse; for example, funding for gay marriage ceremonies, total and unilateral disarmament, denying the existence of hostile military powers, and government spending in disregard of financial resources.

Unfortunately there is evidence the loony left has invaded Canada and recruited the New Democratic Party. Do you know anyone who yells during speeches of Heads of State and supports weird causes? He is probably a member of Canada's new political force—the loony left. May I be the first to acknowledge the presence in the Parliament of Canada of Canada's loony left?

* * *

SOVEREIGNTY

THE ARCTIC—GOVERNMENT POSITION

Ms. Pauline Jewett (New Westminster—Coquitlam): Mr. Speaker, yesterday the Prime Minister (Mr. Mulroney) refused to answer my questions about his exchange of letters last week with the President of the United States with regard to a secret deal on Canada's sovereignty in the Arctic. The Secretary of State for External Affairs (Mr. Clark), in attempting to answer for the Prime Minister, failed to respond to my questions and the serious issues I raised.

That is not good enough. This House and the people of Canada need to know if the Government is trading away, or willing even to give away, Canada's Arctic. The Prime Minister also raised alarm by his comments on U.S. television Sunday that Canada was willing to "facilitate and expand" defence arrangements with the U.S. He said, "you can draw some pretty fundamental conclusions from that". What

conclusions? What new defence arrangements? And what about the Prime Minister's secret letter to the President concerning the Arctic? Mr. Speaker, Canadians must have answers.

* * *

THE ECONOMY

RESULTS OF WORK ON BEHALF OF WESTERN CANADIAN ECONOMY

Mr. John Gormley (The Battlefords—Meadow Lake): Mr. Speaker, many western Canadians have expressed concern about our economy as the industries of agriculture and oil are being hard hit by world market forces. I would like to draw attention today to the commitment and dedication of the Prime Minister (Mr. Mulroney) and western Progressive Conservative Members of Parliament.

Before the $1 billion farm payment and, most recently, the annual $350 million oil program, the Prime Minister and western Conservatives worked hard to see that appropriate action was taken. In the new oil program, for example, approximately 1,000 Saskatchewan jobs will be saved and about $100 million a year will be directed to oil production in western Saskatchewan. The Small Explorers and Producers Association says this federal program will lead to $1 billion in new oil and gas investment in western Canada.

In a difficult economic time it is understandable to be concerned about our western Canadian economy. However, it is not reasonable to conclude that western Canada is not receiving a great deal of attention and financial assistance from the Government. The West is a top priority of Brian Mulroney.

* * *

[*Translation*]

1988 WINTER OLYMPICS

DEMAND FOR FRENCH RADIO BROADCASTS NATION-WIDE

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, today I would like to talk about the awarding of English and French broadcasting rights for the 1988 Winter Olympics.

As we know, the Calgary Olympic Development Association awarded the rights to CTV and TVA. The 1988 Winter Olympics Committee has decided to go along with a proposal that we find unsatisfactory, because neither CTV nor TVA are in a position to broadcast in French nation-wide.

I want to stress the fact today in the House that, since Canadians have invested $200 million, they have a right to receive the 1988 Winter Olympics in French outside Quebec, where TVA has no network, and on radio as well. However, all Canadians, whether they are Anglophone or Francophone, will be deprived of the possibility of listening to live reports on radio.

It seems to me highly irregular that this Government is unable to pressure the CBC, our own Canadian Broadcasting Corporation, to provide broadcasting in French and English on radio, and in French on television, across Canada.

* * *

[*English*]

HUMAN RIGHTS

U.S.S.R.—PLIGHT OF DANYLO SHUMUK

Mr. Vince Dantzer (Okanagan North): Mr. Speaker, I rise again, as I have many times in this House, to bring to the attention of the House the plight of Danylo Shumuk, a Soviet dissident. Although the officials of the Soviet Union have indicated their wish to democratize and improve relations with western nations, their actions belie their words. It may be that a red leopard has as much difficulty changing its spots as has one of more traditional colour.

Danylo Shumuk, following the expiration of his sentence in January, has once again been placed under administrative surveillance and thus has been denied permission to emigrate to Canada. This surveillance includes a nightly curfew, tri-monthly reporting to the authorities, the requirement to remain at his exile site rather than his home in Russia, and other forms of obscure and obscene harassment. It must be emphasized that Danylo Shumuk is 72 years old, in fragile health, and every month of added exile is jeopardizing his survival and his long held goal to reunite with his relatives in Canada.

• (1420)

I urge the Government of Russia to release this man to his relatives in Canada on humanitarian grounds.

ORAL QUESTION PERIOD

[*English*]

CULTURE

CANADA-UNITED STATES TRADE NEGOTIATIONS—U.S. SENATOR'S STATEMENT

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, Canadians are becoming frustrated that the Prime Minister repeatedly fails to protect Canadian sovereignty and Canadian culture. On December 9, Senator Matsunaga and three other senior United States Senators had meetings here in Ottawa with the Prime Minister and some of his cabinet colleagues. The very next day, December 10, the Prime Minister told me in the House of Commons that he had made it clear to all four American Senators that Canadian culture

was not on the bargaining table in the free trade negotiations. His words were: "Nothing was said that might cast doubts on this position".

Since the Prime Minister personally believed Senator Matsunaga and the other Senators, and since that Senator is now saying that Canadian and American cultures ought to be blended, how did the Prime Minister fail to get his message across to this very important American Senator?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I have not seen a direct quotation from Senator Matsunaga. What has been reported to me is the report of a conversation that is alleged to have taken place. I will look at the transcript, if one is immediately available. Based on what was said, I can indicate that Senator Matsunaga, whom I met, is a distinguished Senator from Hawaii and has a point of view in regard to culture that even my right hon. friend would readily agree is not widely shared, if at all, by anyone here or elsewhere.

[*Translation*]

REQUEST FOR EXPLANATION OF SENATOR MATSUNAGA'S ATTITUDE

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, we could give the Prime Minister a report on the conversation and the interview with the Senator, but if, as he claims, the Prime Minister always stresses that Canada is a bilingual country and that bilingualism is not negotiable in the free trade talks, why did Senator Matsunaga claim in the interview that everybody in Canada speaks English? Did the Prime Minister of Canada inform Senator Matsunaga or did he not? And if he did, how are we to explain this attitude?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I am now being held responsible for the level of understanding of every Member and Minister, every U.S. senator and representative. Is Senator Matsunaga unaware of the fact that Canada is a bilingual country, and do I have a responsibility to help him understand that? I think we took full advantage of that important moment when the U.S. President came here to the House only 48 hours ago. The proceedings were broadcast live to the United States, and the Prime Minister of Canada, in his speech and his presentation, made it clear, in English and in French, that this country is bilingual, at all times.

[*English*]

ECONOMIC UNION ADVOCATED BY U.S. SENATOR

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, of course Senator Matsunaga is not just a run-of-the-mill U.S. Senator. He happens to be Chairman of the sub-Committee on Trade and happened to be the swing vote that authorized the President to begin negotiations on the fast track. The Prime Minister said in the House that he had briefed the Senator and his colleagues on the cultural aspects of Canada. Indeed, he had lunch and a subsequent meeting with those four Senators.

Senator Matsunaga also said that he favoured economic union between Canada and the United States.

• (1425)

Why is it all these senior American officials and senior American Senators get these wild ideas after meeting with the Prime Minister? What does he do at these meetings?

Right Hon. Brian Mulroney (Prime Minister): I don't know, Mr. Speaker.

Mr. Turner (Vancouver Quadra): That's the problem.

Mr. Mulroney: I don't know. I was going to ask my right hon. friend, because the Leader of the Liberal Party makes a clear-cut statement that he is opposed to free trade, but the Hon. Member for Saint-Henri—Westmount does not understand. He says he is in favour. Take him to lunch.

Some Hon. Members: Oh, oh!

CULTURAL PROTECTION—PRIME MINISTER'S POSITION

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, I have the feeling that the Prime Minister is out to lunch.

Some Hon. Members: Oh, oh!

Mrs. Finestone: I would like to follow up on the Prime Minister's response because it painfully illustrates that the Prime Minister has failed to understand the American political process and he has failed to understand, and clearly explain, Canada's views on Canadian language and culture and to explain that to American decision-makers.

Does he not realize that what the Senator said, that the concept of Canadian cultural protection is really a misconcept, that the sooner our cultures are blended into one the better it will be for both our countries, is not acceptable? What is the Prime Minister going to do to ensure that this melting-pot policy does not become part of the reality of tomorrow? And how will he refute the Senator's view that: "You are going to get it whether you like it or not"?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, this is a pretty slow day. They are really catching up after the success of yesterday.

With regard to my hon. friend's question, my hon. friend was present in the House of Commons when a very important debate took place with regard to trade where the Government, in its resolution, clearly stipulated that the debate was engaged pursuant to a set of criteria which acknowledged at all times the integrity of the country, our linguistic and cultural provisions. No one—no one—in this House, or elsewhere, with a brain in his head has called that into question. I urge my hon. friend—

Mr. Riis: Tell it to the Senator.

Mr. Mulroney: I can only be charged with responsibility for Members of this House, and having watched a couple of you fellows yesterday, I am not so sure I want to continue.

Some Hon. Members: Hear, hear!

[*Translation*]

Mrs. Finestone: It is unfortunate that once again, the Prime Minister's message did not come across. If the Prime Minister's message is as clear as it appears to be, if the Americans understand this message, then why was it clear from their message that they did not understand?

IMPORTANCE OF BILINGUALISM AND MULTICULTURALISM

Mrs. Sheila Finestone (Mount Royal): My question is as follows: When is the Prime Minister going to make Americans understand that bilingualism and multiculturalism are an essential part of the Canadian fact? When is he going to get this idea across? When?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, when Mr. Trudeau was Prime Minister and gave his version of Canada, his view was not necessarily endorsed by all Canadians and certainly not by all Quebecers. That did not mean Mr. Trudeau had failed in his duty to make his position perfectly clear to all Canadians and all Quebecers.

I think it is also true that, notwithstanding the clarity of the position adopted by the Government of Canada and the Parliament of Canada, there may be some Americans, including one or two Senators, who do not entirely share our point of view. That is too bad for them, and they will just have to do their homework. Moreover, the position of the Government of Canada with respect to protecting our culture and our language is unequivocal, and it is so at all times and in all circumstances, and the Hon. Member from Mount Royal knows that perfectly well.

• (1430)

[*English*]

U.S. SENATOR'S VIEWS

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, it seems to me that the Prime Minister is not taking this issue as seriously as he should.

Some Hon. Members: Oh, oh!

Mr. Langdon: It seems to me that we have here the statements of the Champ Clark of the 1987 free trade debate. With the tremendous amount of effort which the Prime Minister's Government claims to put into its relations with Congress how is it possible that he has not succeeded in reaching, with some semblance of reality, a more realistic view with the senior dominant member, the Chairman of the Trade Subcommittee of the United States Senate?

Some Hon. Members: Hear, hear!

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I think I indicated to one of my friends that I suppose one would have to ask the distinguished Senator from Hawaii about that. The view that he has expressed is, as everyone knows, completely at variance with the view expressed by all Members of this House, irrespective of political Party. My hon. friend knows that. For example, he knows that when President Reagan was here speaking on behalf of the American people and on behalf of the American administration he clearly referred to those cultural and linguistic differences which are so much a part of our heritage. So I do not know why my hon. friend is so intrigued by this matter. If there is a problem, then perhaps he should speak to the Hon. Senator who is alleged to have made this statement, and not to me. I had nothing to do with it.

REASON FOR SENATOR'S STATEMENT

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, it strikes me that the Prime Minister has not yet grasped the difference between persuading the President of the United States and the Congress of the United States on this crucial free trade issue. Why is it that a senior, extremely important American Senator would make statements about the French fact in this country so completely at variance with the facts which are evident to anyone who lives in this country or who knows it?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, a few days ago, or perhaps a few weeks ago, one of the colleagues of my hon. friend from the NDP raised a question about a transient Democratic Congressman from the United States, Mr. Sikorski, who was up here delivering lectures to Canadians and the Government of Canada in regard to acid rain. I took the liberty of suggesting that perhaps Congressman Sikorski could best spend his time persuading in this area the leadership of the Democratic Party in the Senate and the House, many of whom are opposed to the position adopted by the Parliament of Canada, to come around to that view to ensure the passage of the types of accords and documents that we seek. May I suggest that the same type of action would be appropriate.

If there is a member of the Democratic majority in the Senate, or perhaps in the Republican minority, who expresses a view at variance with views expressed in this House, it remains a free country and he is entitled to his point of view even though that point of view is shared by no one in this House of Commons. It is up to him and his American colleagues to resolve that. But the Hon. Member can be certain that that view in no way reflects the attitudes that have been adopted by those charged with the responsibilities in this area.

COMMUNICATIONS WITH U.S. SENATORS

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, I come back to the fact that this person is not some fly-by-wind Senator who simply arrived on our shores; he is the Chairman of the Trade Subcommittee of the Senate. He has to accept or

reject the conditions which are established for the free trade accord which the Prime Minister wants. Has the Prime Minister, through his ambassadors and his various envoys, simply not been talking to a Senator as important as this one? Or has he been putting views across that lead this Senator to put such ridiculous statements before the Canadian people?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I am not going to join in this matter in kicking it to death. Senator Matsunaga is a distinguished Senator from Hawaii who has a view that is clearly at variance not only with that of his own Party in the Senate but at variance with that expressed by President Reagan on behalf of the American people.

Ms. Jewett: It's ignorance.

Mr. Mulroney: The NDP says that it is ignorance.

Ms. Jewett: That is right.

Mr. Mulroney: If that is the case, then that is the view of the NDP. We saw what happens from the NDP when other people try to express their own views in the House of Commons.

Some Hon. Members: Hear, hear!

Mr. Mulroney: I am just stating for my hon. friend that while I reject categorically, always have and always will, any such point of view, I cannot impugn the motives of the Senator from Hawaii who chooses to hold such a view.

Mr. Rodriguez: We have two languages, Brian!

Mr. Mulroney: Having held meetings with Senator Bensten and many of his colleagues, I can tell the Hon. Member that that view in no way represents the view of the majority of Americans, either on the Finance Committee or the Trade Subcommittee, and it shall not be at any time a matter of consequence when trade matters are discussed.

* * *

PUBLIC WORKS

PLACE VINCENT MASSEY—COST OF RENOVATIONS

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, my question is for the Minister of Public Works. It concerns Place Vincent Massey in Hull. Moments ago Canadians witnessed the futile press conference given by the Minister of Public Works in which he so desperately tried to defend the indefensible in regard to the renewal of the lease at Place Vincent Massey.

Today the Minister and his officials admitted that they had no idea of the cost breakdown associated with the renovations involving this lease. One of his officials said: "We do not go into Mr. Tessier's books". If the Government does not know what it cost to renovate the building, how then can the Minister, who maintains that it cost $4.2 million, say that it was a good deal when he has no idea what the cost was?

Hon. Stewart McInnes (Minister of Public Works): Mr. Speaker, I am very sorry that the Hon. Member was not at the press conference—

Mr. Gauthier: We got it on TV.

Mr. McInnes: —where we gave the press the opportunity to ask us any question on any element of this particular issue, because we have nothing to hide.

We got cost estimates from the owner about the renovations which totalled in excess of $4 million. Those were analysed. They were verified. It was agreed that they were reasonable. The matter was proceeded with.

[*Translation*]

INQUIRY WHEN RCMP SEIZED DOCUMENTS AND WHEN MINISTER WAS INFORMED

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, we have learned today that the RCMP had seized documents concerning this case. I should like to know from the Minister the date when the RCMP seized these documents, when the Minister himself was so informed and, finally, why he neglected his duty and failed to admit it in the House last week instead of accusing Members of the Opposition?

[*English*]

Hon. Stewart McInnes (Minister of Public Works): Mr. Speaker, I have no more knowledge than any other Member of this House about an RCMP investigation. I know that they came and took some documents from our Department some time ago.

Mr. Nunziata: Seized!

Mr. McInnes: I do not know what they took. I do not know what the nature of the investigation is. I am sure the RCMP will let us know in the fullness of time the results of their investigation.

* * *

[*Translation*]

EXTERNAL AFFAIRS

INQUIRY WHAT PRIME MINISTER PROPOSES TO DO TO EDUCATE AMERICANS ON OFFICIAL BILINGUALISM OF CANADA

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, my question is directed to the Prime Minister and has to do with the utterly erroneous remarks of Senator Matsunaga. Would the Prime Minister not admit that first such erroneous remarks on the French fact in Canada must be condemned, and then that this misunderstanding must be corrected? What concrete measure does the Prime Minister

propose to take to educate Americans, senators especially, on the official bilingualism of Canada?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I think I have answered this question a couple of times in the House today. There is no longer any need to prove Canada's bilingualism, it is a historic and vital reality of our national life. It has never been questioned by anybody, nor will it ever be. Will all Americans acknowledge, accept and understand this fact at all times? It will be their problem, their dilemma, but this will not affect our situation or our national will.

• (1440)

[*English*]

REQUEST THAT PRIME MINISTER SENT CLEAR MESSAGE TO UNITED STATES

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, a supplementary question. Will the Prime Minister send a very clear message to the United States that we do not want our languages in the melting pot, nor do we want our culture in the blender with theirs?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I thank the Hon. Member for her concern, which I appreciate.

The views of the Government of Canada, and the Parliament of Canada, surely could not have been stated with any greater clarity. There is no question as to what the Government of Canada and the Parliament of Canada have sought to achieve in matters of bilingualism and linguistic rights.

I do not know whether the Hon. Member expects me or the Government of Canada to be able to persuade all members of Congress, at all times, as to certain realities. These realities do exist, and all I can do is to tell the House that we have been vigilant at all times, as Parliament would want; that we have been unrelenting in our pursuit of these realities; and that we shall conduct ourselves at all times in a manner that the Hon. Member would be very proud of.

* * *

[*Translation*]

GOVERNMENT ADVERTISING

REQUEST FOR PUBLIC INQUIRY INTO METHOD OF AWARDING CONTRACTS

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, my question is directed to the Prime Minister and concerns the contracts for Government advertising that were mentioned in a number of reports today.

It is reported that Mr. Jean Péloquin, in his capacity as Co-chairman of the Government's Advertising Management Group, awarded advertising contracts to his own company, Les productions Indigo, for a total of $300,000, in addition to giving reference mostly to a number of businesses and advertising agencies that support the Conservative Party.

What I want to ask the Prime Minister is: Will he make the right decision this time and ask for a public inquiry into the way this Government awards advertising contracts?

Hon. Monique Vézina (Minister of Supply and Services): Mr. Speaker, I can assure the Hon. Member that as soon as the allegations were made, as the Minister responsible for Supply and Services I asked my department to investigate.

REQUEST THAT PUBLIC INQUIRY BE CONDUCTED

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, the Minister's reply is not exactly a surprise. By noon we knew she had asked for an internal investigation.

However, what we want is not a cover-up, not Jean Péloquin investigating Jean Péloquin, but a public inquiry. Not what happened in the Bissonnette case. In fact, 61 per cent of the population thinks the Government should have asked for a public inquiry.

Will the Government do what has to be done, not sweep the dust under the rug but hold a public inquiry?

Hon. Monique Vézina (Minister of Supply and Services): Mr. Speaker, the Advertising Management Group is a group that has done excellent work.

We have established a competition system. We are dismantling a patronage system. We have reduced advertising expenditures. We have rationalized this activity sector in the Government, and above all, we cut the propaganda program that was in place during the last 10 years of the previous Government.

* * *

[*English*]

HOUSE OF COMMONS

PRESENCE IN GALLERY OF MRS. CORETTA KING

Mr. Speaker: I wish to draw the attention of members to the presence in the Gallery of Mrs. Coretta King, the widow of Martin Luther King, Jr.

Some Hon. Members: Hear, hear!

[*Translation*]

SUPPLY AND SERVICES

CONTRACT AWARDING PROCESS—MINISTER'S POSITION

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, my question is directed to the Minister of Supply and Services. There were reports today that eminent Conservatives, including Mr. Nantel, Mr. Bazin, Mr. Atkins, Mr. Byron, Mr. Meighen, Mr. Roberge and Mr. Péloquin operated a Committee responsible for selecting companies friendly to the Conservatives for government contracts. Two members of that Committee are on the payroll of the Department of Supply and Services, namely Mr. Péloquin and Mr. Byron, and at least two of those people have received contracts from that Department.

How does the Minister explain that patronage fiasco, and what is she going to do about it?

Hon. Monique Vézina (Minister of Supply and Services): Mr. Speaker, the awarding process I have just referred to is an honest process. Any Department that has a need for a promotion campaign opens its contest. A selection jury composed of public servants has been put in place, and Mr. Péloquin is not a member.

[*English*]

REQUEST THAT ADVERTISING MANAGEMENT GROUP BE DISBANDED

Mr. John R. Rodriguez (Nickel Belt): A supplementary, Mr. Speaker. We have Place Vincent Massey under investigation at the moment; we have the Member for Edmonton—Strathcona unhappy with the patronage system in the Progressive Conservative Party.

This Party promised to change from the way the Liberals handed out patronage—

Mr. Riis: They didn't; they are worse!

Mr. Rodriguez: My question for the Minister is this. Is she prepared to disband this advertising management group, which is made up of a bunch of Tory hacks? Is she prepared to disband this and establish a patronage-free public tendering process for government contracts?

Some Hon. Members: Hear, hear!

[*Translation*]

Hon. Monique Vézina (Minister of Supply and Services): Mr. Speaker, I have here a directive from the Treasury Board on Government's activities. This Government's activities are honest activities. The advertising management group has reduced Government expenditures, in the spirit exactly under which we work as a Government, which is to reduce Government expenditures and increase our efficiency.

SCIENCE AND TECHNOLOGY

ESTABLISHMENT OF SPACE AGENCY—GOVERNMENT POSITION

Mr. David Berger (Laurier): Mr. Speaker, my question is directed to the Minister of State for Science and Technology. The Minister of Energy, Mines and Resources as well as the Minister of Regional Industrial Expansion questioned yesterday the future of the Canadian Space Agency. However, the Minister of State for Science and Technology maintains that he will go forward with the establishment of the Space Agency. My question to the Minister is this: Can he put an end to that confusion? Who says the truth, he or the Ministers who are questioning the future of the Space Agency? Can he tell us today whether or not there will be a Canadian Space Agency?

[*English*]

Hon. Frank Oberle (Minister of State for Science and Technology): Mr. Speaker, as you know, the Prime Minister gave me instructions, in accordance with the commitment the Government made in the Throne Speech, to assemble the various assets that Canada has in space and to organize them under a new space agency.

As is the case with all commitments in the Throne Speech, such an agency will be established.

An Hon. Member: Another broken promise.

[*Translation*]

REASON FOR DELAY

Mr. David Berger (Laurier): Mr. Speaker, I should like to ask the Minister: When will the Government table the Bill setting up that Agency? Why that lack of leadership? Why is the Government dragging its feet with regard to that matter? Why is it not announcing immediately the location of the Agency, the criteria to be applied for its choice and the setting up of the Agency?

[*English*]

Hon. Frank Oberle (Minister of State for Science and Technology): Mr. Speaker, the notion of developing and organizing a Canadian space agency has been around for 20 years. If there was any lack of leadership in that regard, it is sitting right over there in the opposition benches.

The answer to the Hon. Member's question is: very soon.

* * *

AIR CANADA

POSSIBILITY OF PRIVATIZATION

Mr. Les Benjamin (Regina West): Mr. Speaker, I have a question for the Minister of State for Privatization. As you and she will know, Mr. Speaker, Air Canada is having a fiftieth birthday celebration this Friday morning at the Congress Centre—50 years of magnificent accomplishment by the

people of Canada in their investment and by the employees of Air Canada, one of the top 10 ranking airlines in the world.

Some Hon. Members: Hear, hear!

Mr. Benjamin: Is it the intention of the Government or Air Canada to announce this Friday the privatization of Air Canada?

• (1450)

Hon. Barbara McDougall (Minister of State (Privatization)): Mr. Speaker, I am also very happy to lend my congratulations to Air Canada for 50 years of service to Canada and I know it will continue in the future, either in the public sector or in the private sector.

Some Hon. Members: Oh, oh!

Mr. Nystrom: That is like being progressive and conservative.

Some Hon. Members: Oh, oh!

Mr. Benjamin: I worry they might turn the birthday party into a funeral.

QUERY CONCERNING DATE OF ANNOUNCEMENT

Mr. Les Benjamin (Regina West): Mr. Speaker, since some employees have already been told by a personnel officer of Air Canada that the Government will be announcing very quickly the privatization plans for Air Canada, will the Minister say whether they will be announced this Friday, within two weeks, within a month, or when?

Hon. Barbara McDougall (Minister of State (Privatization)): Mr. Speaker, I will say what I have said in this House before. We are seriously reviewing Air Canada with some other corporations with a view to whether or not it should be in the private sector. There are many benefits for it to be in the private Sector.

Mr. Benjamin: For whom?

Mrs. McDougall: We are looking at those. When I have more to tell the House around when that decision is reached, I will be happy to report to the House.

* * *

REFUGEES

CHILEANS IN ARGENTINA—REQUEST FOR RE-EVALUATION OF FILES

Mr. Sergio Marchi (York West): Mr. Speaker, my question is for the Prime Minister. Last August in reference to the plight of refugees and immigrants he said to the country: "If we err, we will err on the side of compassion and justice". Since those words, the Government has turned back the clock on our immigration program and forced groups and churches across the country to mobilize against its unjust direction which is epitomized by the Government's irresponsible refusal to re-evaluate the files of the 70 Chilean refugees stranded in Argentina.

Given the new evidence presented on torture by lawyer Noel St. Pierre and the scenes on our TV sets during the papal visit to Chile, will the Prime Minister not order his Minister of Immigration to re-evaluate at least the 70 files and thus show Canadians that his policy on immigration is just, is compassionate, and is humane?

[*Translation*]

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, the Government of Canada showed compassion in several ways and in various circumstances in a number of cases which were found deserving. However, we have always maintained that there is legislation in this country dealing with refugees which we intend to enforce. As I told my hon. friend yesterday, all the cases of Chileans now in Argentina have been assessed with special consideration to those referred to us as refugees. As for the others, I say again today, as I said and repeated yesterday, there is absolutely no question of reviewing the decisions.

REFUGEES—MINISTER'S POSITION

Mr. Sergio Marchi (York West): It is not true, Mr. Speaker. The Minister of State for Immigration indicated to the House that on the basis of new information, the files could be reopened. My question to the Minister, therefore, is this: Why does he refuse to recognize the seriousness of the new evidence of torture? Why will he not even meet lawyer Noël St-Pierre? When will he start protecting the legitimate interests of his Department's clients? Or would the Minister rather stand on his statement that immigration is bothersome?

[*English*]

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, when we do not have good reasons we can say anything. It is exactly what the member said. I have repeated many times that we have considered the recommendations by the U.N. Commissioner for Refugees, and we did. We have considered the recommendations of the people of Quebec. We have considered all the recommendations made. The first interest I have to defend as Minister of Immigration, Sir, is the interest of this country.

* * *

THE ECONOMY

WESTERN ECONOMIC DIVERSIFICATION STRATEGY

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, my question is for the Hon. Member for Vegreville, the Deputy Prime Minister, who has been told on a number of

occasions, be it from Premier Getty as well as the Member from Edmonton—Strathcona, or from Members of the Opposition in the Alberta Legislature, just how serious the situation is in Alberta and the concern, as they see it, at the lack of action on the part of the Government. Since some months ago the Deputy Prime Minister announced the Western Economic Diversification Strategy, will he indicate whether or not the office has now been established and set up in Alberta, and if not when it will be and when we will actually have a copy of the strategy to see what the Government has in mind to diversify the economy of western Canada?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, a number of steps have already been taken. The recent announcement with respect to the development and exploration incentives for the energy industry which was announced by my colleague, the Minister of Energy, Mines and Resources, was certainly pointed in that direction. The framework is still being worked on through the consultative process. No offices have been set up. The comprehensive strategy will be announced in due course, I hope within the next month or so.

QUERY CONCERNING POSSIBLE OFFICE IN WINNIPEG

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, the Deputy Prime Minister will know that the Canadian Petroleum Association just mentioned yesterday that the incentives provided by the Government will not do much good at least this year but perhaps next year.

I have in my hand a list of all of the individuals, their positions, their room numbers and phone numbers for the Western Diversification Office in Winnipeg. Will the Deputy Prime Minister tell me whether there is an office in Winnipeg? Also, when the office is established in Alberta, will he commit himself to ensure that it is not simply a regurgitation of existing moneys, programs, and personnel?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I was always under the impression that the New Democratic Party was the great proponent and supporter of the little guy. I am surprised that the member was quoting from the Canadian Petroleum Association.

Mr. Riis: You might listen to them.

Mr. Mazankowski: I would invite the member to read the supportive letters from IPAC, CPAC and the little guys out there who have been hurt very badly as a result of the fall-out from the National Energy Program which the New Democrats were a part of with the Liberals when the Liberals were in government.

In so far as the names and addresses are concerned, that is old information the member got from his colleague from Yorkton—Melville.

Mr. Riis: You denied it.

Mr. Mazankowski: That is old information. I would suggest the Member for Kamloops—Shuswap go back to his research department and have it updated.

Some Hon. Members: Oh, oh!

Mr. Speaker: The Hon. Member for Algoma has the floor.

* * *

AGRICULTURE

WHEAT—REQUEST FOR DEFICIENCY PAYMENT COMMITMENT

Mr. Maurice Foster (Algoma): Mr. Speaker, my question is for the Minister of Agriculture. This week President Reagan reaffirmed United States policy to lower the world price for grain while at the same time guaranteeing U.S. farmers $6 a bushel for their wheat. Canadian farmers are looking at a 20 per cent reduction, which is around $250 a bushel. When the Government announces its initial price for wheat this month, will it at the same time give a commitment to a deficiency payment so that our farmers will not be put off the land this year?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, the Hon. Member should know that we have provided a record amount of financial support to the Canadian grain industry. In fact, if one includes what has already been paid and will be paid to the grain and oil seed sector alone, the member will see that last year's income level will not only be maintained but increased slightly.

The Hon. Member is aware as well that we have commenced another series of meetings with farm leaders. The last meeting was held March 5. We will be meeting again with the farm leaders either in the latter part of May or the first part of June to work together and design a new program of support to Canadian farmers.

COSTS OF SEEDING

Mr. Maurice Foster (Algoma): Mr. Speaker, the Minister knows that farmers are looking at record low prices for grain this year, 20 per cent below is what he told farmers at the CFA meeting. With initial prices for wheat in Canada some $3.50 below that guaranteed in the United States and with no commitment to a deficiency payment, how does the Minister expect farmers to seed a crop? How does he expect them to get the credit and the funding to put in a crop with no commitment for the coming crop year as to a guaranteed price or a deficiency payment to supplement the initial price?

Hon. John Wise (Minister of Agriculture): I think, Mr. Speaker, because of the record of this Government and because of our commitment to work with the farm leadership in the future, that is a fair degree of support. There is a good message and a good understanding; indeed, there is a good

degree of confidence that our Government fully recognizes the difficult situation in which Canadian agriculture finds itself.

• (1500)

Again I remind the Hon. Member that coming out of the March 5 meeting were a commitment and statement that were made not unilaterally on the part of the Government but rather jointly with the farm leadership of Canada. That statement indicated that farmers should plan their 1987 cropping patterns based on market signals rather than on the thought that the Government would be forthcoming with the same level of support, and perhaps more importantly, that the Government would be forthcoming with the same distribution formula.

* * *

EXTERNAL AID

EARTHQUAKE IN ECUADOR—CANADIAN ASSISTANCE

Mr. John Oostrom (Willowdale): Mr. Speaker, my question is directed to the Minister for External Relations. Recently Ecuador was hit with a severe earthquake which devastated the national economy. The more than 70,000 Ecuadorians living in Metro-Toronto have been raising funds for these victims. Is Canada monitoring the conditions in Ecuador in order to ascertain if more assistance is needed? Has the Government of Ecuador actually asked Canada for more assistance?

[*Translation*]

Hon. Monique Landry (Minister for External Relations): Mr. Speaker, I am grateful to my hon. friend for his question. As all other Canadians generally, government Members have been deeply affected by this disaster and enormously sympathize with the people from Ecuador. Canada has effectively received from the Red Cross and the Panamerican Health Organization a request for help, and we have immediately responded by contributing $150,000. I can tell my hon. friend that we have been advised by the Red Cross that the emergency needs have been met and that the reconstruction phase is now under way. Also, we have CIDA agents there who are monitoring the situation very closely. Canada is eager to respond to the various requests received from organizations helping this country recover.

[*English*]

AGRICULTURE

TRIPARTITE SUGAR BEET STABILIZATION PLAN—EFFECT ON MANITOBA

Mr. Vic Althouse (Humboldt—Lake Centre): Mr. Speaker, my question is directed to the Deputy Prime Minister. Was the Deputy Prime Minister aware that when the Government decided to proceed unilaterally with tripartite stabilization for sugar beet producers, the decision would prevent the Minister of State for the Canadian Wheat Board from fulfilling his 1985 commitment to the Province of Manitoba that the province would not be asked to support the sugar beet industry beyond the 1985 crop year? Was this done knowingly or by accident?

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, the Hon. Member should know, if he has had full contact with his NDP colleagues in Manitoba, that the federal Government cannot unilaterally impose any kind of a tripartite stabilization on any province that will participate, including the Province of Manitoba. He should know that Manitoba did participate in some of the discussions that led up to a proposal being made by the federal Government. That proposal has been accepted by the Province of Alberta. The only people who are holding out are the representatives of the Government of Manitoba and that is a very tragic situation.

When the federal Government was offering support to see the industry survive, the people from the Government of the Province of Alberta and everyone else except the Government of Manitoba accepted. That is a shame to agriculture in Canada.

TELEX MESSAGE SENT TO MANITOBA IN 1985

Mr. Vic Althouse (Humboldt—Lake Centre): Mr. Speaker, since the Minister in charge of the Wheat Board chose to answer, I would ask him if he did or if he did not send a Telex or make a commitment in writing to the Province of Manitoba in 1985 telling the province that it would not be required or asked to support the sugar beet industry beyond 1985, the one year when Manitoba supported the industry in the West while no one else planted sugar?

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, that Telex was sent, but the Hon. Member will also know that a Bill was passed in the House of Commons in June, 1985, establishing a tripartite policy. That policy has been implemented in the case of the hog industry in Manitoba, so the Province of Manitoba has already entered into tripartite stabilization on behalf of agriculture.

The other thing the Hon. Member should know is that the Province of Manitoba's total agriculture budget is in the neighbourhood of $80 million. He should know as well that the Government of Canada this year will spend approximately seven times that total amount on agriculture in Manitoba. It is

time for the Province of Manitoba to support agriculture the way the federal Government is supporting it under the leadership of the Prime Minister.

Some Hon. Members: Hear, hear!

* * *

[*Translation*]

1988 WINTER OLYMPICS

NATION-WIDE BROADCASTING IN FRENCH AND ENGLISH—GOVERNMENT POSITION

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, my question concerns the broadcasting of the 1988 Winter Olympics.

I raised the matter about a year ago, which was that the Olympic Games Organizing Committee had awarded television and radio transmission rights to CTV, a national English network and TVA, a French network in Quebec. There is no national radio, and there is no provision in the agreements, as far as I know, for television coverage in French outside Quebec.

I want to ask the Government, and I gave notice to the then Minister of Communications about a year ago: Is this Government going to do anything to try, first of all, to provide for national radio coverage in French and English for all Canadians, and second, will French-speaking Canadians get their $200 million worth like all other Canadians who invested this money in the Olympic Games? We are entitled to get the signal across Canada.

[*English*]

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, the Hon. Member is correct in saying that he has raised this matter before and he has raised it in the same context as he has today. The Minister of State for Fitness and Amateur Sport has been addressing this issue. I do not have details on possible solutions. I will bring it to his attention for an early resolution if it has not already been resolved.

REQUEST FOR UNDERTAKING CBC WILL PROVIDE COVERAGE

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, if the Minister will return to the House with some information, I wonder if he could also give us the undertaking that he will ensure that CBC Radio and Television are involved in the negotiations, along with CTV and TVA Quebec, so that we do have coverage on both radio and television networks of the Olympic Games in which Canadians have invested $200 million.

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I think the Hon. Member would appreciate that I cannot affirm all those details, but I think he would agree with all of us in the House that the Olympics will be a great national and international event and we would obviously want it telecast in Canada in both official languages.

Mr. Speaker: I would like to advise Hon. Members that there will be one question from the Hon. Member for Yorkton—Melville followed by one question from the Hon. Member for Capilano, and that will end Question Period.

* * *

BROADCASTING

TELEVISING OF NATIONAL HOCKEY LEAGUE SEMI-FINALS AND FINALS

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, my question is for the Deputy Prime Minister and I ask him this question as a fellow westerner. Is the Deputy Prime Minister aware that all of Saskatchewan and large parts of western Canada, as well as parts of northern Ontario and Quebec, will receive only half the television coverage of the NHL semi-finals and the NHL finals because the coverage has been split between CBC and Global?

In Saskatchewan and much of western Canada we have no access whatsoever to Global, and in Quebec the coverage will be split between Radio-Canada and Quatre-Saisons. I wonder if the Deputy Prime Minister could tell us what he will do through his good offices to ensure that all Canadians, regardless of where they live, will have full and complete access to the NHL finals and semi-finals.

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I will bring this matter as well to the attention of the Minister of Communications and the Minister of State for Fitness and Amateur Sport so that all Hon. Members and all Canadians can watch my beloved Winnipeg Jets take the Stanley Cup this year.

Some Hon. Members: Oh, oh!

* * *

CHILDREN

PROGRAM TO COMBAT SEXUAL ABUSE

Mrs. Mary Collins (Capilano): Mr. Speaker, my question is for the Minister of National Health and Welfare. As the Minister is aware, the problem of the sexual abuse of children continues to be a real concern to Canadians. While I am confident that the Government's legislative initiatives will shortly receive final approval by the House, I am interested in knowing what progress the Minister is making on the $20 million program he announced last fall designed to focus national efforts on combating sexual abuse. For example, has the special adviser on child sexual abuse been appointed, and have any local projects been funded as yet?

Point of Order—Mr. Crosby

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, the Government approved a five-year plan in the order of $20 million. For the first year the funding level was set at $1.5 million. A number of projects across Canada have been funded. Those projects are available but I will not take the time of the House to mention them. Additionally, we have had many consultations on the special adviser and have now focused on one person. That name is now under consideration by the Government.

* * *

POINTS OF ORDER

PRIVATE MEMBERS' BUSINESS—VOTABLE ITEMS—COMMITTEE CONSIDERATION

Mr. Howard Crosby (Halifax West): Mr. Speaker, I rise on a point of order which I will state very quickly. My point is about the procedure followed in relation to a question of privilege raised by the Hon. Member for Peterborough (Mr. Domm).

• (1510)

You will recall that on December 4, 1986, you ruled on a question of privilege related to the work of the Standing Committee on Private Members' Business. You indicated that the matter in dispute should be considered by the Standing Committee on Elections, Privileges and Procedure as part of its review of the provisional rules.

Yesterday, April 7, 1987, the Chairman of the Standing Committee on Elections, Privileges and Procedure filed the fourth report which recommended the continuance of the provisional rules, particularly those relating to Private Members' Business. There is no indication that the matter which you dealt with on December 4, 1986, was reviewed by the Standing Committee on Elections, Privileges and Procedure.

I merely want to bring that to your attention in the hope and expectation that some consideration could be given to the view you expressed in December and the work of the Standing Committee on Private Members' Business can be reviewed as you suggested.

ALLEGED IMPROPER USE OF MEMBER'S NAME—UNPARLIAMENTARY LANGUAGE

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, on a point of order. I just want to draw to your attention the fact that during the period for statements by Members, the Hon. Member for The Battlefords—Meadow Lake (Mr. Gormley) referred to the Prime Minister of Canada (Mr. Mulroney) by his name. I want to bring to his attention the fact that that was inappropriate.

As well, while I am not certain that you heard it, I want to draw to your attention the fact that the Hon. Member for Lévis (Mr. Fontaine), during his statement, referred to a Member of this House of Commons as a hypocrite. I believe that is considered to be unparliamentary and I ask that he retract that.

[*Translation*]

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, I have been advised that our interpretation services may have used the term hypocrite in the English rendition of the French, but it is not the term I used, and I regret that the New Democratic Party's House Leader got this impression of his Leader.

[*English*]

Mr. John Gormley (The Battlefords—Meadow Lake): Mr. Speaker, in response to the first part of the Hon. Member's point of order, I humbly acknowledge that in my enthusiasm for the Prime Minister's work in western Canada I mentioned him by name. I know the Opposition often does that in criticism. However, I apologize if I referred to the Prime Minister (Mr. Mulroney) by name because of all the good work he has done in western Canada.

Mr. Speaker: I should bring to the attention of Hon. Members that the Hon. Member for Kamloops—Shuswap (Mr. Riis) was absolutely correct procedurally.

The Hon. Member for Halifax West (Mr. Crosby) has raised a point which I will consider and report back to the House.

* * *

TRADE

STATEMENT BY MINISTER ON GOVERNMENT STEEL POLICY

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, I am rising today to outline the Government's steel policy. This Government has long recognized the importance of the U.S. market to all sectors of the Canadian steel industry and we have invested considerable effort to ensure that no restrictions are introduced at the border. The program I am announcing today will augment our efforts in pursuing that objective.

As you know, there are continuing pressures in the U.S. to reduce the share of the U.S. steel market held by Canadian suppliers. We are one of the few countries which has not been forced to accept a voluntary restraint agreement with the Americans. The Canadian position on this question is very clear. Our steel is fairly traded and trade restrictive measures at the U.S. border are not warranted. We continue to expect the U.S. administration to do its job and resist pressures from the U.S. industry and Congress to restrict fairly traded Canadian steel.

Before outlining the elements of our program I wish to emphasize that it represents a response to the problems facing the Canadian steel industry which extend beyond U.S.

pressures to those resulting from conditions affecting world trade in steel in general. Global trade in steel continues to be affected by world-wide over-capacity, declining demand, widespread subsidization in steel-producing countries, and restrictive measures against imports in most consuming countries.

The major characteristic of the two-way trade in steel between Canada and the U.S. is its integrated and mutually beneficial nature. Canada is the largest market for U.S. steel. Our imports of steel from the U.S. annually average about 8 per cent of the Canadian market and over one-third of our total steel imports. There are no restrictions on U.S. trade into Canada. For every dollar of their steel exports to the U.S., Canadian primary steel producers import $1.30 worth of equipment and materials from the U.S.

In addition to sharing in the obvious benefits of such a relationship, our industries also share common concerns and problems with respect to conditions currently prevailing in international trade in steel. The program I am announcing today will supplement recent government actions to facilitate adjustment of the Canadian steel industry to the difficult conditions surrounding international trade in steel.

In August of 1985, country-of-origin marking requirements were introduced for imported steel pipes and tubes. In September of 1986 an import monitoring system for carbon steel was established under the Export and Import Permits Act. In the February, 1987, Budget the Minister of Finance (Mr. Wilson) announced the withdrawal of the general preferential tariff on steel.

As a major element of a program designed to help maintain our open access to the U.S. steel market, the Government is taking further action to ensure that we have more accurate data on exports and imports and that Canada is not used as a back door to the U.S. market by off shore steel suppliers. This will be achieved by monitoring steel exports and imports under the Export and Import Permits Act. We are seeking the assistance and consent of the opposition Parties to bring forward an amendment to achieve this at an early date.

Monitoring will not only provide a better appreciation of the complexities in our steel trade with the U.S. but will be very useful to both the Government and the industry in resisting pressures in the U.S. for restrictions against imports from Canada.

In addition, we are exploring with the U.S. the desirability of establishing a joint commission to ensure a better understanding of the problems we in North America face as a result of global conditions affecting trade in steel. I consider this to be a very worthwhile initiative, particularly in view of the problems steel industries on both sides of the border are likely to face in the future.

Finally, it will be important for Canadian companies to continue to exercise prudence in their steel exports to the U.S. as well as to seek the active support of allied interests, such as consumer groups and customers, among the public and private sector groups in the U.S. for unrestricted cross-border trade in steel. We will step up our efforts on information exchange with U.S. politicians.

In this respect I would like to thank the parliamentary steel caucus led by the Hon. Member for Burlington (Mr. Kempling), and all Members of this House who have participated in this initiative. My special appreciation goes to the Canadian steel companies and the steelworkers' union for their co-operation in the development of this policy. These efforts, together with the measures I have just announced, will go a long way towards preserving our access to our most important export market for steel.

Mr. Maurice Foster (Algoma): Mr. Speaker, I am glad to have an opportunity to respond to the Hon. Minister's statement concerning government policy regarding steel. Having been active in the steel caucus for a couple of years I am especially interested in this matter, and of course the great riding of Algoma provides much of the workforce for the Algoma Steel Corporation in Sault Ste. Marie.

It goes without saying that during the past four or five years the steel industry has been under incredible pressure both in the U.S. and Canada. We have seen hundreds of thousands of people laid off in the U.S. We have seen the introduction of their VRA program. While other companies in Canada have suffered similarly, Algoma Steel in Sault Ste. Marie has suffered a great deal.

• (1520)

We are glad to see this policy come forward. In August of 1985 the Government put in place a steel monitoring system for imports. It was obvious in the fall of 1984 when the United States implemented its program for 17 countries which were importing steel into the United States that if you back four million or five million tonnes of steel out of the United States market and get it on the ocean they will try to get into the American market some way, one of the obvious ways through the back door by way of Canada.

The program the Government put in place to monitor steel imports into Canada was a first step. The step proposed here by the Minister to amend the Export and Import Permits Act in order that we can monitor steel going into the United States is the next essential step.

We need only look at two events which happened in January of this year. First, our share of the United States steel market had grown to 5 per cent in January. In December it was 4.7 per cent. That is far above our historical level. Senator Heinz then introduced a Bill in the United States Senate. He was proposing some very Draconian methods to limit Canada's imports as well as those of Sweden and Taiwan.

I believe, therefore, that it is important that the Government put in place a program for the monitoring of imports. We find that large volumes of steel are coming from those countries which are subject to a voluntary restraint agreement with the United States. A mechanism can be put in place to add those

imports to the United States coming through Canada to the quota that is provided for them.

The Minister has pointed out that Canada is a fair trader in steel. In fact, we buy more steel and supplies than we export to the United States. Algoma Steel buys much of its iron ore from Michigan and buys coal from West Virginia. Therefore, Algoma is in a very good position to argue that we should keep a fair and open border. However, if millions of tons of steel are coming through Canada and finding their way into the United States from countries which are subject to a voluntary restraint agreement, we obviously do not have much of an argument.

That is why, provided the legislation is as we agreed in negotiations with the Government, we will be pleased to support and expedite it. I am glad to have had this chance to indicate the understanding and support of the Official Opposition for this motion.

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, after the serious problems which emerged in the context of trying to deal with the trade dispute with the United States on softwood lumber we hope very much that this attempt to initiate new policy on steel will be a success and will make some progress toward creating stability in the steel trade between our two countries. As the House should know, we have an $8 billion industry which employs over 50,000 workers. This industry must be given very serious and continuing support by the Government if it is to deal with the difficult circumstances which exist in the international steel trade at the moment.

In recent years there has very much been managed trade between the United States and Canada. The steel companies on this side of the border have attempted to regulate their exports in such a way as to maintain stability in a North American situation. That policy has had some tensions and some benefits which have been assisted very much by the steel caucus of this House. I would like to pay tribute to that caucus and to the Member for Regina East (Mr. de Jong) who has been our representative in it.

The program which was announced today talks about monitoring and suggests the use of licensing. We, too, have been talking with the Minister's office about the nature of this proposed legislation and certainly intend to support it and facilitate its passage through the House. However, when we look at the rest of the program announced as a steel policy by the Minister, we must see that it is really a very limp and limited attempt to deal with the serious problems facing a very important industry in the country.

For instance, we would like to have seen some commitment by the Government to long-term efforts on the part of business and labour within this industry to work together, to plan, and to attempt to expand the varieties and specialties of steel which we produce in this country and, in turn, to export those specialties to other countries in addition to the United States in order to diversify our trade beyond the United States with its particular vulnerabilities.

We also believe it is very important in a serious steel policy to address the very great difficulties which face Algoma Steel. A large number of people have lost their jobs at Algoma Steel in recent months and the number of jobs which are threatened in the future should have been part of the Minister's statement today. There should have been a statement with regard to worker adjustment which would have assisted the employees to make the shifts which may be necessary for them given the severe pressure facing that company.

As I evaluate this statement I believe that with regard to its trade implications and monitoring it is a step forward. However, with regard to attempts to deal with the whole set of serious and difficult problems within the steel industry across Canada it is simply a limp response to a very great and serious problem.

Mr. Riis: Mr. Speaker, I want to raise a point of order. I do not want to sound nit-picky. We appreciate that the Minister for International Trade (Miss Carney) has chosen the House of Commons as the appropriate place to make a statement on the situation regarding steel. It is a very important statement. I applaud her for it and appreciate it.

• (1530)

My point of order is perhaps directed to the Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council (Mr. Lewis). It is that we received a copy of this important statement about halfway through Question Period. Making the House as productive and positive as possible requires an element of co-operation and I simply remind the Hon. Member that it would certainly help if we had written statements perhaps five minutes before Question Period. Again, I am not suggesting that we do not appreciate what the Minister has done today. We certainly do.

Mr. Speaker: The Hon. Member for Kamloops—Shuswap (Mr. Riis) has been very generous in his comments about the practice that the Minister has been following, which is to present a statement to the House. Of course, that is appropriate.

The Chair has commented upon the usefulness of trying to get statements to opposition critics as early as possible. I am sure Hon. Ministers will be guided by that as much as possible.

[*Translation*]

INTERPARLIAMENTARY DELEGATIONS

PRESENTATION OF SECOND REPORT OF CANADIAN SECTION OF THE CANADA-FRANCE INTERPARLIAMENTARY ASSOCIATION

Mr. Clément M. Côté (Lac-Saint-Jean): Mr. Speaker, pursuant to Standing Order 101, I have the honour of tabling, in both official languages, the Second Report of the Canadian Section of the Canada-France Interparliamentary Association.

[*English*]

Mr. Speaker: Presenting petitions.

Mr. Lewis: Mr. Speaker, I move, seconded by the Hon. Member for Mission—Port Moody (Mr. St. Germain):

That the House proceed to the next item of routine proceedings.

Mr. Benjamin: He called for petitions. We should be recognizing someone with petitions.

Mr. Speaker: The Hon. Parliamentary Secretary has moved that the House proceed to the next item of routine proceedings. That motion is in order. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

Mr. Speaker: All those in favour of the motion please say yea.

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

Mr. Speaker: In my opinion, the yeas have it.

And more than five Members having risen:

Mr. Speaker: Call in the members.

The House divided on the motion (Mr. Lewis) which was agreed to on the following division:

• (1540)

(Division No. 86)

YEAS

Members

Andre
Attewell
Beatty
Belsher
Bernier
Bertrand
Binns
Blackburn (Jonquière)
Blais
Blais-Grenier
Blenkarn
Blouin
Bouchard
Bourgault
Boyer
Brightwell
Brisco
Browes
Caldwell
Cardiff
Carney
Champagne (Champlain)
Clark (Brandon—Souris)
Clifford
Collins
Comeau
Cook
Corbett
Côté (Lac-Saint-Jean)
Crofton
Crouse
Dantzer
Darling
Daubney
de Cotret
Della Noce
Desjardins
Desrosiers
Dorin
Duplessis
Edwards
Ellis
Epp (Provencher)
Fennell
Ferland
Fontaine
Forrestall
Fretz
Friesen
Gagnon
Gass
Gérin
Gervais
Girard
Gormley
Gottselig
Gray (Bonaventure—Îles-de-la-Madeleine)
Greenaway
Gustafson
Halliday
Hamelin
Hawkes
Hnatyshyn
Horner
Howie
Hudon
Jacques
James
Jardine
Jepson
Johnson (Bonavista—Trinity—Conception)
Kempling
Kindy
King
Landry
Lawrence
Layton
Lesick
Lewis
Lopez
Malone
Marin
Martin
Mayer
Mazankowski
McCrossan
McDermid
McInnes
McKenzie
McKinnon
Minaker
Mitges
Moore
Nicholson (Niagara Falls)
Nickerson
Oostrom
Pennock
Peterson
Pietz
Plamondon
Plourde
Porter
Price
Redway
Reid
Reimer
St. Germain
Schellenberg (Nanaimo—Alberni)
Schellenberger (Wetaskiwin)
Scott (Hamilton—Wentworth)
Scowen
Siddon
Sparrow
Speyer
Stackhouse
Stevens
Stewart
Taylor
Thacker
Towers
Tremblay (Québec-Est)
Tupper
Turner (Ottawa—Carleton)
Van De Walle
Vankoughnet
Vincent
Weiner
White
Witer—129

NAYS

Members

Allmand
Althouse
Angus
Axworthy
Benjamin
Boudria
de Corneille
Dingwall
Foster
Fulton
Gagliano
Garneau
Gauthier
Gray (Windsor West)
Guilbault (Saint-Jacques)
Heap
Henderson
Hopkins
Hovdebo
Jewett
Johnston (Saint-Henri—Westmount)
Kaplan
Killens
Langdon
Lapierre
Malépart
Manly
McCurdy
McDonald (Broadview—Greenwood)
Murphy
Nunziata
Nystrom
Parry
Penner
Prud'homme
Riis
Robichaud
Rodriguez
Rossi
Skelly
Toupin
Turner (Vancouver Quadra)
Young —43

• (1610)

Mr. Speaker: I declare the motion carried.

Introduction of Bills.

Mr. Lewis: Mr. Speaker, I rise on a point of order.

Mr. Gauthier: That is an abuse of the rules.

Mr. Lewis: I move, seconded by the Hon. Member for Ontario (Mr. Fennell):

That the Hon. Member for Mission—Port Moody (Mr. St. Germain) be now heard.

Mr. Gauthier: You cannot do that under a point of order.

Mr. Speaker: The Hon. Parliamentary Secretary has moved that the Hon. Member for Mission—Port Moody be now heard.

Mr. Riis: Mr. Speaker, I have a point of order.

Mr. Speaker: The motion is in order.

Is it the pleasure of the House to adopt the said motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

Mr. Speaker: All those opposed please say nay.

Some Hon. Members: Nay.

Mr. Speaker: In my opinion the yeas have it.

And more than five Members having risen:

Mr. Speaker: Call in the Members.

The House divided on the motion (Mr. Lewis) which was agreed to on the following division:

(*Division No. 87*)

YEAS

Members

Andre
Attewell
Beatty
Belsher
Bernier
Bertrand
Binns
Blackburn (Jonquière)
Blais
Blais-Grenier
Blenkarn
Blouin
Bouchard
Brightwell
Brisco
Browes
Cadieux
Caldwell
Cardiff
Champagne (Champlain)
Clark (Brandon—Souris)
Clifford
Collins
Comeau
Cooper
Corbett
Côté (Lac-Saint-Jean)
Crosby (Halifax West)
Crouse
Dantzer
Darling
Daubney
de Cotret
Della Noce
Desjardins
Desrosiers
Dorin
Duplessis
Edwards
Ellis
Fennell
Ferland
Fontaine
Fraleigh
Fretz
Friesen
Gagnon
Gass
Gérin
Gervais
Girard
Gormley
Gottselig
Graham
Gray (Bonaventure—Îles-de-la-Madeleine)
Greenaway
Gustafson
Hawkes
Horner
Howie
Hudon
Jacques
James
Jardine
Jepson
Johnson (Bonavista—Trinity—Conception)
Kempling
King
Landry
Lawrence
Layton
Lesick
Lewis
Lopez
Malone
Marin
Martin
Masse
Mayer
Mazankowski
McCrossan
McDermid
McInnes
McKenzie
McKinnon
Mitges
Moore
Nicholson (Niagara Falls)
Nickerson
Oostrom
Peterson
Pietz
Plamondon
Porter
Redway
Reid
Reimer
St. Germain
Schellenberg (Nanaimo—Alberni)
Schellenberger (Wetaskiwin)
Scott (Hamilton—Wentworth)
Scowen
Siddon
Sparrow
Speyer
Stackhouse
Stevens
Stewart
Tardif (Charlesbourg)
Taylor
Thacker
Towers
Tremblay (Québec-Est)
Tupper
Turner (Ottawa—Carleton)
Van De Walle
Vankoughnet
Vincent
Weiner
White
Winegard—121

NAYS

Members

Allmand
Althouse
Angus
Axworthy
Benjamin
Dingwall
Foster
Gagliano
Garneau
Gauthier
Gray (Windsor West)
Guilbault (Saint-Jacques)
Heap
Henderson
Jewett
Johnston (Saint-Henri—Westmount)
Kaplan
Killens
Langdon
Lapierre
Malépart
McCurdy
McDonald (Broadview—Greenwood)
Murphy
Nystrom
Ouellet
Parry
Penner
Prud'homme
Riis
Robichaud
Robinson
Rodriguez
Rossi
Skelly
Toupin—36

• (1650)

Mr. Speaker: I declare the motion carried.

Mr. Riis: Point of order.

Mr. Speaker: Before Hon. Members indicate that they have a point of order, the Chair, if uninterrupted, would read the opening statements for introduction and first reading of the Bill of the Hon. Member for Mission—Port Moody (Mr. St. Germain). It may be that Hon. Members will not need to rise on a point of order. However, I will hear Hon. Members. The Hon. Member for Kamloops—Shuswap (Mr. Riis).

Mr. Riis: Mr. Speaker, I seek clarification because some of the traditional practices and procedures of the House have seemed to many of us to have changed today. My hon. friend and colleague, the Parliamentary Secretary to the Government House Leader, rose this afternoon under "Petitions". One was always under the assumption that at the time when one was speaking to petitions one would have a petition to present. That was the item that was called in terms of doing business. The Speaker recognized a member for the presentation of a motion, with no recognition of a petition and no petition being presented.

For many years, and perhaps decades, this tradition has never been broken. I am seeking your clarification as to whether this practice will now be accepted by you, so that whenever someone rises under a notice of motion, he or she will be recognized and therefore be able to present a motion. If that is the case, I would like to move, seconded by the Hon. Member for Churchill (Mr. Murphy):

That this House do now adjourn.

Mr. Lewis: He was on a point of order.

Mr. Speaker: The Hon. Member for Kamloops—Shuswap (Mr. Riis) has risen on a point of order. I must advise the Hon. Member that rising on a point of order to adjourn the House is out of order. Other Members may want to address the point which the Hon. Member for Kamloops—Shuswap has made. The Hon. Member for Ottawa—Vanier (Mr. Gauthier).

Mr. Gauthier: Thank you for recognizing me, Mr. Speaker. I rose a few minutes ago because I had not heard that you had indeed called Introduction of Bills. If you had called for those Bills, then I understand why you would have entertained some dilatory motion from the Government. On the other hand, since you came into the House, you gave us notice that you were going to read the first part of the member's Bill or that you were going to ask the Member for Mission—Port Moody (Mr. St. Germain) to proceed with his Bill. He had been given authority to do so by a democratic vote of the House. The majority said that we will recognize him, and that is the only thing that can happen now.

I submit that at the first stage of the Bill we cannot debate but we can vote on whether the Bill will be presented at this time. I hope you will proceed with that matter.

Mr. Benjamin: Mr. Speaker, I rise on a point of order. It has always been my understanding of the practice that the item which the Speaker calls under Routine Proceedings is the one with which we must deal. When the Speaker calls for petitions, members rise in their place to present petitions. If an Hon. Member wants to do something other than that, he is obliged to rise on a point of order before the Speaker calls for petitions or wait until petitions are finished.

When you call for petitions how can an Hon. Member be given the floor not to present petitions but to move a motion? I do not understand that. You called for petitions.

Mr. Speaker: The Hon. Member for Regina West (Mr. Benjamin) is raising an interesting point. However, I think it is clear that there is a precedent for the recognition of an Hon. Member in those circumstances. In any event, that has been the ruling of the Chair. I, of course, would always be pleased to discuss any ruling at any time with Hon. Members. However, I would like at this point—

• (1700)

Mr. Benjamin: A further point of order, Mr. Speaker.

Some Hon. Members: No.

Mr. Speaker: I think perhaps the Hon. Member for Regina West (Mr. Benjamin) might let the Chair continue for the moment. Just so the situation is clear to all Hon. Members, what has happened here is that the Hon. Parliamentary Secretary moved that the Hon. Member be heard. I accepted that motion as being in order and there has been a vote, and the House, as the Hon. Member for Ottawa—Vanier has clearly indicated, has approved that motion.

The Chair takes the view, then, that the Hon. Member for Mission Port—Moody (Mr. St. Germain) is now entitled to have his Bill presented for introduction, and it is the intent of the Chair to do just that because that is, of course, the logical sequence of what has happened and takes into account that we are in Routine Proceedings and the rubric here is Introduction of Bills. Therefore, I would prefer to proceed.

* * *

AN ACT TO AMEND THE CRIMINAL CODE AND THE YOUNG OFFENDERS ACT

Mr. Gerry St. Germain (Mission—Port Moody) moved for leave to introduce a Bill to amend the Criminal Code and the Young Offenders Act (capital punishment).

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

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

Mr. Speaker: All those opposed please say nay.

Some Hon. Members: Nay.

Mr. Speaker: In my opinion the yeas have it.

And more than five Members have risen:

Mr. Speaker: Call in the members.

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

(*Division No. 88*)

YEAS

Members

Andre	Cadieux	Crosby (Halifax West)
Beatty	Caldwell	Crouse
Belsher	Cardiff	Dantzer
Bernier	Champagne (Champlain)	Darling
Bertrand	Clark (Brandon—Souris)	Desjardins
Binns	Clifford	Dorin
Blackburn (Jonquière)	Collins	Duplessis
Blais	Comeau	Edwards
Blenkarn	Cooper	Ellis
Blouin	Corbett	Fennell
Bourgault	Côté (Lac-Saint-Jean)	Ferland
Boyer		Fontaine
Brightwell		Fraleigh
Brisco		Fretz
Browes		

Friesen
Gass
Gormley
Gottselig
Graham
Gray
(Bonaventure—Îles-de-la-Madeleine)
Greenaway
Gustafson
Halliday
Hamelin
Hawkes
Horner
Hudon
Jacques
James
Jardine
Jepson
Johnson
(Bonavista—Trinity—Conception)
Kempling
Kindy
King
Landry
Lawrence
Layton
Lesick
Lewis
Lopez
Malone
Martin
Masse
Mazankowski
McCrossan
McKenzie
Moore
Nicholson
(Niagara Falls)
Nickerson
Oostrom
Pennock
Peterson
Pietz
Porter
Price
Redway
Reid
Reimer
St. Germain
Schellenberg
(Nanaimo—Alberni)
Schellenberger
(Wetaskiwin)
Scowen
Siddon
Sparrow
Stackhouse
Stevens
Stewart
Tardif
(Charlesbourg)
Taylor
Thacker
Towers
Tremblay
(Québec-Est)
Tupper
Turner
(Ottawa—Carleton)
Van De Walle
Vankoughnet
Vincent
Weiner
White
Winegard—107

NAYS

Members

Allmand
Althouse
Angus
Axworthy
Benjamin
Boudria
de Corneille
Dingwall
Finestone
Foster
Fulton
Gagliano
Garneau
Gauthier
Gray
(Windsor West)
Guilbault
(Saint-Jacques)
Heap
Henderson
Hopkins
Hovdebo
Johnston
(Saint-Henri—Westmount)
Killens
Langdon
Lapierre
McCurdy
McDonald
(Broadview—Greenwood)
Murphy
Nystrom
Ouellet
Parry
Penner
Prud'homme
Riis
Robichaud
Robinson
Rodriguez
Rossi
Skelly
Turner
(Vancouver Quadra)—39

• (1740)

Mr. Speaker: I declare the motion carried.

Mr. Gray (Windsor West): Mr. Speaker, I rise on a point of order with regard to the vote. One of my colleagues told me that he did not hear my name called when I rose to vote against the motion. I would just like to confirm that my vote was recorded.

Mr. Speaker: The Chair is very grateful that the Hon. Member has brought that to the attention of the House. I am sure it will be treated accordingly. The Hon. Member for Mission—Port Moody (Mr. St. Germain) has the floor.

Mr. Gerry St. Germain (Mission—Port Moody): Mr. Speaker, I would like to thank the House for allowing me to introduce my Bill in this very unique way.

Some Hon. Members: Hear, hear!

Mr. St. Germain: I would now like to move, seconded by the Hon. Member for Simcoe North (Mr. Lewis):

That the House proceed to the next item of Routine Proceedings.

Mr. Gauthier: Point of order, point of order!

Mr. Speaker: The Chair will of course hear the Hon. Member for Ottawa—Vanier (Mr. Gauthier) on a point of order. I might remark that so did everyone else at about 1,000 yards of this place.

Mr. Gauthier: Mr. Speaker, I just wanted to make sure that you heard me this time. The Hon. Member for Mission—Port Moody (Mr. St. Germain) was recognized, by a vote, to make a short statement on why he intends to present this Bill to the House. That was the only purpose of his being recognized at this time. Once he has spoken to that Bill, we in the House will decide in a very democratic fashion whether or not that Bill will be read the first time and printed. That will be the object of the next dilatory motion for the Government will put to the House, to wit, whether or not the House will agree to read and print the Bill. That is a non-debatable stage of the Bill, and I cannot see anything else before the House at this time but the Hon. Member for Mission—Port Moody giving us a very short, concise statement as to why he believes the Bill should be put to us for first reading.

Some Hon. Members: Hear, hear!

Mr. Lewis: Mr. Speaker, since we have established that an Hon. Member rising on Petitions, once recognized by the Chair, may move a motion to move to the next item of Routine Proceedings, it seems to me that we can establish the same principle under Introduction of Bills.

Mr. Riis: Mr. Speaker, I would simply like to add to the point made by my hon. colleague that if this practice is to continue, the Government, on its whim, will be able to prohibit Hon. Members from rising to deal with the long established tradition of presenting petitions on behalf of their constituents. What we have seen today is something extremely dangerous to the traditions of the House. Every citizen of Canada has the opportunity, through his or her Member of Parliament, to have his or her views made known through the presentation of petitions in the House of Commons.

I believe we are at a very critical point here. Will the Conservative Government use this on a regular basis to prohibit the people of Canada from exercising a right that has been theirs for decades? I ask that this matter be given serious consideration. It appears that there is a serious potential for abuse. For many, many years, this has not been allowed. Hon. Members may present petitions and after they have done so, they have the opportunity to move a motion, but they do not have an opportunity to move a motion without presenting a petition. I think this is a very serious situation and we ought to be very careful when dealing with this issue.

Mr. Speaker: Perhaps the Chair can assist in the debate. I will hear from other Hon. Members. The position of the Chair—though the Chair is not unsympathetic to the concern expressed—is that the Chair must ask if Routine Proceedings have any particular sanctity at all or if they can always be left

to whatever motions or procedural usages may interrupt those Routine Proceedings. I put this question to Hon. Members who, I know, wish to address the Chair on it because it seems to me that whenever Routine Proceedings are interrupted, some Hon. Members will at least for a period of time lose what rights they are supposed to have under the Routine Proceedings of that day. I would ask Hon. Members to comment on that.

Mr. Gray (Windsor West): Mr. Speaker, I would like to respond specifically to the point on which you asked us to comment. I respectfully direct your attention to page 209 of Beauchesne's Fifth Edition, Citation 666, which reads as follows:

> The right of petitioning the Crown and Parliament for redress of grievances is acknowledged as a fundamental principle of the constitution and has been exercised without interruption since 1867.

If the right to petition the Crown and Parliament for redress of grievances is a fundamental principle of the Constitution, surely it cannot be abridged nor can it be wiped out by procedural game-playing on the part of the Government. I call upon you, Sir, as the guardian and protector of the rights of this institution and therefore of the rights of the Canadian people, to rule—where the purpose of the procedural measure offered by the Government, as is the case here, is really to wipe out Routine Proceedings, which are in our Standing Orders to provide opportunities to Members of Parliament to have their say, but more particularly to wipe out the right of Canadians to petition Government and Parliament—that this is contrary to a fundamental principle of our Constitution. In fact, it is a fundamental principle of the British Constitution dating back 1,000 years and which provides the foundation for this parliamentary system. I ask you to rule that this parliamentary game playing is not acceptable and must be rejected.

• (1750)

I also want to say something about the feeble attempt—

Mr. Lewis: Point of order, Mr. Speaker.

Mr. Benjamin: You cannot have a point of order when there is a point of order before the Chair.

Mr. Speaker: The Hon. Parliamentary Secretary rises on a point of order. It may very well have to do with something said by the Hon. Member for Windsor West (Mr. Gray). If it is, I can hear it.

Mr. Lewis: I respectfully—

Some Hon. Members: Sit down!

Mr. Beatty: He can raise a point of order.

Mr. Speaker: Perhaps I can help Hon. Members. The Hon. Parliamentary Secretary has heard something the Hon. Member for Windsor West (Mr. Gray) has said. It may well be that the point he wishes to make is a point of order in relation to something that was said. I am not talking about debate. If that is what the Hon. Parliamentary Secretary is rising on, then I will be able to figure that out pretty quickly and I will hear him.

Mr. Gauthier: Point of privilege.

Some Hon. Members: Sit down!

Mr. Lewis: Mr. Speaker—

Mr. Speaker: The Hon. Member for Ottawa—Vanier (Mr. Gauthier) on a point of privilege.

Mr. Gauthier: Mr. Speaker, clearly the rules of any debating society as well as the rules of Parliament entertain only one point of order at a time. You cannot have a point of order on a point of order. I submit that the Parliamentary Secretary is out of order when he puts to you a point of order which is, first of all, a phoney point of order.

Mr. Lewis: Mr. Speaker, my points of order have been called a lot of things but usually only after I have said a few words.

I believe the Hon. Member for Ottawa-Vanier (Mr. Gauthier) was exactly on target with his point of order *vis-à-vis* the right of a member to make a motion as did the Hon. Member for Mission—Port Moody (Mr. St. Germain). My point of order, with respect, is that the point of order of the Hon. Member for Windsor West (Mr. Gray) and the Hon. Member for Kamloops—Shuswap (Mr. Riis) should have been made earlier in the day at the point when petitions were abridged. This point of order concerns whether or not it is in order for the Hon. Member for Mission—Port Moody to make the motion he made, not to abridge petitions which, by the way, are taken care of by Standing Order 106.3.

Mr. Gauthier: That is nonsense.

Mr. Gray (Windsor West): Mr. Speaker, it has long been established that you cannot raise a point of order about a point of order, especially not as a surreptitious way of smuggling in argument. Even so, the Member's argument is so empty that I suppose I should welcome it because it shows the shallowness and lack of substance of the Hon. Member's position.

Some Hon. Members: Hear, hear!

Mr. Gray (Windsor West): I was simply responding to Your Honour's request to provide comment or argument on specific points that interested you. I regret very much that someone with the august position of Parliamentary Secretary to the Government House Leader—he often styles himself Deputy House Leader—shows so little respect for the Chair that he attempts to interrupt with a specious point of order an Hon. Member who is simply trying to respond to an invitation, if not a request or command, from you to offer comment on the point that interests you. I do not know if the Hon. Parliamentary Secretary will later get up and offer words of apology for trying to prevent a Member from obeying an order of the

Speaker and doing something which in some circumstances may be looked on as contempt of the Chair. If he does not, perhaps I will do it for him because he may have sinned but he has not known wherewith he has done.

Some Hon. Members: Hear, hear!

Mr. Speaker: I might point out to the Hon. Member for Windsor West (Mr. Gray) that while his knowledge of theology is well respected here, what usually follows those words is: "Here endeth the lesson".

Some Hon. Members: Oh, oh!

Mr. Gray (Windsor West): Yes. Well, I want to end the lesson which my hon. friend really needs by saying that his first comment that the matter in question was dealt with earlier is, with the utmost respect, a specious argument. The fact that a motion was accepted when the Hon. Member got to his feet when petitions were called is, with the utmost respect, not a precedent because a point of order was not raised. There was no argument on the acceptability of the procedure. Therefore, if by accident the step taken by my hon. friend did actually take place, I respectfully submit that in the absence of argument and a ruling by yourself it is no precedent.

I therefore want to conclude by saying that the point of order raised by the Official Opposition Whip is a valid one for the reasons he has offered, for the reasons offered by the Hon. Member for Kamloops—Shuswap (Mr. Riis) and, I hope you will agree, not least for some of the reasons, if not all, which I have offered myself.

Mr. Les Benjamin: Mr. Speaker, I want to suggest to you, Sir, with all respect, that two things have happened today. One deals with the right to present petitions, which goes back to Runnymede. Unless you rule otherwise, any Member can prevent other Members from exercising their right to present petitions.

As to the point raised by the Hon. Member for Ottawa—Vanier (Mr. Gauthier), a vote was taken and agreed to concerning first reading of a Bill put forward by the Hon. Member for Mission—Port Moody (Mr. St. Germain). The Chair then recognized the Hon. Member and gave him the opportunity to give a brief explanation of his Bill. It was not to move any kind of motion. That is a privilege extended to Hon. Members and the explanation of the Bill is brief and the Hon. Member is held to that. You have allowed the Hon. Member not to say a word about his Bill.

Mr. Murphy: This is a government filibuster.

Mr. Benjamin: I suggest, Sir, with all due respect, in my usual humble manner, that you cogitate, meditate and ruminate on this overnight and rule that once you call petitions no other piece of business can occur until petitions are dealt with. When an Hon. Member is given an opportunity to explain his Bill on first reading, that is all he can do.

Mr. Nystrom: Six o'clock.

Mr. Speaker: The Chair is of course conscious of the force and effect and sincerity of all of the arguments and will consider them.

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

The House adjourned at 6 p.m.

HOUSE OF COMMONS

Thursday, April 9, 1987

The House met at 11 a.m.

Prayers

ROUTINE PROCEEDINGS

[*English*]

CANADIAN WHEAT BOARD

TABLING OF ANNUAL REPORT

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, pursuant to Section 7(2) of the Canadian Wheat Board Act, I have the honour to table in both official languages the annual report of the Canadian Wheat Board for the 1985-86 crop year.

* * *

NATIONAL CITIZENSHIP WEEK

STATEMENT BY MINISTER

Hon. David Crombie (Secretary of State of Canada): Mr. Speaker, I rise today to advise all Hon. Members that next week is Canada's first National Citizenship Week.

[*Translation*]

The Prime Minister (Mr. Mulroney) today declared the week, so that we can reserve a special time to celebrate our citizenship and the beliefs and values it embodies.

[*English*]

An eloquent Father of Confederation, Thomas D'Arcy McGee, over 100 years ago urged us to do the following:

> To lift ourselves to the level of our destinies, to rise above all low limitations and narrow circumscriptions, to cultivate that true catholicity of spirit which embraces all creeds, all classes and all races, in order to make of our boundless province—so rich in known and unknown resources—a great new Northern nation.

In the last 100 years, we have become that great northern nation.

[*Translation*]

And next week, in large cities and small communities; people are gathering for neighbourhood events and special ceremonies organized to celebrate the pride they take in their citizenship.

[*English*]

Canada has welcomed people from around the world and now they are a part of us. Communities across the country have gained an extra vitality as a consequence and an added richness as a result.

I was reminded this morning of a remark made by Davey Fulton, a distinguished lawyer and a former parliamentarian, who talked about the people who came to Canada. He said:

> This nation will never be able to repay the debt that it owes to those who come from other shores . . . not only in a material sense, for the physical help they gave in building a nation . . . but also a debt in the spiritual and moral sense for their contribution to the enrichment of Canadian culture.

It is this sentiment that the Prime Minister (Mr. Mulroney) salutes in his declaration of National Citizenship Week.

[*Translation*]

Mr. Speaker, the Prime Minister also expresses the belief that at the heart of Canadian citizenship lies the bilingual, multicultural character of Canada. I urge all Members of this House, and indeed all Canadians, to express their pride in citizenship through their participation in next week's events.

Hon. William Rompkey (Grand Falls—White Bay—Labrador): Mr. Speaker, I am very pleased to respond to the Minister's statement—

[*English*]

This is so particularly for this topic because I take pleasure in saying from time to time that I am a new Canadian. I was not born in this country. I was 13 years old when my people came to these shores. Indeed, although I was too young to vote at the time, many of my people had the pleasure not only of becoming Canadians but of actually voting for Canada, an honour not everyone has had.

Some Hon. Members: Hear, hear!

Mr. Rompkey: That achievement was won with great struggle. Only a little over 50 per cent voted for Canada in 1949, two years after this Act was brought into effect by a Liberal Government of the time. Today, the overwhelming majority of Newfoundlanders would vote fervently for this country.

• (1110)

The Minister quoted Davey Fulton, a distinguished lawyer, who said:

> This nation will never be able to repay the debt that it owes to those who come from other shores . . . not only in a material sense, for the physical help they gave in building a nation—

My people have made some contribution in story and song to this country and, Mr. Minister, we will take the cash.

I want to quote the words of another great Canadian, Joey Smallwood, on joining Confederation. After the struggle he led to join this country he said:

> It was the greatest blessing from God, next to life itself, ever conferred upon the people of Newfoundland.

People in Labrador City, Goose Bay, Churchill Falls and many other places have come from all over the world to join us. We are becoming more and more true Canadians in every sense of the word every day. It is a great joy for me to join with my friend in paying tribute to this day and this week in which we celebrate something we all treasure, honour, and give thanks for, that is, our Canadian citizenship.

Mr. Rod Murphy (Churchill): Mr. Speaker, I also welcome the announcement of National Citizenship Week. I am glad to see the Government has recognized the contribution of those new citizens who have come here over the years. After hearing the previous speaker talk about how his family had a chance to vote to join Canada, I think of those of us whose ancestors voted with their feet to join Canada. I think that is a very significant fact.

There are times, especially when unemployment is high, when people ask why we allow more people into our country. It is ironic, since our population is only 2 per cent of that of China, a country of similar size geographically, that we sometimes worry about over-population. Obviously that is not a concern Canadians should have. We should welcome even more people to our shores. We have to recognize that those people have helped create jobs. They have stated their desire to be part of Canada. We also have to recognize that many of them need the refugee status which is being denied them at the present time. They have enriched our culture, helped increase our awareness of the world, and made a very valuable contribution.

There is only one omission in the statement for which I fault the Government namely, that we did not give adequate attention to the contribution of our original citizens. That is not a deliberate oversight but we have to remember their status here and the fact that the first people to welcome us here were the native people of Canada.

* * *

PETITIONS

OPPOSITION TO PROPOSED CHANGES TO PATENT ACT

Mr. Rod Murphy (Churchill): Mr. Speaker, I have the honour to present a petition on behalf of people from Nova Scotia who express their concern with the federal Government's attempt to increase the cost of drugs. The petitioners express their concern that, given that the purchase of prescription drugs on an ongoing basis is necessary for many Canadians, the legislation the Government is trying to force through the House will only hurt those people. They call upon Parliament to reject those proposals which will increase prescription drug prices for Canadians. In order to assist the Government to do that and get to the legislation dealing with equalization, I move, seconded by the Hon. Member for Winnipeg—Birds Hill (Mr. Blaikie):

> That the House proceed to Orders of the Day.

Mr. Speaker: Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five Members having risen:

Mr. Speaker: Call in the members.

The House divided on the motion (Mr. Murphy) which was negatived on the following division:

(Division No. 89)

YEAS

Members

Allmand	Jewett	Penner
Althouse	Killens	Pépin
Angus	Malépart	Prud'homme
Blaikie	Marchi	Riis
Dingwall	McCurdy	Robinson
Finestone	McDonald (Broadview—Greenwood)	Rodriguez
Fulton	Murphy	Rompkey
Gagliano	Nicholson (Trinity)	Skelly
Garneau	Orlikow	Young —31
Gauthier	Parry	
Guilbault (Saint-Jacques)		
Heap		

NAYS

Members

Andre	Caldwell	Crosby (Halifax West)
Attewell	Cardiff	Dantzer
Bertrand	Champagne (Champlain)	Darling
Binns	Clark (Brandon—Souris)	Daubney
Blais	Clifford	Desjardins
Blenkarn	Comeau	Dorin
Blouin	Corbett	Duplessis
Bouchard	Crombie	Edwards
Boyer		Ellis
Brightwell		Fennell
Cadieux		

Ferland	Martin	Scott (Hamilton—Wentworth)
Fontaine	Mayer	Sparrow
Forrestall	Mazankowski	Speyer
Fretz	McCrossan	Stackhouse
Friesen	McDermid	Stewart
Gagnon	McDougall (St. Paul's)	Tardif (Charlesbourg)
Girard	McKenzie	Taylor
Gormley	McLean	Thacker
Gottselig	Merrithew	Towers
Graham	Mitges	Tremblay (Québec-Est)
Greenaway	Moore	Tupper
Gustafson	Nicholson (Niagara Falls)	Turner (Ottawa—Carleton)
Hawkes	Nickerson	Van De Walle
Horner	Nowlan	Vézina
Jacques	Oberle	Vincent
James	Oostrom	Weiner
Jepson	Peterson	White
Jourdenais	Pietz	Winegard
Kempling	Plourde	Witer—99
King	Porter	
Landry	Price	
Lawrence	Redway	
Layton	Reid	
Lesick	Reimer	
Lewis		
Lopez		
Malone		

• (1150)

Mr. Speaker: I declare the motion lost.

In order to be sure that all Hon. Members understand the procedure, I think it might be appropriate for the Chair to state that the vote that has just taken place was on the motion of the Hon. Member for Churchill (Mr. Murphy) that the House do now proceed to Orders of the Day. The motion has been defeated. As a consequence, we will continue with the presentation of petitions. The Chair recognizes the Hon. Member for Ottawa—Vanier (Mr. Gauthier).

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I have the pleasure to present some seven petitions in which the petitioners state that the proposed changes to the Patent Act will affect directly all Canadians who are not protected by private or governmental medicare programs; that the federal Government's proposals will raise the costs, already high, of provincial health care programs; that the monopoly granted to innovative pharmaceutical companies will prevent competition from generic companies, which will result in an increase of drug costs and prices and which will severely restrict the ability of average Canadians to buy necessary prescription drugs; that the proposed changes to the Patent Act in Bill C-22 are another example of the Canadian Government's concessions in the free trade negotiations with the United States at the expense of ordinary Canadians, the undersigned—

Mr. Speaker: Order, please. Perhaps the Hon. Member for Ottawa—Vanier could pause for just a moment.

I remind all Hon. Members that when a member is presenting a petition or is speaking in this Chamber there are certain courtesies expected. If Hon. Members have an urgent conversation there are, of course, lobbies on both sides of the Chamber in which to have them. The Hon. Member for Ottawa—Vanier may continue his remarks.

Mr. Gauthier: Mr. Speaker, I thank you. I conclude by saying that the petitioners humbly pray and call upon Parliament to reject these proposals which will increase prescription drug prices for Canadians.

[*Translation*]

Mrs. Thérèse Killens (Saint-Michel—Ahuntsic): Mr. Speaker, I have the honour and duty to present a petition signed by members of the golden age club of the Saints-Martyrs canadiens parish in my riding of Saint-Michel—Ahuntsic.

The petitioners are against the Government decision to make major amendments to the Patent Act through Bill C-22. They have advised me of their opposition because they consider that the Government propositions will increase the already high costs of prescription drugs, and that four million Canadian low-wage earners are not covered under social welfare or the private drug insurance system. Poor, older and sick people will be particularly hard hit by these changes.

The petitioners humbly call upon Parliament to bring pressure to bear on the Government and urge it to reject these propositions which will boost prescription drug prices.

[*English*]

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I have the honour to present a petition pursuant to Standing Order 106 from residents of Kitchener, Ontario, who state that the federal Government's proposals to change the Patent Act relating to prescription drugs will increase drug prices to consumers and severely restrict the ability of average Canadians to buy necessary prescription drugs. Therefore, they humbly pray and call upon Parliament to reject these proposals which will increase prescription drug prices for Canadians.

• (1200)

I have a petition from residents of Winnipeg who say that the proposed measure in Bill C-22 will unfairly hurt those Canadians whose health needs require the purchase of prescription drugs on an ongoing basis and, therefore, they humbly pray and call upon Parliament to reject these proposals which will increase prescription drug prices for Canadians.

PROTECTION OF RIGHTS OF THE UNBORN

Mr. John Gormley (The Battlefords—Meadow Lake): Mr. Speaker, I have 20 petitions to table pursuant to Standing Order 106 from residents of the Saskatchewan communities of Macklin, Primate, Cactus Lake, Salvador, as well as signatories from the Alberta communities of Hayter and Provost. These petitioners humbly call upon Parliament with respect to Motion No. 37 and ask that Members of Parliament give due consideration to supporting this motion which calls on all Members of Parliament to request the Government to consider the advisability of amending the Canadian Constitution to afford rights to unborn Canadians. These petitioners humbly

pray and call upon all Members of this Parliament to support this motion when it comes for a vote in Private Members' Business.

UNEMPLOYMENT INSURANCE—POSSIBLE LOSS OF BENEFITS

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, I have petitions from hundreds of residents across this land. From Ontario, the communities of Dresden, Thamesville, Chatham, Tweedsmuir, Kitchener, Guelph, Jarvis, Ottawa, Nepean, Gloucester, Orleans, London, Winchester, North Bay, Toronto, Ajax, Thornhill and Kanata; from the Province of Quebec, Charlesbourg, Ste. Foy, Aylmer, Gatineau; from Nova Scotia, Oakum Secum, Porter's Lake; from New Brunswick, Bathurst and Beresford; from Saskatchewan, Regina; from Manitoba, Winnipeg; and from British Columbia, Vancouver, Port Alberni and Prince Rupert. These hundreds upon hundreds of petitioners point out that the Forget Commission report on unemployment insurance has proposed a system of annualization which would reduce benefits to the unemployed over-all by 31 per cent forcing over 62 per cent of the unemployed to live on less than $140 a week. That is less than welfare pays to a single parent with a child in most provinces.

Furthermore, by its proposal to eliminate regional extended benefits, it would be taking $1 billion in income transfers out of Quebec, $660 million out of the Atlantic, $670 million out of the west, and devastating the regions with the highest unemployment in Canada. Therefore, the petitioners, hundreds upon hundreds of them from the communities that I have enumerated are calling upon Parliament and specifically upon the Minister of Employment and Immigration (Mr. Bouchard) to forget and reject the Forget Commission report.

SUPPORT FOR COMMITTEE RECOMMENDATIONS ON REFUGEE STATUS DETERMINATION

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, I have a petition on a different subject. The petitioners are from Saint John, New Brunswick. They point out that in many parts of the world people are fleeing to seek safety from persecution by coming to Canada. They also point out that Canada has established standards of refugee status determination but that in fact our existing procedures have broken down under unexpected strains. They point out that the standing committee of Parliament on the subject has proposed a new procedure for refugee determination which is quicker and fairer than the one now in force. Therefore, these petitioners are calling upon Parliament to ensure that the Government and the Parliament of Canada enact legislation that will embody the principles of fair and quick oral hearings of refugee claimants before a refugee board independent of the Immigration Commission, universal access to such hearings for every claimant in Canada, and an adequate opportunity to arrive in Canada to make this claim.

PROTECTION OF RIGHTS OF THE UNBORN

Mr. Brian White (Dauphin—Swan River): Mr. Speaker, I am honoured to rise today to present a petition signed by over 800 citizens of the riding of Dauphin—Swan River who call upon Parliament to support Motion No. 37 which will allow unborn babies to be protected by the Charter of Rights.

OPPOSITION TO PROPOSED CHANGES TO PATENT ACT

Mr. Keith Penner (Cochrane—Superior): Mr. Speaker, I have petitions from a variety of communities across Canada, from Moose Jaw and Regina, Province of Saskatchewan, from the City of Toronto, Province of Ontario, from Calgary, Province of Alberta, and from Shediac, Province of New Brunswick. These petitioners all ask Parliament to take action to prevent changes to the Patent Act regarding prescription drugs. The petitioners are deeply concerned that the monopoly granted to U.S. owned and operated pharmaceutical companies will prevent competition from generic firms, will result in an increase of drug costs and prices, will push up provincial health care programs, and in many cases those who are not in those programs will be unable to afford the prescription drugs that they require. They ask the House to consider carefully their concerns and to refrain from making these changes to the Patent Act.

CUT-BACKS IN STAFF AT WEST COAST LIGHT STATIONS

Mr. Jim Fulton (Skeena): Mr. Speaker, I am pleased to present today, in conformity with Standing Order 106, a petition from almost the entire adult population of the marvellous community of Kincolith, north of Prince Rupert. They wish to bring to the attention of the House and, in particular, to the Minister of Transport (Mr. Crosbie), their concern about the directive the Minister of Transport has given to the Canadian Coast Guard to proceed with plans to eliminate the staffing of light stations at Lawyer Island, Boat Bluff, Point Island, Chrome Island, Trail Island, and Point aux Pas, and that the same Minister has also directed that there be staff reductions at Lucy Island, Putney Point, Cake Mudge, Point Atkinson and Saturna Island. They are concerned that the savings to the Coast Guard will be insignificant in comparison with the potential loss of local weather services and assistance in search and rescue to the many residents of Kincolith who transit those northern waters up into the Alaskan Panhandle down to Prince Rupert and on down the coast. They call upon this House to revoke the directive and to request a full public inquiry into the need for staffed light stations on the entire West Coast of British Columbia.

[*Translation*]

OPPOSITION TO CANADA POST CORPORATE PLAN

Mrs. Sheila Finestone (Mount Royal): Pursuant to Standing Order 106, Mr. Speaker, I draw your attention to these petitions.

Whereas the new Canada Post corporate plan to install permanent super mail boxes in both urban and rural areas

creates two classes of citizens; whereas the closure of rural post offices deprives citizens of a unique federal presence; and whereas higher rates, especially for second-class mail, compromise the distribution of many newspapers, weeklies, regional newspapers, magazines and religious publications.

Wherefor we humbly call upon Parliament to reject the Canada Post plan and enjoin the corporation to deliver the mail to all Canadian taxpayers, without any distinction.

[*English*]

These petitions, Mr. Speaker, come from St. Joseph, New Brunswick and from Shediac, New Brunswick. These petitions are also from Hull, Boucherville, and Chapleau.

• (1210)

I also draw to your attention, Mr. Speaker, the concern in Dorchester, New Brunswick in terms of increased postal rates, particularly on second-class mail, which will imperil the distribution of numerous magazines, periodicals, and regional newspapers, as well as religious publications.

The plan of Canada Post to adopt supermailbox service creates two classes of Canadian citizens in the urban and rural regions. It is their feeling that closure of rural post offices will eliminate federal presence in numerous communities and will impede the effectiveness of postal service which is vital in rural areas.

They call upon Parliament to reject the corporate plan proposed by Canada Post and to instruct the corporation to proceed with mail delivery to all Canadian taxpayers without discrimination.

[*Translation*]

OPPOSITION TO PROPOSED CHANGES TO PATENT ACT

Mrs. Lucie Pépin (Outremont): Mr. Speaker, to-day I would like to table some petitions from Winnipeg, Manitoba. These petitioners humbly pray and call upon Parliament to reject the proposals in Bill C-22 that will increase the price of drugs for Canadians.

Mr. Alfonso Gagliano (Saint-Léonard—Anjou): Mr. Speaker, I have here several petitions from various parts of Canada, mainly from the Montreal area and also from the Province of British Columbia.

Mr. Speaker, in all these petitions, the undersigned respectfully declare that the monopoly granted to innovative pharmaceutical companies will prevent competition from generic companies and will result in an increase of drug costs and prices and will severely restrict the ability of average Canadians to buy necessary prescription drugs; that the proposed changes to the Patent Act will affect directly all Canadians who are not protected by private or Government medicare programs; and that the proposed changes to the Patent Act are another example of the Canadian Government's concessions to the free trade negotiations with the United States, at the expense of the average Canadian.

[*English*]

CLOSURE OF DIRECT MAIL UNIT AT THUNDER BAY

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, I have a number of petitions to table today, all of which have been duly certified under the provisions of Standing Order 106.

The first batch is signed by well over 300 people who live in the Thunder Bay—Nipigon and Thunder Bay—Atikokan ridings. They petition the House with regard to the closure of a direct mail unit of the Canada Employment Centre in Thunder Bay. They indicate in the petition that this decision will result in unemployment insurance clients from northwestern Ontario mailing their report cards directly to Belleville, Ontario rather than to Thunder Bay. Quite frankly this means that a number of them will not be receiving their cheques on time. In fact, if there are any problems, there will be many weeks of delay because of the administrative change. They call upon the Government to reject the decision.

UNEMPLOYMENT INSURANCE—POSSIBLE LOSS OF BENEFITS

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, the second petition, signed by over 100 residents of Thunder Bay, deals with the Forget report on unemployment insurance. They express concern about the transfer of benefits out of the regions. They oppose the annualization of the unemployment insurance program and call upon the Government to reject that suggestion and to enhance services available to them.

SUPPORT FOR COMMITTEE RECOMMENDATIONS ON REFUGEE STATUS DETERMINATION

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, the final petition I wish to table is signed by residents of the St. Catharines, Welland, and Niagara Falls areas of southern Ontario. It concerns the report of the standing committee of Parliament dealing with immigration.

It indicates that the committee has proposed a new procedure for refugee determination which is quicker and fairer than the one now in force.

It also points out that the report has the support of all Parties in the House, as well as the Canadian Council of Churches, the Canadian Bar Association, the Canadian Jewish Congress, and other groups and individuals. They ask that that approach be adopted by the Government of Canada.

Mr. Neil Young (Beaches): Mr. Speaker, I have several petitions on a number of subjects to present today. The first one I have the pleasure to present is duly certified correct as to form and content pursuant to the provisions of Standing Order 106.

The petitioners are from such places as Toronto, Oakville, Etobicoke, North York, Woodbridge, and Brampton, Ontario. The petitioners state that troubles in many parts of the world are causing people to seek safety in Canada, and that Canada

has established good standards of refugee status determination, which procedures have broken down under expected strains. They also indicate that the standing committee of Parliament proposed a new procedure for refugee determination which is quicker and fairer than the one now in force. This proposal has support from all Parties, as well as the Canadian Council of Churches, the Canadian Bar Association, the Canadian Jewish Congress, and other groups.

The petitioners humbly pray and call upon Parliament to enact legislation which will embody the principles of fair and complete oral hearings of claimants before a refugee board independent of the Immigration Commission, universal access to such hearings for every claimant in Canada, and a fair chance to arrive in Canada to present this claim.

OPPOSITION TO PROPOSED CHANGES TO PATENT ACT

Mr. Neil Young (Beaches): Mr. Speaker, the next petition has also been certified correct as to form and content pursuant to the provisions of Standing Order 106. It is from a number of residents in the City of Toronto.

The petitioners state that the Government's proposals to change the Patent Act relating to prescription drugs will increase drug prices for Canadian consumers and will severely restrict the ability of average Canadians to buy necessary prescription drugs.

They also state that the proposed measures will unfairly hurt Canadians whose health needs require the purchase of prescription drugs on an ongoing basis. As well they say that the proposals of the federal Government will result in higher costs for provincial government drug plans.

Therefore, the petitioners humbly call upon Parliament to reject proposals which will increase prescription drug prices for Canadians.

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, pursuant to Standing Order 106, I wish to present a number of petitions from a variety of Canadians across the country who are in opposition to Bill C-22.

They believe very strongly that with the passage of the Bill the price of prescription drugs, as you well know, Mr. Speaker, will rise dramatically. They believe that it will affect very negatively the senior citizens, the disabled, and the poor of the country.

I have another petition to present. It is from individuals in the Province of Quebec as well as individuals in British Columbia, in particular the Vancouver area. They are opposed to Bill C-22 and pray that the Government would withdraw the Bill because they believe it will affect very negatively the cost of prescription drugs.

I have another petition to present. It is also signed by residents of the Province of Quebec, particularly the Pointe Claire area. They are also opposed to Bill C-22.

They indicate that the monopoly granted to innovative pharmaceutical companies will prevent competition from generic companies and will result in an increase in drug costs and prices. They also indicate that it will severely restrict the ability of average Canadians to buy necessary prescription drugs. They call upon the Government to reject the proposals contained in Bill C-22.

I have another petition to present. Once again it is signed by residents of the Province of Quebec, in particular Pointe Claire. I also have another petition which is signed by residents of the City of Toronto, a city which is known to some members of the Chamber.

As well I have another petition which is signed by individuals from the City of Vancouver, North Vancouver, and Chilliwack, British Columbia. These petitioners call upon the Government to withdraw Bill C-22, the amendments to the Patent Act. They believe that it will negatively affect the cost of prescription drugs in the country, thereby affecting senior citizens, the poor, and the disabled.

OPPOSITION TO CANADA POST CORPORATE PLAN

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, pursuant to Standing Order 106 I have another petition to present. It indicates that the plan of Canada Post to adopt supermailbox service creates two classes of Canadian citizens in urban and rural regions. It also indicates that the closure of rural post offices will eliminate federal presence in numerous communities and will impede the effectiveness of postal service which is vital in rural areas.

• (1220)

The petitioners also say that the increase in postal rates, particularly for second-class mail, will imperil the distribution of numerous magazines, periodicals and regional newspapers as well as religious publications. The undersigned petitioners call upon Parliament to reject the corporate plan proposed by Canada Post Corporation, and to instruct the corporation to proceed with mail delivery to all Canadian taxpayers without discrimination.

OPPOSITION TO PROPOSED CHANGES TO PATENT ACT

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, I have several other petitions to present and I will try to summarize them as briefly as I can because I want to accommodate you and other Hon. Members who wish to rise on petitions.

The Acting Speaker (Mr. Paproski): All the Hon. Member has to do is summarize the prayer, if it is a petition on Bill C-22 or a petition on the post office.

Mr. Dingwall: I have a petition here signed by residents of Belleville, Ontario, and I am sure Hon. Members know where that is.

Mr. Rodriguez: Where?

Mr. Dingwall: Belleville, Ontario. I also have a petition signed by residents of Savary Island, British Columbia, and they call upon the Government of Canada to withdraw Bill C-22, the amendments to the Patent Act, because they believe it will negatively affect senior citizens who need to buy prescription drugs.

I have a petition signed by residents of Lethbridge, Alberta, one signed by individuals from St. Nicholas, Boxton Falls, New Brunswick, one from residents of Moncton, New Brunswick, one from individuals from Swift Current, Saskatchewan, and another one signed by individuals from the Province of British Columbia and the Province of Quebec. All six of the petitions I mentioned call upon the federal Government to withdraw Bill C-22, the amendments to the Patent Act, because they believe that it will cause an increase in the cost of prescription drugs.

The Acting Speaker (Mr. Paproski): I must say to the Hon. Member that the petitions were the same and therefore he should have lumped them all together and told us where they were from so we could carry on with the business of the House.

Mr. Dingwall: Mr. Speaker, thank you for your direction. I am attempting to abide by your wishes in that regard. I do not want to read out all the communities listed in the petitions because I think that would unduly delay the workings of the House, but I thought I would give a brief summary in accordance with—

The Acting Speaker (Mr. Paproski): Just the provinces would be sufficient.

Mr. Dingwall: Mr. Speaker, these petitioners wish to call for the withdrawal of Bill C-22, amendments to the Patent Act, for they believe it will cause an increase in the cost of prescription drugs, negatively affecting Canadians.

OPPOSITION TO CANADA POST CORPORATE PLAN

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, I have another petition with regard to Canada Post. Again, this petition is signed by individuals from the Province of New Brunswick, primarily the Restigouche area.

I also have another petition on the same subject matter signed by people from Shediac, New Brunswick. They too call upon the Government of Canada to withdraw the corporate plan which they believe at this time will have extremely negative effects on rural post offices in Canada and will create two classes of mail service.

REQUEST TO WITHDRAW TARIFF ON ENGLISH LANGUAGE BOOKS

Mr. Vic Althouse (Humboldt—Lake Centre): Mr. Speaker, I have a petition signed by Canadians from the Toronto area who point out that the Government of Canada has imposed a retaliatory tariff on imported books in the English language which has limited the access of Canadians to literature and information and that the tariff has little negative effect on the publishing industry of the United States yet penalizes Canada's consumers, book-publishers, booksellers, distributors and Canada's culture. They say that rising book prices have placed a strain on the book acquisition programs and policies of our nation's public and specialized libraries. The petitioners therefore pray and call upon Parliament to rescind this tariff, which threatens irreparable harm to the Canadian book industry and compromises federal policy on cultural industries in respect of fair trade negotiations which are part of this program.

Mr. McDermid: Presenting a petition that late, you should be ashamed of yourself. It was changed two months ago.

OPPOSITION TO CUT-BACKS TO NATIONAL RESEARCH COUNCIL BUDGET

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, one of the precious privileges of a Member of Parliament is the one of fulfilling the function of presenting to the House petitions from citizens of Canada. I would like to note that the petition that was just read, although it arrived late, illustrates one of those rare instances of the Government in fact recognizing what citizens have requested. Because there were those who were willing and able to fight on their behalf, there was a change in an arrangement that offended Canadians.

I have a number of petitions to present. The first is from petitioners who live in this very region, and I would like to assure you, Mr. Speaker, that it conforms to Standing Order 106. The petition is signed by a number of residents of Canada who wish to avail themselves of their ancient and undoubted right to present a grievance to the honourable House and they point out, Mr. Speaker, that there has been—

The Acting Speaker (Mr. Paproski): Order, please. I would hope that the Hon. Member would summarize the prayer and come to the point at the end of the petition.

Mr. McCurdy: Yes, Mr. Speaker, I was about to attempt to do that. I am sure you realize that there is no intent to do anything but ensure that the concerns of the citizens are properly and articulately presented. The petitioners are concerned about the cuts that were imposed upon the National Research Council, cuts which have disrupted scientific activity there, threatening the economic future of Canada as well as the health and safety of Canadian citizens. They say that the cuts will cause the loss of irreplaceable scientific expertise. Therefore, these petitioners humbly pray and call upon Parliament to rescind the funding cut-backs in the budget of the National Research Council including all consequent terminations and cut-backs in research activities and to provide funding for the space program from sources other than the NRC budget—

The Acting Speaker (Mr. Paproski): Order, please. I would like to bring to the attention of those Hon. Members who have only been here for a short period of time, and particularly to

their House Leader and their Whip, the method for presenting petitions. Citation 692 on page 213 of Beauchesne's Fifth Edition reads as follows:

> (1) While a Member may, if he desires, present a petition from his place in the House during Routine Proceedings and before the Introduction of Bills, he may also present his petition by filing it with the Clerk of the House.
>
> (2) When a Member presents a petition, he may not make a speech nor present argument in support of the petition.

I believe there are other members who would like to present petitions. Therefore, I would like Hon. Members to shorten their presentations. Particularly today, a national day of prayer, let us show a little love and affection between Members of Parliament. Let us get on with the business of the day.

Mr. McCurdy: Mr. Speaker, I hope that nothing I might have done would obscure the fact that I love both you and the rest of the Hon. Members here. However, I was reading the prayer and I thought I was very strictly following the directions you gave to us previously in these circumstances.

The petition goes on to mention the development of a national policy for research, science and technology based upon a target of 2.5 per cent of the GNP devoted to research and development.

SUPPORT FOR COMMITTEE RECOMMENDATIONS ON REFUGEE STATUS DETERMINATION

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, I have another petition which comes from Halifax and concerns the fact that there are many people in many parts of the world who seek safety. The petitioners note that Canada has had standards of refugee status determination that have worked well but have now suffered certain strains. They express concern about new procedures being enforced and support the position of the Canadian Council of Churches, the Canadian Bar Association and the Canadian Jewish Congress that Parliament ensure that the Government and Parliament will enact legislation that will embody the principles of fair and quick oral hearings of refugee claimants before a refugee board independent of the Immigration Commission, and as in duty bound your petitioners ever pray.

• (1230)

UNEMPLOYMENT INSURANCE—POSSIBLE LOSS OF BENEFITS

Mr. Howard McCurdy (Windsor—Walkerville): The next petition I have is from British Columbia. The petitioners note that fishermen across Canada fear their right to collect unemployment insurance is threatened. They point out that unemployment insurance must be improved in order to meet the needs of those who avail themselves of it. Therefore, they humbly pray and call upon Parliament to ensure that the Minister of Employment and Immigration (Mr. Bouchard) rejects any recommendations which would deprive fishermen of their right to collect unemployment insurance, and enter into consultations with all representatives of fishermen in order that improvements to the program be made, as in duty-bound your petitioners ever pray.

OPPOSITION TO PROPOSED CHANGES TO PATENT ACT

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, finally I have a petition signed by citizens from the Toronto area. They take exception to changes in the Patent Act which will increase prices of prescription drugs and unfairly hurt those Canadians who require drugs for their health needs. They note that these changes are a result of pressures imposed from an alien source. Therefore, they humbly pray and call upon Parliament to reject these proposals, as in duty-bound your petitioners will ever pray.

[*Translation*]

OPPOSITION TO CANADA POST CORPORATE PLAN

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I would like to present a petition signed by 630 constituents in the riding of Glengarry—Prescott—Russell, which, added to the 6,223 constituents who have presented similar grievances previously, adds up to a grand total of 7,353. The undersigned ask that the Canada Post Corporation drop its plans that would lead to shutting down a number of rural post offices. Petitioners also want the Canada Post Corporation to drop its plan to stop providing home delivery in urban areas.

[*English*]

UNEMPLOYMENT INSURANCE—POSSIBLE LOSS OF BENEFITS

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, it is my pleasure to present a petition on behalf of a number of British Columbia petitioners, pursuant to Standing Order 106. The petitioners are fearful that the federal Government is seriously contemplating taking away their right to collect unemployment insurance. Therefore, they ask Parliament to ensure that the Minister of Employment and Immigration (Mr. Bouchard) rejects any recommendation which would deprive fishermen of their right to collect unemployment insurance, and ask that the Minister enter into consultations with the fishermen in order that improvements to the program be made.

OPPOSITION TO PROPOSED CHANGES TO PATENT ACT

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, I have another set of petitions on a different topic altogether. The petitioners are concerned about the Government's plan to proceed with Bill C-22. They feel that these proposed changes to the Patent Act related to prescription drugs will increase drug prices for the average Canadian consumer, and they believe this is another example of the Canadian Government's concessions to the U.S. at the expense of average Canadians during the free trade negotiations. They ask Parliament to urge the Government to reject these proposals which they believe will increase prescription drug prices for Canadians.

Since I have the floor, and to get on with the business of the House, I would like to move, seconded by the Hon. Member for Churchill (Mr. Murphy):

> That the House move to the next item of business.

The Acting Speaker (Mr. Paproski): Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Paproski): All those in favour of the motion will please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed will please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion the yeas have it.

And more than five Members having risen:

Mr. Speaker: Call in the members.

• (1250)

And the division bells having rung:

The Acting Speaker (Mr. Paproski): Order. It being one o'clock, pursuant to Standing Order 9(2), I declare that the motion has lapsed. Therefore, I do now leave the chair until two o'clock this day.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S. O. 21

[*Translation*]

OFFICIAL LANGUAGES

NEED TO SUPPORT MLA PIQUETTE WHO HAS BEEN REFUSED RIGHT TO SPEAK FRENCH IN ALBERTA LEGISLATIVE ASSEMBLY

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Last Tuesday Alberta MLA Piquette was denied the right to speak French in the Alberta Legislative Assembly. Mr. Speaker, I want to say that I back his action and this morning I sent Mr. Piquette a telegram to express my support. I invite all Members of this House, regardless of their political affiliation, to stand behind Mr. Piquette and acknowledge the principle of the two official languages. I also urge the Prime Minister of Canada (Mr. Mulroney) to put this topic on the agenda of the next constitutional conference.

[*English*]

CANADA POST CORPORATION

FREE CARRIAGE OF MAIL BY NORTHWEST TERRITORIES AIRCRAFT PILOTS

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, in any other business the term "courtesy service" would have something to do with prompt, efficient service to the customer. To Canada Post Corporation, however, it means that travellers are expected to transport the mail free of charge as a courtesy to the post office.

Mail to and from the communities of Colville Lake, Jean Marie River, Trout Lake and Nahanni Butte in the Northwest Territories will not arrive unless delivered by some kindly, itinerant pilot who carries the mail bag out of the kindness of his or her heart and without recompense for his or her trouble.

Surely in this so-called "information age" this level of non-service where mail deliveries can be three weeks apart is completely unacceptable.

* * *

[*Translation*]

OFFICIAL LANGUAGES

COURAGE OF NEW DEMOCRATIC ALBERTA MLA, LÉO PIQUETTE—SUPPORT OF CANADA AND QUEBEC NEW DEMOCRATS

Mr. Robert Toupin (Terrebonne): Mr. Speaker, I must express the pride I feel with respect to NDP Alberta MLA Léo Piquette and the cause he is defending, namely the recognition of French in Alberta. It shows he is a courageous man, and I want to assure him that all New Democrats in Quebec and the rest of Canada are behind him with encouragement and support in the defence and recognition of the French language in Alberta.

That is a concrete and specific example of New Democratic action in favour of the recognition of the French language.

* * *

RESEARCH AND DEVELOPMENT

GOVERNMENT EXPENDITURES

Mrs. Suzanne Duplessis (Louis-Hébert): Mr. Speaker, today in his article on federal research and development contracts in Quebec, Michel Vastel once again searched his prodigious memory and came up with statistics tailor-made to create regional tension, distort the performance of this Government and above all, raise suspicions about our efforts to bring about national reconciliation. Mr. Vastel, with his selective memory, used only DSS statistics for research and

development contracts, which represent less than 10 per cent of federal spending on research and development.

Mr. Speaker, this is a gross misrepresentation of the facts. I want to give the House the figures for all *extra muros* expenditures on research and development. According to Statistics Canada, in 1984-85, the latest year for which complete statistics are avaible, Quebec received 27 per cent, Ontario 32 per cent and British Columbia 12 per cent, which is about in proportion to the population of these provinces. This distribution of federal spending on research and development is fair by any standard.

Mr. Speaker, would you not agree that it is necessary to correct these distortions here in the House and to point out the kind of injustice being perpetrated against this country by the well-intentioned members of the fourth estate?

* * *

HOUSING

PRINCIPAL CLIENTELE OF SOCIAL HOUSING—NEED FOR GOVERNMENT ACTION

Mrs. Lucie Pépin (Outremont): Mr. Speaker, 1987 is the year of shelter for the homeless. We are told that single-parent families headed by women, women who are on their own, are the largest group seeking subsidized housing in Canada. The latest changes introduced by the Government with respect to subsidized housing do not in any way meet the needs of these women. In fact, it has been made even more difficult for women to gain access to low cost housing because the maximum allowable income to be eligible for this kind of housing is still set far too low.

In addition to the financial aspect, housing is a special problem for women in certain groups such as native people, immigrants, the handicapped, single mothers, teenage mothers, victims of abuse, and of course the homeless.

We think it is intolerable that 52 per cent of the population of Canada should be faced with this kind of problem in a country where adequate housing is not a privilege but a right.

I therefore want to ask the Government to correct this deplorable situation as soon as possible.

* * *

[*English*]

HISTORIC EVENTS

SEVENTIETH ANNIVERSARY OF BATTLE OF VIMY RIDGE

Mr. Reginald Stackhouse (Scarborough West): Mr. Speaker, April 9, 1987, is the seventieth anniversary of the Battle of Vimy Ridge. Eloquent testimony to it was given in the House on April 3. However, it should be referred to in the record of our proceedings on the anniversary date itself.

Many through the years since 1917 have seen this battlefield as the birthplace of Canada's national consciousness. For the first time persons could be conscious of being Canadians first, before being British or French or any other ancestry.

• (1405)

Of the 600,000 who served Canada in World War I only 14,000 now survive. But those men and women should know that this House remembers what they did to advance Canada from colony to nation.

Some Hon. Members: Hear, hear!

* * *

REFUGEES

TRANSIT VISA ORDER—EFFECT ON CHILEANS IN ARGENTINA

Mr. Dan Heap (Spadina): Mr. Speaker, the Government has taken a strange course of action against Chileans fleeing the oppression of General Pinochet. On February 20 a transit visa order with no grace period as allowed in all previous cases was aimed specifically against Chileans, by name. That weekend a planeload of Chileans was stopped in Buenos Aires and the consul who approached them told them that they were not refugees but just economic migrants, without examining their case.

Since then the Minister of Employment and Immigration (Mr. Bouchard) and the Minister of State for Immigration (Mr. Weiner) have repeated again and again that they are all economic migrants, even though they were forced to make two exceptions. They have ignored the advice of the United Nations' Miss Herrera. They have ignored the advice of a Montreal lawyer experienced in these matters who went there to examine 34 of the claimants. They were simply told to send this information to the same consul who told them in the first place, without examination, that they were only economic migrants.

We read in *The Globe and Mail* that the Minister has no control over his visa officer except moral suasion. In other words, the Minister is now covering up for the anti-Chilean refugee bias of his consul in Buenos Aires.

* * *

[*Translation*]

LIBERAL PARTY

LEADER'S POSITION

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, at the end of a two-day caucus on political organization, the Leader of the

Liberal Party could see for himself that his Party is experiencing communication problems.

However the positive aspect is that the leader strengthens his position as such, at least when he physically appears with his troops, and their discipline was obvious in this House when the President of the United States referred to the liberalization of our trade: none of the Liberals applauded in the House. When the American President mentioned the priority of private enterprise, no applause from the Liberals. When the President linked foreign aid to trade liberalization, again no applause from the Liberals. When the President twice rose the issue of national defence, no applause from the Liberals.

Mr. Speaker, this is hardly the way to launch a communication program. If the Leader of the Liberal Party is anxious to have more photo sessions with the President of the United States he will have to change his negative approach towards the United States, and perhaps he ought to be more receptive with respect to the positions of the dissident members of his caucus.

Then he might not have to tell the House—and we have our doubts about this—and I quote: "The President asked to see me". See *Hansard* for April 7, 1987.

* * *

[*English*]

ROAD SAFETY

SUGGESTED MANDATORY INSTALLATION OF SHOULDER BELTS IN CAR BACK SEATS

Mrs. Thérèse Killens (Saint-Michel—Ahuntsic): Mr. Speaker, I have another letter which I wish to put on the record on the subject of making three-point rear seat-belts mandatory in all cars built or sold in Canada. The letter is addressed to Dr. Campbell of Transport Canada and is signed by Mrs. Marilynn Riseborough of Woodlawn, Ontario. It states:

> While watching the TV program *The Fifth Estate* . . . I was shocked to hear one of your staff members . . . say that one of the reasons for no shoulder seat belts in the back seats of cars in Canada was "because not many people ride in the back seats of cars in Canada"—
>
> One car manufacturer's representative on the same program stated the cost for these shoulder belts is negligible.
>
> You people set the standard, why are you not seeing that these belts are mandatory in all vehicles sold in Canada!
>
> This is not a new problem to me. When my daughter was two years old in 1972 I found out that lap belts can paralyze a child in accidents at 30 mph . . . I ordered a harness from Mothercare in England and had my car dealer anchor it to the frame of my car. This harness went over both shoulders and the lap.

I call upon the Government to force car manufacturers to install three-point rear seat-belts in all passenger cars built and sold in Canada.

S. O. 21

HISTORIC EVENTS

SEVENTIETH ANNIVERSARY OF BATTLE OF VIMY RIDGE

Mr. Gerald Comeau (South West Nova): Mr. Speaker, 70 years ago today an army of Canadians achieved the impossible. They dislodged the enemy occupying Vimy Ridge.

The French Army had lost 150,000 men trying to do this, and the British Army fared no better. Through sheer bravery and determination our soldiers achieved what most people thought was hopeless.

During the course of the attack the highest point of the Ridge standing 470 feet above the plain could not be taken. The brave troops of Quebec, Ontario, and B.C. were beaten to a standstill by the enemy perched atop this vantage point.

At dusk the men of the Nova Scotia Highlanders were ordered to advance. The Nova Scotians attacked with a frenzy, driving the enemy off the ridge and carried on down the other side, advancing farther than any other regiment in that battle.

• (1410)

Those who took part in this action included men from my riding like Sydney Goodwin of Lower Argyle; Clifford Doucette of Weymouth who, alone and with only a rifle, dispatched the entire crew of an enemy machine-gun; Charles Hersey of Freeport, or Lewis Gates of Middleton who single-handedly operated his machine-gun for 48 hours against the enemy. Some of these men did not survive the battle, but in making these sacrifices Nova Scotians succeeded where so many others had died in their attempts.

Some Hon. Members: Hear, hear!

* * *

HISTORIC EVENTS

SEVENTIETH ANNIVERSARY OF BATTLE OF VIMY RIDGE

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, today is the seventieth anniversary of the Canadian victory at Vimy Ridge. I was particularly moved by the passage from Pierre Berton's book quoted in *The Globe and Mail* today which described how the sound of artillery smothered the skirl of the pipes. As a piper myself, and as a grandson of a piper who was there at Vimy Ridge after having been gassed and temporarily blinded at Ypres and wounded at the Somme, I have always taken a special interest and a special pride in the story of the Canadian Expeditionary Force in World War I, as all Canadians should, Mr. Speaker.

The spirit of togetherness which animated Canadians on that day and which contributed to their victory is something that should be remembered, cherished, lived and enhanced in our day. Whenever we are tempted by regional grievances, however justified they may be, we should not forget that on that morning, for those Canadians who have a place of honour

in our history, there was no west, no east, no centre, no periphery, only Canadians, all wearing the same uniform and united in purpose.

Let us pray for a vision of Canada in a peaceful world that could do for us in peacetime what was done for us in war on that morning.

* * *

AGRICULTURE

NEED FOR SOIL CONSERVATION

Mr. Bill Gottselig (Moose Jaw): Mr. Speaker, work toward overcoming problems of farm finance and work toward overcoming problems of soil degradation must not be taken in isolation one from the other. Only about 5 per cent of Canada's land area has a significant agricultural capability. Most of that land is already under production and threatened by any number of sources of soil degradation. If our soil disappears, so do our farmers, our jobs and the very food we eat.

As the Saskatchewan Association of Rural Municipalities and many others have pointed out, soil conservation is everybody's business. A commitment to soil conservation is required by all if Canada is to feed present and future generations. This commitment must come not just from farmers but also from consumers, farm chemical and farm machinery producers, and Governments.

I welcome the initiative taken by the Minister of Agriculture (Mr. Wise) and his Department to launch a major public awareness campaign related to soil conservation in Canada. I welcome the federal Government's commitment to working on the problem of soil degradation, but I would like to remind the House that soil conservation efforts must be taken in accord with, and not in opposition to, efforts taken by the Government to help farmers overcome problems of capital restructuring, debt financing, low commodity prices and other problems of farm finance. It is a tall order, but it is one that this Government can deliver.

* * *

PETRO-CANADA

POTENTIAL TO PROMOTE COMPETITION

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, it is imperative that the Conservative Government realizes that Canada's public interest, like that of all other industrialized countries, involves ensuring an adequate supply of energy at reasonable prices.

The Restrictive Trade Practices Commission report "Competition in the Petroleum Industry" released in May, 1986, concluded that Petro-Canada should play a leading role in providing a stable and competitive market-place. The report stated:

> The fact that (Petro-Canada) is government owned—offers a unique opportunity to . . . use Petro-Canada's potential to promote competition in an industry where the extent of concentration in conjunction with vertical integration continually threatens the vigour of market forces . . . Petro-Canada gives the Government the opportunity to reduce the competitive restraints and associated public cost of that market, not only without having to pass special laws, but in ongoing pervasive ways that could not be achieved by laws.

The Government is planning to sell off Petro-Canada. This Tory Government is simply and clearly not capable of defending Canada's public interest when it comes to ensuring an adequate supply of energy at reasonable prices.

* * *

• (1415)

THE ECONOMY

ALBERTA—TREATMENT BY GOVERNMENT

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, these are bleak days in Alberta. The economy is stalled, the ranks of the unemployed are swelling, and the food banks are packed. From Red Deer to Lethbridge, from Lac La Biche to Coutts, and from Three Hills to my home town of Longview, people are asking themselves whose interests the federal Government is standing up for? Apparently it is not the interests of ordinary Albertans.

What average Albertans want is what Canadians in all parts of Canada want. They want to be treated and respected as first-class citizens. They do not want their problems and their hardships to be an afterthought. After all, the problems facing someone who is unemployed in Edmonton are the same as those faced by someone who is unemployed in Montreal, Chicoutimi, or Windsor. Yet there is a growing feeling in Alberta that its concerns, its problems, and its aspirations are not being treated by the Government with the same degree of attention as the concerns of other provinces. When voices are raised pointing out the situation, they are threatened, muzzled, and silenced. This is no way to deal with those who seek to express the true sentiments of average Albertans.

Alberta can make a dynamic and exciting contribution to Canada. It is time that Alberta and Albertans were not taken for granted by the Government. Perhaps next time Albertans will ask themselves just who really speaks up for average Albertans and their families.

* * *

CANADA POST CORPORATION

NON-DELIVERY OF MAIL TO SMALL BUSINESS

Mr. Alfonso Gagliano (Saint-Léonard—Anjou): Mr. Speaker, I want to read to the House a letter which I received:

Gentlemen:

There is a man in the post office so powerful that when he coughs the post office chokes.

Everyday, since 1982, this man has delivered a bag containing hundreds of pieces of mail to this company.

Last Monday he got sick. The bag of mail did not arrive. The next day I called the post office and after finally discovering a phone that somebody would answer, I got the whole story.

It goes like this. The post office is understaffed, so when our man gets sick our company doesn't get any mail unless a temporary replacement can be found. A few hours after my call, someone did drop off a few pieces of mail, but as at Wednesday at 2.30 p.m., the mail we should have received has not arrived.

Now it's not as if our offices are isolated in the middle of some northern tundra. We are located in the middle of downtown Toronto about two blocks from Maple Leaf Gardens (I guess Harold Ballard isn't getting his mail either).

Is there mail after death? I guess we'll find out soon enough because it's postal service like this that kills small business.

* * *

HISTORIC EVENTS

SEVENTIETH ANNIVERSARY OF BATTLE OF VIMY RIDGE

Mr. Speaker: Before proceeding with Oral Question Period, and although it is not normal for a Speaker to comment upon statements made in the House, I think it is in the interests of all Hon. Members and those Canadians watching to note the number of members who rose to speak of the great Canadian challenge and victory at Vimy.

I am deeply touched by what I have heard because my father, Clarence Rosswell Fraser, was a stretcher-bearer in the Canadian Corps in that great battle.

Some Hon. Members: Hear, hear!

Mr. Speaker: Oral Questions. The Hon. Member for Winnipeg—Fort Garry.

Mr. Axworthy: Mr. Speaker, I am sure all Hon. Members of the House would associate themselves with the remarks you have just made on behalf of the Commons.

Some Hon. Members: Hear, hear!

ORAL QUESTION PERIOD

[*English*]

SENATE REFORM

PROVINCIAL PROPOSAL—GOVERNMENT POSITION

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, my question is for the Prime Minister. It concerns a very vital issue to western Canadians, that is, the issue of Senate reform.

As the Prime Minister will know, the Premier of Alberta has already declared in favour of a form of elected equal Senate. I think to the satisfaction of many of us, the Premier of Ontario has indicated that he is now prepared to consider such a proposal.

Could the Prime Minister indicate to the House whether he and his Government are also in favour of such a proposal and whether he intends to include or incorporate that topic as part of the forthcoming federal-provincial talks on the Constitution?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, with regard to the latter part of the question, which I believe applied to the upcoming talks scheduled for April 30, it was agreed at the meeting of provincial First Ministers in Edmonton last year—and I believe it was chaired by Premier Getty—that the first round of constitutional discussions would relate exclusively, it is my understanding, to the attempted resolution to bring Quebec back into Confederation. After that, if that were to be successfully concluded, it was agreed that the federal Government would move on to other areas of concern to the provinces, including the question of Senate reform.

• (1420)

REQUEST FOR FEDERAL COMMITMENT TO INTRODUCE REFORM PROPOSALS

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, the Prime Minister was quoted as saying almost two years ago now that the Government which he heads would bring forward proposals on Senate reform before the end of its mandate which is now getting very close.

Is the Prime Minister prepared to commit today specifically that the Government will bring forward proposals dealing with a model or formula for an elected, equal Senate as part of the constitutional reform within the next 18 months?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I understand that today the Liberal Party of Canada expresses its support for an elected Senate with equal representation from all provinces. I understand that is quite at variance with the position of the Liberal Party of Canada in regard to the Senate adopted formally in 1983. I would like to point out to my hon. friend—

An Hon. Member: No, '87.

Mr. Mulroney: Yes, this is 1987. If this is the position of the Liberal Party in 1987, I know my hon. friend would want to rise and confirm that.

The commitment I gave to the country was for after we proceeded with these constitutional arrangements that I am sure all Parties are endeavouring to reach in regard to bringing Quebec back into the Constitution. Indeed, the First Ministers themselves set it out in a communiqué and, pursuant to that, I would be happy to meet with them hopefully at a mutually

convenient time thereafter to consider the question of Senate reform.

It was my understanding that all First Ministers who signed that communiqué in Edmonton last summer believed that a condition precedent to consideration of this kind of constitutional reform was a mutually satisfactory resolution of the question of bringing Quebec back into Confederation.

GOVERNMENT POLICY

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, I can certainly tell the Prime Minister that the report of the western caucus of our Party which was made today endorses that principle, based upon very extensive discussions with westerners about its need.

Some Hon. Members: Oh, oh!

An Hon. Member: All one of them.

Mr. Hnatyshyn: Was it with the Senators?

Mr. Speaker: Order, please.

Mr. Axworthy: Mr. Speaker, I would only say that it is a little unseemly for a Party that has taken no position and for a Party that wants to abolish the Senate to deride a commitment on the part of western Canadians to get better and equal representation at this national level. We are prepared to put our position on paper and in public.

Does the Government endorse the basic principles of Senate reform and the objective of an equal and elected Senate? Will the Government bring forward proposals within the next 18 months so western Canadians and others in the regions will know that they can get a much better deal from Ottawa than they are getting now from this Government?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I caution my hon. friend. If he is going to get into this kind of discussion which is clearly designed to exacerbate any regional difficulties which may exist, I would point out to him that since this Government came into office the unemployment rate, an important indicator of economic activity, has fallen in the following way: the lowest rate of unemployment in Canada is in Manitoba.

Mr. Riis: NDP Government.

Mr. Mulroney: The second is in Ontario, the third is in Saskatchewan, and the fourth is in Alberta. That is progress and equality brought about by fair and equal representation in the elected Cabinet of Canada, something which was lacking so often under Liberals.

Mr. Murphy: Alberta used to be better off.

Mr. Mulroney: Alberta used to be better before they got a whiff of the NDP.

Mr. Riis: Say that in Kilgour's riding.

Mr. Mulroney: When Mr. Broadbent hears that they are talking again, they will be in trouble.

Some Hon. Members: Oh, oh!

• (1425)

Mr. Mulroney: I tell you, the telephone lines are going to be humming.

I invite my hon. friend to refer to the Edmonton declaration after the 27th Annual Premiers' Conference of August 10 to August 12, which said: "The Premiers unanimously agreed that their top constitutional priority is to embark immediately upon a federal-provincial process using Quebec's five proposals as a basis for discussion to bring about Quebec's full and active participation in the Canadian federation. There was a consensus among the Premiers that then they will pursue further constitutional discussions on matters raised, which includes Senate reform."

If the matter of Senate reform is reached pursuant to this formula enunciated by the Premiers, the Government of Canada will have a proposal to put forward in regard to Senate reform.

* * *

AGRICULTURE

INTEREST RATES AND FEES CHARGED FARMERS BY CHARTERED BANKS

Mr. Maurice Foster (Algoma): Mr. Speaker, my question is directed to the Minister of Agriculture, but I might point out to the Prime Minister that western agriculture is facing the worst financial crisis since R. B. Bennett was Prime Minister. That tells us something about the Prime Minister.

The Minister of Agriculture knows that many farmers have been overcharged on interest by the banks which switched from a fixed rate to a floating rate before 1982. In one case in Alberta the overcharge amounted to $240,000. We learned just yesterday that banks are demanding a $500 fee to show farmers their loan accounts. Will the Minister demand that the banks stop gouging farmers, repay the overcharges, give them the information they need, and straighten this matter out?

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, I would be glad to look into the allegations about whether they are charging this fee or not. I must remind the Hon. Member that I have asked the Inspector General of Banks to inquire into the scope of this program. I hope he will be getting back to me in a few weeks.

REQUEST THAT BANKS BE OBLIGATED TO PROVIDE ACCOUNT INFORMATION TO FARMERS

Mr. Maurice Foster (Algoma): Mr. Speaker, I talked to the Inspector General of Banks yesterday and he said their inquiry

is only from the point of view that the banks may become insolvent because they have to repay all this money to the farmers. The Inspector General has no power to require the banks to stop charging this $500 fee to farmers for looking at their accounts.

If the Minister cannot get the co-operation of the banks, is he prepared to bring in legislation which would require the banks to provide this information to farmers? Many farmers are facing the loss of their farms because the banks have overcharged them.

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, my answer is the same as it was to the first question. I will look into whether the banks are making such a charge. If they are, we will look at the circumstances. However, I have to remind the Hon. Member that these cases have gone different ways in the courts. The floating rate has been sustained in some instances and a fixed rate in others. The best way to pursue this is of course through the court system, farmer by farmer, individual by individual. They should have the information necessary to pursue that route and I hope the banks will co-operate.

* * *

[*Translation*]

SUPPLY AND SERVICES

OBJECTIVE AND SCOPE OF INQUIRY

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, my question is directed to the Minister of Supply and Services.

Yesterday, the Minister said in the House that she had ordered an inquiry to investigate the activities of the Advertising Management Group in her Department. Could the Minister inform the House what activities and which individuals this inquiry will investigate? And will she table in the House the terms of reference of the inquiries so that Canadians will know what is going on?

Hon. Monique Vézina (Minister of Supply and Services): Mr. Speaker, it is true that yesterday I announced the Department would be conducting an inquiry to investigate allegations of a conflict of interest on the part of Mr. Péloquin. I have asked for an inquiry that will evaluate the legal aspects of the allegations of conflict of interest.

[*English*]

QUERY CONCERNING TERMS OF REFERENCE

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, I will now try it in English. The Minister announced the inquiry yesterday. Will she tell this House who is going to be conducting the inquiry and what its terms of reference are? What is she investigating? What is she inquiring into? I want her to let us in on this inquiry so that all Canadians can be aware of what is going on in her Department.

[*Translation*]

Hon. Monique Vézina (Minister of Supply and Services): Mr. Speaker, first of all, I would like to set the record straight. Mr. Jean Péloquin is not a public servant but a consultant hired under contract on an annual basis. He was a member of an advertising management group which, as I have said several times before, has done fantastic work by cutting costs and restoring the competitive aspect of this sector.

Indigo is a production, not an advertising firm. The Advertising Management Group's mandate was to advise the Government on advertising proposals, not on production.

I just said that an inquiry has been ordered in my Department to evaluate the legal aspects. If necessary, once this inquiry has been completed, I will expand the inquiry's terms of reference and order an internal inquiry, because I think it is important for people in the Department to know how to work with the extremely effective system introduced by this Government.

• (1430)

[*English*]

MINISTER'S POSITION

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, yesterday in this House the Minister said that she was dismantling a patronage system and that it is an honest process. Yet, outside the House she said:

[*Translation*]

If you had to advertise yourself, wouldn't you give the job to a friend whom you could trust to get your message across? I would.

[*English*]

In other words, if you want somebody to promote you, you would choose your friends. "I would", the Minister said. It appears that patronage is alive and well. Would the Minister not agree that her contradictory remarks, those made in this House and those made outside, are indications that the patronage system is still alive and well in the Conservative Government?

[*Translation*]

Hon. Monique Vézina (Minister of Supply and Services): The greatest challenge to this Government has been to restore the confidence of Canadians by getting the economy back on track and renewing the desire of Canadians to work together. I am sure that after this inquiry we will be able to work in complete confidence, because I have confidence in my staff and in their desire to work with the private sector, because we in the Government know that we must be able to trust the people with whom we work, and we will always work with people we can trust.

Mr. Boudria: Thanks to her last "joke", Mr. Speaker, we can appreciate the Minister's sense of humour.

PATRONAGE—MINISTER'S POSITION

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, my question to the Minister also deals with the Péloquin case. Yesterday, she was reported as saying: "We have established a competition system. We are dismantling a patronage system". Could the Minister indicate to us when she adhered to her new way of thinking, because concerning the Conservatives, she stated last year in the *Le Soleil* newspaper, and I quote:

> Because they are our friends. Because we share the same ideas, the same views, the same ideal.

—thus favoring Conservatives. Is the contract awarded to Mr. Péloquin an example of good patronage, as she described it last year, or is it an example of the reform she announced yesterday in the House of Commons? Which of the two is it?

Hon. Monique Vézina (Minister of Supply and Services): Mr. Speaker, my only concern is to re-establish fairness. The system which has been implemented has reintroduced competition, something which did not exist before.

Mr. Boudria: Mr. Speaker, the Canadian people have at last found a promise which the Conservatives have fulfilled, that of patronage.

[*English*]

PÉLOQUIN CONTRACT

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, less than an hour ago I was refused a copy of the government contract with Mr. Péloquin by the office of the Minister of Supply and Services. Could the Minister explain why I was refused a copy of this contract? Is it stonewalling similar to that which I got from her colleague, the Minister of Public Works, with regard to the Vincent Massey affair in Hull? What is the Government trying to prove by hiding these contracts?

[*Translation*]

Hon. Monique Vézina (Minister of Supply and Services): Mr. Speaker, reconsidering the very efficient system we have set up is out of the question. If the document to which you are referring is available under the freedom of access legislation, I can assure you that you will be able to receive it.

* * *

[*English*]

PUBLIC WORKS

PLACE VINCENT MASSEY—REOPENING OF LEASE

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, my question is directed to the Minister of Public Works and is with regard to the multimillion dollar boondoggle at Place Vincent Massey. I have before me a copy of a memo from the former Minister of Public Works to his Deputy Minister in which he states as follows:

> With a base rate of $4.47/sq. ft. and considering that for this type of building the market rate is five times higher, you can understand the financial situation facing Mr. Tessier.

It is now clear that this lease was renegotiated to bail Mr. Tessier out of a lease which he felt was at an unacceptably low rate. Will the Minister explain why his Government placed the private financial interest of Mr. Tessier, who coincidentally happens to be a friend of the Principal Secretary of the Prime Minister, ahead of the taxpayers of Canada? Why did he do that?

Hon. Stewart McInnes (Minister of Public Works): Mr. Speaker, apparently the Hon. Member has been absent from the House and perhaps from the country for the last two days because we have had considerable exchange of views about the merit of this proposition. Yesterday we had a press conference dealing with all inquiries relevant to this issue. There is absolutely not one iota or scintilla of evidence to suggest any inappropriate involvement in this issue. I challenge the member for the fifteenth time to put forward on the floor of this House, or outside, the basis of his suggestion that we have done something inappropriate.

Mr. Robinson: Mr. Speaker, I am quite prepared to say outside what I am saying inside, which is that this memo from the Minister to his Deputy makes it quite clear that the Government was bailing out a friend of the Prime Minister's Principal Secretary.

PRODUCTION OF DOCUMENTS

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, why is it that the document setting out the supposed alternatives which the Minister tabled yesterday at his press conference, at which he admitted that these figures were way beyond his scope, was in fact a doctored document which did not exist at the time the original proposal was made? Why does he, through his office, refuse to make available the original documents setting out these alternatives? What is he trying to cover up?

Hon. Stewart McInnes (Minister of Public Works): Mr. Speaker, I do not know how one could infer that there has been a cover-up when I had a conference with 40 members of the press and exposed myself to any questions they wished to ask. I had officials there to respond to the computations involved in the four alternatives. That was fully explained. I challenge the Hon. Member or any person of conviction to indicate that we have pursued the wrong course.

HOUSE OF COMMONS

PRESENCE IN GALLERY OF SPEAKER OF THE LEGISLATIVE COUNCIL OF THE BRITISH VIRGIN ISLANDS

Mr. Speaker: I wish to draw the attention of members to the presence in the Gallery of the Hon. Keith Flax, Speaker of the Legislative Council of the British Virgin Islands.

Some Hon. Members: Hear, hear!

PRESENCE IN GALLERY OF MINISTER OF ECONOMICS FOR THE FEDERAL REPUBLIC OF GERMANY

Mr. Speaker: I also wish to draw to Members' attention the presence in the Gallery of the Hon. Martin Bangemann, Minister of Economics for the Federal Republic of Germany.

Some Hon. Members: Hear, hear!

* * *

GOVERNMENT ADVERTISING

REQUEST FOR PUBLIC INQUIRY

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, I would like to ask a question of the self-described Minister responsible for patronage in government advertising.

Some Hon. Members: Order, order!

Mr. Guilbault (Saint-Jacques): Mr. Speaker, I do not know why I am interrupted by the Tories. I am trying to achieve what their Hon. Member for Edmonton—Strathcona says should be done, that is, that the Government clean up its act on patronage.

• (1440)

I want to come back to the limited internal inquiry that has been called for by the Minister which, as she just said, is supposed to look only within her own Department. Unfortunately it will not be able to deal with the whole network and look into the Ritz-Carlton committee, Roger Nantel, Senator Bazin, and Mr. Meighen. Who will inquire into the involvement of all these Tory friends? Will the Minister not make the right decision now and call for a full public inquiry into all the aspects of how the Government awards contracts?

[*Translation*]

Hon. Monique Vézina (Minister of Supply and Services): Mr. Speaker, I am looking for a term to characterize the question just put by the Hon. Member. I suggest it is mudslinging by association. I never heard of the committee you are referring to. I referred yesterday to a selection, jury made up of public servants from the client departments, that evaluated the tenders submitted. I never heard anything concerning that committee.

The investigation is limited to my Department.

Oral Questions

PÉLOQUIN AFFAIR—MINISTER'S POSITION

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, if the Minister does not know of the committee I have just described, she certainly knows Mr. Péloquin. Concerning that individual, she is reported as saying yesterday, and she will confirm if true: We are keeping Mr. Péloquin in office for the time being. And I read in the paper the following quote, between brackets: "We still need him right now". What I would like to ask the Minister is this: How can she keep in office someone who is being investigated, who is suspected of conflict of interest? How can she say that she still needs him? Is the Minister not prepared to do the right thing and state in this House that Mr. Péloquin is now suspended until the investigation is completed?

Hon. Monique Vézina (Minister of Supply and Services): Mr. Speaker, Mr. Péloquin is a consultant. A consultant is hired by contract, a legal effect that warrants the hiring of a consultant. That contract ended on March 31. On his request, we did not renew that contract. Mr. Péloquin is no longer in our employment. Faced with the allegations that have transpired, as Minister in charge, I have therefore ordered an investigation on the legal aspects of the allegations that were being made. Mr. Péloquin no longer works in my Department.

* * *

SCIENCE AND TECHNOLOGY

AWARDING OF CONTRACTS—INQUIRY WHY QUEBEC ALLEGEDLY IS LESS FAVOURED THAN OTHER PROVINCES

Mrs. Suzanne Duplessis (Louis-Hébert): Mr. Speaker, my question is directed to the Minister of State responsible for Science and Technology. This morning *Le Devoir* reported that Quebec had received less than 10 per cent of the research contracts funded by the federal Government during the first fifty-one weeks of 1986-87, while Ontario and British Columbia received a larger share. In the light of its commitments, how can the Government justify this kind of imbalance?

[*English*]

Hon. Frank Oberle (Minister of State for Science and Technology): Mr. Speaker, I too read the article in the French press and was rather surprised. My first instinct was to make sure that the article was reprinted in the press in Vancouver.

Upon reflection, I found that the figures used in the article are as irrelevant and false as similar figures presented in the Vancouver press which indicate that, with 12 per cent of the population, only 3 per cent of federal contracts have gone there. The figures are quite erroneous and false.

Oral Questions

TAX REFORM

TREATMENT OF CAPITAL GAINS

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, my question is directed to the Minister of State for Finance. I believe he has received a copy of the New Democratic Party's third interim report on the tax system, this time on the personal tax system, which we published today.

One of the findings in that report is that, contrary to the Government's suggestion that the $500,000 capital gains tax exemption largely helps farmers and small business, in fact 55 per cent of the benefit of the special treatment of capital gains goes to 1 per cent of taxpayers whose income exceeds $50,000. They are mainly investors. Given the degree to which special treatment of capital gains is directed to wealthy Canadians, is the Government committed to making the tax system fair and, if so, is there any way in which a reformed tax system based on fairness can include the maintenance of that $500,000 capital gains tax exemption?

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, I have been informed about the report of which the Hon. Member speaks. I am very pleased that they are catching up with the themes of tax reform that the Government has brought forward. We have laid down fairness and simplicity as two of the major objectives of our tax reform. I see that the Hon. Member's Party agrees with those.

In regard to the question of the $500,000 lifetime capital gains exemption, I am also pleased that this morning the Party agreed with that in terms of farmers and small business. They fought it when it originally came in; now they agree with it.

Mr. Cassidy: The Minister seems to have forgotten that the minimum tax which was proposed in the House was directly because of the initiative of my Leader in the 1984 election.

MINISTER'S POSITION

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, the figures we have from the Department of Finance indicate that Canadians earning more than $250,000 a year save more in tax from the special treatment of capital gains each year than the average Canadian earns. Can the Minister name one tax expert in Canada who believes that the $500,000 capital gains lifetime exemption has any place in a fair and progressive tax system?

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, we will not exchange names of economists and tax accountants. There are many of them who have recommended that. Part of the Government's approach to tax reform is to look at the whole range of personal income tax exemptions and personal income tax rates. It is the same at the corporate level and the federal sales tax level. Major reforms will be included in the Government's examination of tax reform. That subject will be examined along with all others.

AIRPORTS

INITIATIVE TO INVOLVE PROVINCES AND MUNICIPALITIES

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, my question is directed to the Prime Minister. It concerns this morning's announcement by the Minister of Transport that Canada's airports are now up for sale or divestiture by way of lease. Given that Canada's nine largest airports lost $157 million, according to Transport Canada's financial statement, in 1985-86, why has the Government of Canada approved this thinly veiled policy to cut costs and cut services to Canadians in Canada's airports in advance of any public hearing process and review by the Standing Committee on Transport, the appropriate Standing Committee of the House?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I believe the Hon. Member has it all wrong. The Minister of Transport has initiated an opportunity for provinces, municipalities, and airport authorities to become involved in the management and operation of airports throughout Canada. They are indeed a very important centre of economic activity in most communities and this initiative has been in response to a number of communities that have stated their desire to have a greater say in the management and operation of airports. This is a responsive Government, and that is what the Minister of Transport is doing.

Mr. Tobin: What the Government of Canada is trying to initiate is an opportunity for municipalities and provinces to buy a pig in a poke.

COMMITTEE REFERRAL

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, the fact of the matter is that $157 million was lost by Canada's nine largest airports, according to Transport Canada's own financial statement in 1985-86.

Mr. McDermid: How much of that was Mirabel?

Mr. Tobin: It was $56 million in Mirabel.

The appropriate Committee of the House of Commons has never had this matter referred to it for a public hearing process. Will the Deputy Prime Minister give us a commitment to put this policy decision on hold until Canadians, as they deserve, have a chance to have a say in this government policy initiative which will ultimately result in Canadians having less service than is currently being provided through the Government of Canada?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, the Hon. Member is talking through his hat in more ways than one. First, this proposal is not a compulsory policy, it is a voluntary policy. Any community or province, or any authority that wants to be formed in terms of management of an airport

system, can come forth and make proposals to the federal Government. As far as a committee response to it is concerned, the Hon. Member is a distinguished parliamentarian who has been here for quite some time and is sometimes a member of the Transport Committee, and there is clearly an opportunity for the committee to investigate. I am sure the Minister of Transport would welcome that opportunity.

* * *

• (1450)

SPACE DEVELOPMENT

UNITED STATES SPACE STATION—REPORTED MILITARY REQUIREMENT

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I would like to direct my question to the Secretary of State for External Affairs. The United States Secretary of Defence, Mr. Weinberger, has stated that the U.S. space station in which Canada has agreed to participate must allow the United States to "explicitly reserve the right to conduct national security activities on the U.S. elements of the space station without the approval or review of other nations". Given this advocacy of using the space station to develop star wars, how can Canada continue to support the project if we are to honour the Government's commitment to support only peaceful research in space?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I welcome that question. As the Hon. Member correctly indicated, the position he quoted is that of Mr. Weinberger. It is not yet the position of the Government of the United States. I have made it clear on several occasions, and welcome the opportunity in this Parliament today to make it clear again, that Canada entered into that agreement on a particular set of understandings. We anticipate continuing in that agreement if those understandings are honoured.

CANADIAN POLICY

Mr. David Orlikow (Winnipeg North): Mr. Speaker, studies commissioned by the United States Defence Department and the United States Army say the space station could be used as a fuelling depot for star wars weapons, a staging area for battle management, and a service station for repairing arms. Why has the Government put all its space research effort into a facility which the Americans will obviously use for military purposes at some date in the future? And should the Government not now get out of this project which is inevitably going to be used for military purposes?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, Governments and, indeed, Members of Parliament, should never do anything because of blind prejudice, whether in taking policy decisions or expressing themselves in the presence of the President of the United States when he is a guest here in the House of Commons of Canada. That was far more of an affront to the people of Canada, by the way, than it was to the President of the United States.

The answer to the Hon. Member's question is that we have made it very clear to the Americans that we expect the original purposes of the space station program to be respected. That is our position. I am very pleased to have the opportunity to reiterate that here in the House of Commons today.

CANADIAN PARTICIPATION—USE OF STATION FOR PEACEFUL PURPOSES

Hon. Donald J. Johnston (Saint-Henri—Westmount): Mr. Speaker, I would like to give the Secretary of State for External Affairs an even further opportunity to reiterate it, if I may. The Defence Secretary, Mr. Weinberger, was actually part of the entourage with the President on Monday. Did the Secretary of State for External Affairs seize that opportunity, having Mr. Shultz and Mr. Weinberger here, to determine whether or not the United States is prepared to accept the condition of Canada's participation, namely, that the space station be used only for peaceful purposes?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I certainly took the occasion to make clear the position of the Government of Canada directly to the relevant Minister of the United States Government, as I have done publicly.

Mr. Johnston: In answering my supplementary question, will the Secretary of State for External Affairs tell us who that relevant Minister was? Was it Mr. Weinberger, Mr. Shultz, or perhaps both?

FUTURE OF SPACE PROGRAM

Hon. Donald J. Johnston (Saint-Henri—Westmount): Going further, there needs to be some timetable here, I think the Secretary of State for External Affairs would agree, because from a budgetary point of view $800 million has been allocated to this program which has bled a lot of other very important scientific activities being carried out in Canada. All of those constituencies which need that money surely deserve to know whether this program is going to proceed or not, and whether the space station is going to be used for peaceful purposes.

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, we would like to have an answer as quickly as possible. I have made that position clear on a number of occasions. I do not propose to try to adjudicate internal disputes within the American administration. That is for the American administration to do. What we made clear is the position of Canada.

The Hon. Member will know, because he was a member of the Government which was involved in the original arrangement with the Americans, that it allows some purposes of

defence, search and rescue, surveillance, verification, that kind of thing. We want the purposes of the space station to continue to be reserved for those original purposes.

* * *

SOVEREIGNTY

REPORTS OF INCREASED SOVIET SUBMARINE ACTIVITY

Ms. Pauline Jewett (New Westminster—Coquitlam): Mr. Speaker, my question is directed to the Secretary of State for External Affairs who will be aware of recent reports in our media and the U.S. media of increased Soviet submarine activity in or near Canadian waters, particularly reports that Soviet submarines have regularly moved into the Strait of Juan de Fuca. Does the Minister know if Soviet submarines have entered Canadian waters? If so, has the Minister protested in the strongest possible terms this invasion of Canadian sovereignty by the Soviet Union, to the Soviet Union?

Hon. Perrin Beatty (Minister of National Defence): Mr. Speaker, I am amazed at the Hon. Member's question—

Ms. Jewett: I care about my sovereignty.

Mr. Beatty: —which is coming from a member and a Party who have done more to weaken the defences of Canada than anyone else in Canada.

Some Hon. Members: Hear, hear!

Mr. Beatty: The House will appreciate the fact that we cannot comment for security reasons on the state of our knowledge with respect to foreign submarine activity off the coasts of Canada. Suffice it to say that there is continuing foreign Soviet activity off the coasts of North America and that the Canadian Department of Defence continues to do its job in terms of surveillance and protection of Canada's security and of our sovereignty, and we would ask for the support of hon. members of the New Democratic Party in doing so.

Ms. Jewett: Mr. Speaker, members of the New Democratic Party care about our sovereignty, which is more than I can say for those people.

Some Hon. Members: Oh oh!

Some Hon. Members: Hear, Hear!

GOVERNMENT POSITION

Ms. Pauline Jewett (New Westminster—Coquitlam): Mr. Speaker, we have to learn from the American press about U.S. invasions of our sovereignty in the Arctic and about Soviet invasions of our sovereignty off the West Coast. Why does the Government not know something about what is going on? Is the Secretary of State for External Affairs going to protest to the Soviet Union this invasion of our sovereignty?

Hon. Perrin Beatty (Minister of National Defence): Mr. Speaker, we do know something about what is going on. One thing we know is that Hon. Members opposite have passed a resolution on behalf of their Party calling upon Canada to pull out of NATO and NORAD, which would desperately weaken the defence of Canada.

Mr. Riis: Why don't you stand up for Canada just once?

Mr. Beatty: The position of this Party, the Government of Canada, is to defend the sovereignty of Canada, to defend the security of Canada, in spite of the opposition of the New Democratic Party.

* * *

[*Translation*]

SHIPYARDS

OPPORTUNITY FOR GOVERNMENT TO ASK MARINE ATLANTIC TO AMEND PLAN

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, in the absence of the Minister of Transport, my question is directed to the Right Hon. Prime Minister and concerns the present economic crisis in Quebec's shipyards.

The Prime Minister is aware that 5,000 workers in Quebec are waiting for work to start in the shipyards so they can go back to their jobs. We know that at this point, workers employed by the Lauzon shipyard at Quebec City are no longer entitled to unemployment insurance benefits. They now have to go on welfare.

Is the Prime Minister prepared to urge Marine Atlantic to speed up the changes so that by the month of May, about 1,000 or 1,200 workers will be able to go back to their jobs, instead of having to apply for welfare?

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, I think that the question about planning in Quebec's shipbuilding industry has been answered by the Minister of Regional Industrial Expansion a number of times.

As for the workers to whom the Hon. Member is referring, there are ways of dealing with the loss of a number of jobs through mechanisms involving the Department of Employment and Immigration, in co-operation with the provinces and the businesses concerned. We are always prepared to consider—as the Hon. Member said, when and if something happens, then the Department will intervene.

INQUIRY IF TRUMP PROGRAM WORK CAN BE ADVANCED AND PLANS FOR CONSTRUCTION OF *CARIBOU II* FORWARDED IMMEDIATELY

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, the Minister says that the Minister of Regional Industrial Expansion looked after the shipyards.

Last week I went to take pictures of the Lauzon and Sorel shipyards. There is nothing there, no ships, no workers. People want work, not social welfare, not unemployment insurance. Any work done in shipyards comes from the federal Government.

First, can the Prime Minister rise to defend the interests of Quebecers and ask his Minister of Defence to get work started without delay on the TRUMP contract—four ships—which might create more than 6,000 jobs in Quebec, and second, make sure that Marine Atlantic officials immediately forward the *Caribou II* construction plans? That is what people want.

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, the process described by the Hon. Member for Montreal—Sainte-Marie is exactly the one followed by his government before we came on the scene and saw the unimaginable mess in the shipyards.

Mr. Malépart: The shipyards were busy then, but now they are idle.

Mr. Bouchard: Mr. Speaker, I can only repeat that Canadians did pass judgment on the economic policy of the previous administration. This is history now. Given the national debt and the economic situation we found ourselves in, the Minister of Regional Industrial Expansion suggested that the shipbuilding industry might need to be rationalized. That is what we are doing and the process is well under way. As to employment in Quebec, we have created hundreds of thousands of jobs, and this is the lesson you should bear in mind.

* * *

• (1500)

[*English*]

VIA RAIL

ACQUISITION OF ROLLING STOCK

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, my question is for the Right Hon. Prime Minister with respect to what I hope is not another broken promise by the Government. It is my understanding that the Government has decided not to purchase new rolling stock for VIA Rail but that it will buy third-hand equipment in the United States and that it will spend $200 million refurbishing the existing rolling stock. Will the Prime Minister confirm this or will he say that it is not true? If it is true, can he tell us why the Government has decided to abandon the jobs of over 1,000 men and women in Montreal and Thunder Bay?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, the Minister of Transport is seized with this particular issue. I can tell the Hon. Member that a statement will be made on this whole issue in the very near future.

PROMISE OF NEW ROLLING STOCK

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, my supplementary question is also for the Deputy Prime Minister. When members of his Government were running for office they promised new rolling stock for VIA Rail. Is the Deputy Prime Minister saying that the announcement that will be made is that the Government will renege on this promise, therefore putting 1,000 people out of jobs in Montreal and Thunder Bay for a year and a half to three years? Is that what he is saying?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I think the Hon. Member will know that some 705,000 new jobs have been created during the course of this Government's tenure in office.

I can tell the Hon. Member we did live up to most of the promises that were made with respect to VIA Rail, and we restored a number of services. We have purchased new locomotives. The issue of the rolling stock is still being considered. The Hon. Member is quite well aware that we have tried to work through a consortium to try to arrive at a deal that will be fair to all concerned. It has not been an easy process. It is very expensive. I think the Hon. Member will recognize that we will use whatever funding is available in the best manner possible. That is what the Minister of Transport is doing right now.

Mr. Speaker: The Hon. Member for Cape Breton—The Sydneys, one question, please.

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PETRO-CANADA

PRICE CHARGED FOR GASOLINE

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, yesterday the Public Utilities Board of Nova Scotia in its report ordered the oil companies to roll back their prices with respect to gasoline, home heating oil, and diesel oil by the amount of 2.5 cents per litre. This indicates that at least in the Province of Nova Scotia the major oil companies led by Petro-Canada have been over-charging consumers. Will the Minister of Energy, Mines and Resources order Petro-Canada to reduce its prices correspondingly in other provinces so that those provinces which are not protected by public utility boards can pass along a savings to their consumers? If not, why not?

[*Translation*]

Hon. Marcel Masse (Minister of Energy, Mines and Resources): Mr. Speaker, with respect to the first part of the question, that is the view of the Board involved in that decision; it does not necessarily reflect the actual situation, and the situation is not necessarily the same in all provinces as you mentioned.

Secondly, the Government does not intend to intervene in the market-place.

[*English*]

Mr. Speaker: The Hon. Member for Kenora—Rainy River, one question, please, which will be followed by a question from the Hon. Member for Portneuf, and that will end Question Period.

MINISTER'S MANDATE

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, my question is also with respect to the judgment of the Public Utilities Board of Nova Scotia. Will the Minister of Energy, Mines and Resources assure the House that in accordance with his legal mandate he will instruct Petro-Canada immediately to make sure that it is not part of any price-fixing arrangement in any province?

[*Translation*]

Hon. Marcel Masse (Minister of Energy, Mines and Resources): Mr. Speaker, it is obviously part of the mandate of the Minister and Petro-Canada not to act illegally.

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NATIONAL DEFENCE

REQUEST FOR CLARIFICATION OF SOVIET NUCLEAR SUBMARINES' MANOEUVRES

Mr. Marc Ferland (Portneuf): Mr. Speaker, my question is directed to the Minister of National Defence. According to newspaper reports today, Soviet nuclear submarines armed with intercontinental missiles are carrying on unusual manoeuvres. I should like to ask the minister if Canadian territorial waters have been violated by the Soviet navy. If so, has the Canadian navy been compelled to intervene?

Hon. Perrin Beatty (Minister of National Defence): Mr. Speaker, it is not the first time that Soviet submarines have been located in Western Atlantic waters, but what is unusual this time is that they are more numerous. The Canadian forces, as members of NATO, are taking part in monitoring that area.

ROUTINE PROCEEDINGS

[*English*]

ELECTORAL BOUNDARIES COMMISSION

TABLING OF 1986 REPORT—NEWFOUNDLAND

Mr. Speaker: It is my duty, pursuant to Section 9 of the Representation Act, 1985, Chapter 8 of the Statutes of Canada, 1986, to lay upon the Table a certified copy of the 1986 report of the Electoral Boundaries Commission for the Province of Newfoundland.

[*Translation*]

Pursuant to the Act, this report is deemed to have been referred to the Standing Committee on Elections, Privileges and Procedure.

* * *

[*English*]

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Hon. Herb Gray (Windsor West): Mr. Speaker, it is Thursday again. Therefore I am delighted to ask the Government House Leader what business he intends to call not just for today, not just for tomorrow, but for all of next week.

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I am sorry that my colleagues on the other side of the House did not show up for the House Leaders' meeting yesterday at which I probably would have been able to discuss with them the order of business. I will unilaterally make the decision that we will deal with Bill C-44, Bill C-20 and Bill C-37.

Mr. Murphy: We don't believe you!

* * *

[*Translation*]

POINT OF ORDER

MEMBERS' RIGHT TO VOTE ON QUESTIONS BEFORE HOUSE

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I rise on a point of order.

Mr. Speaker: The Hon. Member for Ottawa—Vanier (Mr. Gauthier) on a point of order.

Mr. Gauthier: At 1 p.m. today, Mr. Speaker, you declared that a motion of the House had lapsed. That is the very point I was trying to make last December when the Deputy Speaker of the House declared that a motion of the House had lapsed. Whoever refers to page 1760 of *Hansard* will find that I then rose on a question of privilege to ask the Chair to explain to me under what authority it felt it could interrupt a procedure which I deem basic to our country and Constitutional, namely, that whenever an issue is before the House, it must be dealt with through a division, with the majority votes prevailing.

I am sorry to have to say this, Mr. Speaker, but I must ask you again to rule on my question of privilege of December 4. I am therefore providing you with an opportunity to cover two questions at the same time.

Again, today, a motion was moved by the Hon. Member for Kamloops—Shuswap (Mr. Riis) calling on the House to go to the next item, a motion which has been deemed by the Chair to be in order and put to the vote. At 12.35 p.m., the bell started to ring and the vote was to be taken at 1.05 p.m. At 1 p.m., the Chair declared that the motion had lapsed and the House took recess for the lunch break.

Mr. Speaker, I do not want to repeat the arguments which I put forward on December 4, 1986, because it is time consuming and I do not want to abuse the time of the House. But may I remind you of the clear and definite provisions of Clause 49 of the Constitution, which states that questions arising in the House shall be decided by a majority of voices. Mr. Speaker, may I ask you to enlighten me and the other Hon. Members on the reason why you, who are neither a judge nor a person eager to order people around, but who must preside over all proceedings, feel that it is your responsibility to lapse a motion before this House.

Mr. Speaker: It is not the first time that the Hon. Member for Ottawa—Vanier raises this issue. Of course, the matter is very important. For the time being, I will delay my ruling, but sometime next week, the Chair will probably be in a position to rule on this very important point.

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PRIVILEGE

TELEVISED BROADCASTS OF COMMITTEE MEETINGS

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I rise on a question of privilege of which I gave you notice. This is a matter I raised again some time ago in this House. It concerns the authority of committees to allow television cameras in committee rooms, thereby allowing televised broadcasts of committee's proceedings.

This morning, Mr. Speaker, the Standing Committee on Human Rights voted to allow the televised media to film part of the Committee's proceedings. Although the intentions are good and the reasons quite honourable, I submit that the Committee went beyond its powers, and I wish that my question of privilege be put before the House because I seriously believe this seriously involves the privileges of every Member in this House, as I would like to demonstrate with the following remarks.

It is known, Mr. Speaker, and I already have gone on record on this, that I personally support radio and TV broadcasts of committee meetings. It has always been my view that it might be in the public interest to allow television and radio to record and transmit the work, the proceedings of our committees, because I believe this would add to the committees and to public awareness of what is going on in this House.

Mr. Speaker, raising this question is a matter of some difficulty to me because the witness this morning is a witness for whom I have a lot of respect—a very important witness, someone who has set very high standards of what it means to fight for human rights, but I do so because there must be rules, rules must be put in place soon to provide for televised broadcasts of committee meetings. I believe that, and I expect action on this. I raised this before in this House, but there has been no move yet from the Government, so I invite, I urge, I plead with the Government to find the courage needed to bring in a solution to that problem and to allow committees to broadcast their proceedings along principles similar to those under which the official record of *Debates* is published, as is being done in this House. No public or commercial TV cameras would be allowed to come here and broadcast our proceedings here. What goes on here, Mr. Speaker, is controlled by you. The image given to private and public broadcasters is controlled by the Chair, following a decision of the House made in January 1977, if I am not mistaken. To maintain order, we need rules and, in committees, if a majority of Members, including me, want the proceedings to be televised, we will have to make arrangements, establish a set of rules and, under the authority of the Chair, proceed with broadcasting.

Mr. Speaker, as I said, the members of the committee were well intentioned, their motives were honourable. However, there are problems. First, committees of the House, even with such honourable motives, do not have the authority to allow broadcasting of their proceedings. It is the duty of Committee Clerks to inform chairmen and members that there is no authority, no rules which, at the present time, allow for broadcasting of the proceedings.

Mr. Speaker, I raised this question in the House on October 28, 1986, after I attended a committee where the chairman tried to authorize . . . I will read the proposal of the Chairman of the Standing Committee on Research, Science and Technology: "I have given permission to the press to record this meeting and for the television cameras to be in the room behind the press table."

I immediately intervened, Mr. Speaker, and said to the chairman: "I think the ruling you have just made is beyond your powers." The committee sided with me and the proceedings were not televised.

This time, the Committee voted and it is my understanding that it allowed the television cameras to record the proceedings and to broadcast picture and sound.

I repeat, Mr. Speaker, that while I have no problem with that principle, it is its implementation that concerns me and, as Whip of my Party, there are times when I must be, let us say, somewhat stiff on discipline, but we will have to get used to working within and observing the rules, otherwise, we have chaos, Mr. Speaker, which is not appropriate, as we know.

This time, unlike what happened the last time, the committee allowed the cameras and the recording of this morning's proceedings.

• (1510)

[*English*]

I will not be very long, Mr. Speaker, but I just want to make my points very clear. May I repeat that I have always been in favour of televising the debates in the committees. It is a view that I share with many in this place. I believe it would be informative for Canadians—I have said that before and I repeat it—to see what is going on in the House outside this Chamber. Nevertheless, no such authority exists at this time, and I deplore it.

In January, 1977, the House approved the electronic *Hansard*, that is, TV in the House. The broadcasting of the House's debates and proceedings were provided by a resolution of the House and under the authority of the Speaker. I believe strongly that this is the right thing to do for committees. I also deplore, regretfully, that the committee this morning exceeded its authority by permitting television cameras to televise its proceedings. In the absence of formal authority the committee members exceeded their authority, and it could be that the broadcasters themselves could be held in contempt of this House because there is no disposition that protects them, as far as parliamentary immunity is concerned or as far as the normal law of defamation is concerned. In other words, a broadcaster who utilized the image and sound recorded in that committee this morning could be held responsible under the normal laws of defamation and could possibly be held in contempt of the House because there is no provision for that recording.

Therefore, Mr. Speaker, I submit that the privileges of all Members of the House this morning were possibly somewhat misused. I would like you to rule as soon as possible on how we can resolve the situation by inviting the Government, maybe all House Leaders—

Mr. Fennell: And the Whips.

Mr. Gauthier: And the Whips—I appreciate the comment of the Government Whip—to sit down and conclude how we can resolve this problem once and for all.

Mr. Doug Lewis (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I wish to respond briefly to my hon. colleague's point. First, I would suggest with respect that his point is not a question of privilege because my hon. friend was not personally involved in the committee meeting in question. On a previous occasion my friend made an excellent argument on the basis of a question of privilege because he was at the particular committee meeting at which it was suggested the meeting be televised. On this occasion, my hon. friend was not at the meeting. I think that the matter should be treated as a point of order, which I think is a very good point of order.

I have reviewed *Hansard* from the previous occasion in which my hon. friend made the point on page 822 that no committee chairman has the authority to allow televising or broadcasting of committee hearings. I agree 100 per cent with my colleague. I would take it one step further. First, however, I want to join with him in commenting on the content of the committee hearings.

There is absolutely no question that every Canadian—we were all here yesterday when Coretta King was introduced to the House—is well aware of the magnificent contribution which her husband made to the history of this continent and the efforts that she is making of her own accord. We are appreciative of her visiting Canada and taking the time to meet with Hon. Members of the House of Commons. However, there are some things that no committee is empowered to do, even upon consent. I suggest, as my hon. friend suggested, that the House Leaders and the Board of Internal Economy be seized of the matter. That is where it belongs.

• (1520)

Considerations are ongoing, and it was unfortunate and inappropriate that the hearings this morning were televised. We all appreciate the spirit of the occasion, but there are some things one cannot do, even with consent, when the spirit moves one.

I suggest that Mr. Speaker should consider this to be a very serious point of order. Under the circumstances, as my friend suggested, until some rulings upon which we can all agree are brought forward in the House, there should be no question at any time that committee hearings be televised.

Mr. Albert Cooper (Peace River): Mr. Speaker, I want to speak to the matter before us for a moment, as I was there this morning and witnessed what happened.

What is apparent to everyone is that there was a lot of confusion and interest because the witness was one with very high profile, there was a huge crowd, and all sorts of things can happen. I think what the House wants to understand—and certain committee chairmen would want to hear it expressed—is that this is not a precedent. What happened this morning was a very unique circumstance. It is important that the Board of Internal Economy deal with it. I think it is something the House wants to see decided clearly and in a direction which we as chairmen can live up to.

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, I have listened with great interest to a somewhat dubious question of privilege and perhaps more likely a point

of order. As inexperienced as I may be in this place, I recognize the dangers which are potentially present in committee hearings that become the focus of television, radio or photography without the kinds of controls provided by the electronic *Hansard*.

Perhaps we should take note of the events this morning in terms of what we have been celebrating for the last two days. Coretta Scott King is the widow of Martin Luther King. She is honoured as he was honoured not because they followed the rules but because, by virtue of breaking the rules when it was necessary to do so, they brought focus to a problem in the nature of our democracy.

The House and its committees represent the functioning of democracy in Canada. If there had not been television or radio in the committee this morning, Canadians would not have been able to see or hear the widow of Martin Luther King assert clearly for us all to hear that there is no fight for freedom in alliance with South Africa in Angola by the United States or that United States involvement in Nicaragua is not a struggle for freedom.

The rules were broken, but I think the dramatic nature of her intervention demonstrates clearly to all Canadians that it ought to be possible for Canadians to see what goes on in committee. I support the proposition that the matter be addressed by the Government. If it is, and if it is addressed in the interests of Canadians, once again it will be because the name "King" was associated with an event which changed history. I look forward to the result, which will mean just that.

Mr. Keith Penner (Cochrane—Superior): Mr. Speaker, I wish to take just a few moments to speak to the point because of my own personal interest in and concern for the issue. I preface my remarks by emphasizing that I believe most strongly that from time to time the deliberations and proceedings of a committee of the House ought to be televised.

Further I would say, in full and total agreement with the Hon. Member for Windsor—Walkerville (Mr. McCurdy), that there was no clearer an example of such an opportunity than that which presented itself to the Standing Committee on Human Rights this morning.

The motivation of the committee was right and proper, that is, that a distinguished and inspirational person like Coretta Scott King, the widow of the great civil rights leader, Dr. Martin Luther King Jr., should have had a much wider audience. Her message really needed to be shared with many, many more people. I commend the motivations of the committee.

It is regrettable in the extreme that the committee clearly breached its authority. There are no Standing Orders which allow it to make the decision unilaterally to have television in the committees. The committees are not *maîtres chez nous* except insofar as the authority exists in the Standing Orders or by a particular reference from the House.

What we have at the moment—and the Standing Committee on Human Rights has brought it into focus—is an unresolved, unaddressed, and very important issue, that is, when and under what circumstances may television be utilized by the committees of the House. So far that matter has not been settled and, in not settling it, I think we the Members of the House have collectively been negligent.

I want it understood that the committees know the Standing Orders. They know the references in Beauchesne's. I should like to quote from Citation 304 of Beauchesne's Fourth Edition at page 244 as follows:

> A committee can only consider those matters which have been committed to it by the House.

To the very best of my knowledge, committees do not have this discretionary power. Whenever they have attempted to assume that power unto themselves, they have run afoul of the House. We know what are the proper proceedings. That was exemplified by the constitutional committee. When it felt it was important to share the constitutional debate with the whole nation, it came to the House seeking authority, and that authority was granted.

We know what committees can do. Under Standing Order 96(1) the powers of committees are clearly established—to examine, to inquire, to report, and to send for papers and records. If they do not have enough authority, they can come back to the House to seek additional authority for papers which they feel they need. They may sit while the House is sitting or during a period when the House is in adjournment.

The Standing Orders are so clear that they went on in Standing Order 96(2) to say that there are additional powers which the committees have, and those additional powers are spelled out very specifically. In fact, certain committees have a power or powers which other committees may not have because of the particular responsibilities laid upon them by the House. However, when a committee is in doubt about what it can or cannot do, it must come to the House for direction.

I return again to Beauchesne's where it says that sometimes a committee may have to obtain leave from the House when its order of reference is limited in scope. That is the operative phrase—to obtain leave. Thus, if a committee wishes to utilize television, as did the Standing Committee on Human Rights this morning, it must obtain leave at the present time.

I am not condemning the committee. I am not casting judgment on the committee.

• (1530)

I am saying that we are faced with an intolerable situation. It would have been extremely difficult, given the circumstances under which the House has functioned in the last several days, for a committee to anticipate that this would be the situation this morning and to obtain leave. The fact that there was no other recourse and that the Standing Orders did not allow the committee to act under the authority of the House is regrettable.

Returning to Beauchesne's, Citation 304(2) indicates that a committee is bound by and is not at liberty to depart from the orders of reference. That, Sir, is what must be changed.

The Committee on Human Rights has served all committees extremely well today. It has raised a situation that cannot go unresolved any longer. We must act now and we must act decisively. The committee has emphasized that now is the time for the House to make a clear and unequivocal decision regarding the use of television in committees. We must decide when it can be used and under what conditions it can be used. Perhaps Standing Order 96(2) needs to be expanded by adding an additional section dealing with television.

I conclude by saying that there is in Canada a very wrong impression about Parliament. That impression is that everything of significance happens in this place, and, worse than that, that the only significant event in this House is the 45-minute Question Period. You know, Mr. Speaker, as do all Hon. Members, that much of the useful, valuable work and much of the service to Canadian citizens occurs when Members of Parliament attend committee to deal, often in a very non-partisan and objective way, with the important business of this nation. Not every single proceeding and not every single committee hearing should be broadcast, but it is a pity that on occasion Canadians cannot see the good work of Parliament in committees by way of the media of television.

Mr. Scott Fennell (Ontario): Mr. Speaker, I did not intend to rise until I heard one of the comments made by the Hon. Member who last spoke regarding the question of television in the committees. I would point out that too often a wrong makes a right. I cannot accept that a wrong having been done today proves that it is right to have television in committees. I would like to agree with the Hon. Member that there are times when committees should be televised. However, we should not change the rules because something wrong was done. We should change the rules if we feel it is right to have television in committees.

I agree that there are some committee hearings that should be televised and others that should not. We do not wish to leave the public with the dissatisfaction of a dull debate, something which would happen if we televised each and every committee.

I feel that today the committee did have an opportunity to disband officially and at that point to allow the cameras to run. This is one way the committee could have gotten around the rule. However, it did break the rules of the House and I object to that.

If you, Mr. Speaker, were to make a rapid decision based on the wrong that was done today, that too would be wrong. I would like to see, as submitted by my colleague, the Liberal Whip, a committee established to discuss what should be done, and I would like to see a full discussion involving the Whips because it is, to a large extent, our responsibility. We could discuss how and when committees should be televised.

Mr. Roland de Corneille (Eglinton—Lawrence): Mr. Speaker, I also rise to speak to this same point. I would first observe that, as you know full well, Mr. Speaker, it is not possible for witnesses to be heard in this House. It is within the context of a committee that witnesses, Canadians and people from abroad, are called to give special information to Parliamentarians. Because of that, I would first like to lend my support to those learned dispositions made by my colleague, the Hon. Member for Cochrane—Superior (Mr. Penner), who talked about the need for the House to deal with this matter and to do so in as wise a way as possible. This is an electronic age and we know it is our responsibility to inform Canadians, to give them some knowledge of what we do here and to make ourselves accountable to them. Rather than seeing the media as a threat, it seems to me that the proper use of media is to provide an opportunity for people to be better informed.

I also rise because I was a member of that committee. I do not want to leave it to others to suffer alone whatever criticisms there may be. While the chairman was sitting as the chairman, it was the Hon. Member for Windsor—Walkerville (Mr. McCurdy) who moved the motion that the television cameras be allowed to be present on this very special occasion and it was I who seconded that motion. The motion was carried unanimously.

On occasion throughout history, we have seen the violation of rules, perhaps wittingly and perhaps unwittingly. Certainly the black woman who sat in the back of a bus in Alabama changed history by challenging the rules. Let us hope that this particular event will also have a positive end. Although the committee had no intention of challenging the rule, by bringing this into focus perhaps a change will come about so that we may better inform Canadians and provide greater accountability of the House of Commons to them. I feel that the chairman should not be held solely responsible in any way for what happened today.

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, perhaps I could say a word on this matter because I had something to do with consideration of the matter as a member of the special committee on the reform of the House of Commons.

At least two things need to be said. First, by allowing its proceedings to be televised, the committee did go beyond its powers and I do not think there is any dispute about that. However, it was a manifestation of what can probably be found in more than just that committee, and that is the emerging consensus among Members of Parliament and committees collectively that there ought to be some provision for the televising of committees.

I would not want it to be said that if we were to proceed with the televising of committees it would have come about because of civil disobedience on the part of a committee. On this occasion it came about because the committee simply decided to take the Standing Orders into its own hands, so to speak. I think the televising of committees is something that

should be done, not by default and not after it has become common practice, but something that should be in a positive way and in response to the recommendations of the special committee on the reform of the House of Commons. In those recommendations are guidelines with respect to how this can happen. I think it is time that all the people who have the authority to bring this into effect got together to see that this recommendation of the McGrath Committee is brought to fruition.

I believe that televising committees could have a positive impact in terms of broadening Canadians' knowledge of where work goes on in Parliament. People could see through television, on which many people depend for information about the political system, what goes on in committees as well as what goes on in the House.

If this occasion has done nothing else, it should provide an opportunity for the House, through you, Mr. Speaker, to say to the committee that it has acted beyond its powers. This should also be an occasion for Members of Parliament and the House collectively to find renewed initiative to get on with the recommendations of the special committee with regard to the televising of committees.

• (1540)

I hope this will have a positive effect on the future of Parliament. There is no guarantee that it will. It does have its down sides, but I think it is something of which Members of Parliament, the media, and everyone else concerned must try to make the best.

Mr. Reginald Stackhouse (Scarborough West): Mr. Speaker, as the chairman of the committee which is under discussion I would like to make a few points very briefly.

First, I doubt that any member of the committee was aware that the committee, in making this decision, was countering the rules of the House. There was certainly no intention to be other than respectful of the authority of the House. If we acted beyond our authority and rights as a committee, then so we did. It is possible that we are not the first people in the history of the House who have made a mistake. However, if a mistake we made, we made it without intending any affront to the House or its officers.

The second point which I think needs to be considered is that the committee made this decision unanimously. I think the decision was welcomed by all members of the committee, regardless of Party, as an opportunity on this occasion, and this occasion only without precedent being set, to provide the people of Canada with an opportunity to hear the message of a distinguished human being who was in this country, in this city, and on this Hill, as she may not be again. She had already given an inspirational address to a large number of people who were fortunate enough to be in the hall where she spoke. To the best of my knowledge there was no opportunity for that message and presentation to be shared via television with the larger public of the country. This was an opportunity for the people of Canada to receive something which I still believe, with respect to this debate, would be welcomed by the people.

I think it should be noted that for the purpose of the Human Rights Committee today's decision was not to be regarded as a precedent, that it was being done for this time only and in recognition of the special circumstances of the meeting which had been called to hear an outstanding human rights advocate. I submit that to you with respect, Mr. Speaker. If we have broken the rules, it was done without any intent to show other than respect to you and the House.

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, I want to add a few points to this very important discussion. We recognize that the privileges of the House extend to the committees by and large. The committee reports and the verbatim transcripts of committee hearings are documents published under the authority of the House and are entitled to the same absolute privilege as are House documents. The point that ought to be made is that when the events of the committee were televised with the potential for rebroadcast there was the possibility that an individual's comments could be considered slanderous or problematic and, therefore, open to some interpretation by a third party.

I submit that by convention the same thing exists in this House. While Members of Parliament are protected under the privileges that exist, we are being broadcast throughout the country and would be subject to the same situation if a person were able to put forward a slander suit or something similar as a result of the broadcast of the House of Commons.

By convention Members of the House of Commons have agreed and assumed that that which is said in the Chamber is subject to immunity under the appropriate rules of the House. If that immunity exists here, I fail to see why the same thing would not exist in committees. As I said, there is an understanding that committee reports and the verbatim transcripts of the committee hearings are documents published under the authority of the House which are entitled to the same privileges. Presumably convention in the House of Commons ought to apply equally to the committees of the House of Commons. For that reason I do not believe that the privileges of Members of the House have been breached.

[*Translation*]

Mr. Speaker: First, I want to say this is very important. I thank the Hon. Member for Ottawa—Vanier (Mr. Gauthier) for his intervention and also for the various points he made on the present position. It is clear. There is no objection to the principle of television in committees, but to a decision that shifts the authority, the power, against the rules. It is not appropriate for a committee to have televised broadcasting of its proceedings.

[*English*]

No one is pretending for a moment that what was done was other than a breach of the rules. There have been suggestions made that certain circumstances justify breaching rules. I

remind all members that that is a position which the Chair is sometimes very much tempted to take, but I try mightily to stay within the rules. If I did not I am sure all Hon. Members would have something to say to the Chair, because I am your servant. The rules are made by this place and, of course, they are made to be obeyed.

Especially for the public which is listening to this debate I want to reassert that we are Members of Parliament; we are law makers, we are the inheritors of a tradition of the rule of law. As a consequence, none of us ought to take lightly the breaking of rules.

It so happens that in this case the very distinguished, remarkable and much loved Coretta Scott King was before the committee. By the way, in my view the committee had other options. It could have sat as an *ad hoc* group. It could have appended the proceedings to the further proceedings when they regrouped as a full committee. Perhaps that did not occur to the committee, but I point out that there are other ways in which this could have been approached.

It is clear that there has been a disposition among some Members of Parliament to bring television into committees, or at least into some committees. The Hon. Member for Cochrane—Superior (Mr. Penner) pointed out very well that Question Period, while at its best is the finest accountability session in any free country, is not all of Parliament. I was pleased to hear him point out the incredible amount of work that goes on in committees. I am glad it has been said and repeated by members, because as Speaker I often have to remind the public that when this place is not packed after Question Period it is because members are at committees, of which there are 30 or 40 sitting at any given time including the legislative committees.

However, remembering that we do live by the rule of law I must remind Hon. Members that our rules here are the precedents of rulings set by Speakers and the Standing Orders that Hon. Members have set for themselves.

• (1550)

I remind Hon. Members that on November 6, 1980, Speaker Sauvé said on exactly this point:

> After listening very carefully to the debate this afternoon, I have not been persuaded to change my opinion or to reverse the opinion of my predecessor, and I must hold the view that the televising of proceedings of standing and special committees of the House may be authorized only by the House itself.

Some time ago, before I became Speaker, the Board of Internal Economy suggested a form of order that could be presented to the House which would cover the televising of committees, or some committees. But that resolution has never been put to the House. As other Hon. Members have pointed out today, if it is the disposition of this place to have television in the committees, or in some committees, or in some circumstances, then clearly the obligation lies on members of all Parties to put the procedural rules in place to enable this to happen. Members from all Parties were at the committee today and all, quite frankly, have stated that they did want television for that proceeding. I can understand the reasons for that.

The Hon. Member for Ottawa—Vanier, as he said at the beginning, has raised this matter before and it is not because he is against television in committee—which I understand—but because he has, I believe, a very appropriate regard for the fact that we make rules and we must live by them.

There has been some suggestion that perhaps this is a question of privilege. I do not think that it is in the interest of members for me to really inquire very far in that direction. I think that enough has been said. I believe there is no question that what was done was against the rules, what was done could have been done in another way, and if it is to be done again it is up to Hon. Members to make sure that it is done lawfully.

Some Hon. Members: Hear, hear!

The Acting Speaker (Mr. Paproski): I wish to inform the House that because of the ministerial statement this day's sitting will be extended by eight minutes.

GOVERNMENT ORDERS

[*English*]

FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS AND FEDERAL POST-SECONDARY EDUCATION AND HEALTH CONTRIBUTIONS ACT, 1977

MEASURE TO AMEND

The House proceeded to the consideration of Bill C-44, an Act to amend the Federal-Provincial Fiscal Arrangements and Federal Post-Secondary Education and Health Contributions Act, 1977, as reported (without amendment) from a legislative committee.

The Acting Speaker (Mr. Paproski): There are four motions on the Notice Paper in amendment to Bill C-44, an Act to amend the Federal-Provincial Fiscal Arrangements and Federal Post-Secondary Education and Health Contributions Act, 1977.

Since there are identical motions on the Order Paper, I have consulted with the Hon. Members concerned and I am prepared to select the motions in the name of the Hon. Member for Laval-des-Rapides (Mr. Garneau).

Motion No. 2 will be debated and voted on separately.

Motion No. 4 seeks to permit the payment of $175 million to the province in the first year rather than in the two-year period proposed in the Bill. This motion was moved and ruled out of order in the committee on the grounds that it infringes on the financial initiative of the Crown by adding an additional charge on the public treasury.

The Chair agrees with this decision but must, however, consider the fact that this motion is a straight deletion of

words. A study of the precedents shows that this type of motion has always been allowed at the report stage. I will refer Hon. Members to Speaker Jerome's decision of June 29, 1976, where the Speaker said that the Standing Order: "Appears to give them a sanctity that does not extend to other motions".

Furthermore, Speaker Lamoureux made the following statement in his ruling of February 13, 1969:

> —an Hon. Member may do certain things at this stage of the proceedings, one of which is to move the deletion of a clause.

Although the Chair has difficulties with this motion, I am prepared to allow the Hon. Member to move his motion on the basis of the two precedents I have quoted.

Therefore, this motion will be debated and voted on separately.

[*Translation*]

Mr. Raymond Garneau (Laval-des-Rapides) moved:

> That Bill C-44 be amended in Clause 2 by striking out line 19 at page 1 and substituting the following therefor:
>
> "and ending on March 31, 1990, a fiscal".

Mr. Speaker, thank you for allowing me to present Motions Nos. 2 and 4 to be debated and voted on in this House.

Mr. Speaker, I moved Motion No. 2 which seeks to limit the application of the 1987 Bill C-44 to 1990 instead of 1992 on account of the announcement the Finance Minister made in this House in his budget speech and to the general public last July, when his Government expressed its intention to proceed with a thorough tax reform that would affect personal and corporate income tax, the idea being that the tax base would be modified, broadened, that some taxpayers would be taken off the tax rolls and that a heavier burden would be borne by corporations, thus allowing the fiscal burden of individuals as it is after the last three Budgets to be reduced and maybe brought back to the 1984 level.

Mr. Speaker, such fiscal amendments will definitely impact on provincial revenues, and we know that the equalization formula under which the federal Government makes payments to provinces—and this is what Bill C-44 would be doing—is based on the per capita yield of one tax point in each province, such yields being equalized according to a five-province average. Now, Mr. Speaker, the tax reform that has been announced—and unfortunately we are still awaiting the White Paper on that tax reform—is to include not only the amendments I just referred to, but also in-depth changes to the federal sales tax, which could be replaced by a value-added, or transaction tax.

We are told—and this has been repeated on a number of occasions—that such an amendment could even lead provinces to review their own provincial sales tax systems and share, according to a formula that is not known to me, in that proposed value-added, or transfer, or transaction tax. Mr. Speaker, such an overhaul could be very significant indeed, and would certainly change provincial revenues, which in some cases could be higher and other cases lower, and the average itself no doubt could change.

First, in respect of the personal income tax, the taxable income average is not the same in Prince Edward Island, Newfoundland, Nova Scotia, Quebec, Manitoba, Saskatchewan, all provinces that receive equalization payments.

This means that if yields differ from one province to the other and there is a lowering in principle of income tax rates for individuals at the lower end of the income scale in Canada, the impacts on revenues in each province will be changed, and this in turn could alter equalization. This is why I propose that the scope of Bill C-44 be limited to three years, from 1987 to 1990, to enable the House and the Government—whoever may be in Government in 1990—to force the House to review equalization payments and the equalization payment formula to take into account such changes and the impact that tax changes could have on provincial revenues, and thereby on equalization. The argument we hear from Government benches is that it is always possible for the House of Commons to review equalization payments and that the Government could bring in legislation that would take into account the impact of tax reform.

Mr. Speaker, I readily admit that such a possibility exists. It is absolutely true that the Government could, over the five year period, come up with a new proposal in the House of Commons. But it could also very well be that the Government that will be in place after tax reform will decide not to make any change. This might, or would force provinces to go through a difficult period fraught with financial difficulties, complexities in providing services of a uniform high quality from coast to coast. Therefore, by suggesting that the scope of Bill C-44 be limited to three years instead of five, this would allow the House and government Members or place them under the obligation to review the legislation in order to take into account changes that might be caused by tax reform. I am sure that the Minister of Finance (Mr. Wilson) and especially the Minister of State for Finance (Mr. Hockin) have brought these arguments forward. I would not want to doubt their good intentions but I am reminded of the old saying that might is right. The Hon. Member for Trois-Rivières (Mr. Vincent) will certainly recall how often this sentence was used by the man who once represented the riding of Trois-Rivières in the Quebec Legislative assembly as he sought to ensure equitable treatment for provinces in terms of equalization payments.

It is my hope, Mr. Speaker, that this prudent step which has no effect on government policy at the present time and which is intended to ensure greater equity and to provide greater security to provinces with regard to equalization payments they receive from the federal Government—that the amendment contained in Motion No. 2 which I am tabling to ensure income stability for the provinces shall be well received by all the Hon. Members of this House.

Adjournment Debate

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Paproski): It is my duty, pursuant to Standing Order 66, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Parkdale—High Park (Mr. Witer)—Correctional Services Canada—Contract to supervise parolees in Toronto; the Hon. Member for Montreal—Sainte-Marie (Mr. Malépart)—Shipyards—(a) Inquiry why Government is delaying contract awards to three Quebec shipyards. (b) Inquiry why certain work has not yet begun; the Hon. Member for Ottawa—Vanier (Mr. Gauthier)—Bilingualism—Public Service—(a) Compliance with linguistic requirements by Deputy Ministers. (b) Policy enunciation—effect on Public Service.

• (1600)

GOVERNMENT ORDERS

[*English*]

FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS AND FEDERAL POST-SECONDARY EDUCATION AND HEALTH CONTRIBUTIONS ACT, 1977

MEASURE TO AMEND

The House resumed consideration of Bill C-44, an Act to amend the Federal-Provincial Fiscal Arrangements and Federal Post-Secondary Education and Health Contributions Act, 1977, as reported (without amendment) from a legislative committee, and Motion No. 2 (Mr. Garneau, p. 5017).

Mr. Rod Murphy (Churchill): Mr. Speaker, I realize that this legislation is important to the provinces, and you may remember, Mr. Speaker, that earlier today when the Government was trying to deal with a time allocation motion I had actually made a motion that we move to Government Orders in order to debate this legislation and give it the adequate time it needs. I am afraid that by having this legislation finally introduced into the House just a little more than an hour before we adjourn, as far as dealing with Government business for the day, we are really not giving this matter the attention it deserves.

Members of the Government tried to indicate that we have been filibustering or slowing down this process. The Government, the Minister of Finance (Mr. Wilson), the Minister of State for Finance (Mr. Hockin) and the Parliamentary Secretary to the Government House Leader, have all indicated this is important legislation and that they want it passed, but they did not introduce this legislation into the House of Commons until the middle of March.

The Government came running to the New Democratic Party, and myself as the critic in this area—and I am sure they went to the Liberal Party as well—and said: "We want this legislation passed quickly". We tried to help. We gave this legislation second reading in one short day of debate. We said that all we wanted was a chance to move amendments in committee and to hear a limited number of witnesses.

One would assume with that kind of co-operation from the Liberal Party and the New Democratic Party, the Government would move quickly in committee. Instead, it was another week before the Government got its act together and started legislative committee hearings on the equalization legislation. That meant, again because the Government was in a rush, that we were trying to get witnesses to appear in the next day or two.

You are from western Canada, Mr. Speaker, and realize what a large country we live in. You will realize how difficult it is to get speakers from major groups and from the provinces to come to Ottawa to express their concerns on such short notice.

Because we believe this money has to go to what we call the "have not" provinces, the poorer provinces, we again co-operated with the Government and managed to get this legislation through committee in a very short time frame. This legislation could have been brought back to the House on Tuesday. It could have been brought to the House on Wednesday. Instead, the Government refused to act because it wanted to pass some other legislation and introduce time allocation—which is "closure" by a different name—on Bill C-22, the proposed legislation to change the Patent Act as it affects drug prices. We squabbled and spent yesterday in procedural motions, basically Government initiated, and again today when the Government refused to move to this legislation quickly.

I think the opposition has done all it can to give quick passage to this legislation. I am not going to agree at this time to pass report stage with just one hour's debate. The ruling just given by the Chair indicates we have two motions before us and that they will be debated separately. People are concerned about these motions.

We have had a history in the last number of years, ever since 1982, of the federal Government speaking down to the provinces on matters of this nature. It has not sat down and negotiated agreements with the provinces on EPF, the Established Program Financing. It has not sat down and negotiated a process of equalization. Whether it is the previous Liberal Government or it is this Conservative Government, we have a situation where provinces of all political stripes are complaining about the way the federal Government treats them on this issue.

In my speech on second reading I indicated a whole series of problems the provinces were having with this process. They would go to a meeting expecting to receive $175 million in one year, and all of a sudden at the next meeting they would discover that the $175 million would be given over two years.

The Established Program Financing was not supposed to result in a cut from what was promised for the fiscal year 1986-87, according to the budget figures we were given by the Minister of Finance in November of 1985. All of a sudden the provincial Ministers of Finance find that, yes, the formula is changing and it will be one year earlier, which means there will be $400 million less going to the provinces through EPF than would have been the case had the other legislation been allowed to continue to the end of March 1987. So there is a series of problems which must be taken into consideration.

• (1610)

I think that the amendment before us will help in some ways. It is an amendment which I certainly intend to support. First, it helps because if it is accepted by the Government we would not be stuck with this legislation for the next five or six years, but for a much shorter period of time. This is important because the Government has said, as has the Minister of Finance in his last Budget and the Minister of State for Finance in answer to a question this afternoon, that tax reform is a priority of the Government and that they will do something to make the system more fair, more simple, and a number of other things. Indeed, if that is true then the financial picture of the federal Government will change, as will the financial situation of the provinces.

I think it is important that we look at equalization again as a result of those changes in tax legislation. Three years is certainly more than enough time for the federal Government to come down with its proposals for tax reform. It is more than enough time for the people of Canada to react to the changes. It is more than enough time to ensure that we have legislation in place and that we have some expectation provided by the federal Department of Finance along with its provincial counterparts with respect to what we can expect.

I am afraid that if we pass this legislation in its present form we will end up in a situation in which tax reform will come in some way or other and this legislation will be kept in place. It will limit the amount of money that the federal Government has to give to the have-not parts of the country. I find that objectionable. It makes me question the sincerity and good faith of the federal Government with regard to tax reform when it insists on making this legislation stay in play for over five years.

I realize that my time is running out, Mr. Speaker. I would like to remind you, although I am sure I do not have to, of the procedure in the House that we must always speak to the Speaker, even though he is such a wise man who probably knows everything we will say anyway. However, for the benefit of some members on the government benches it is necessary to say these things, and I have to address them to you, Mr. Speaker, so that they can hear me.

I think it is important to remind the House that the Premiers of the Provinces of Newfoundland and Quebec and the Premier and Minister of Finance of Manitoba have all expressed concern that we are not doing enough in terms of equalization.

Last March when we last spoke to this measure I pointed out that even the Canadian Medical Association pointed out that as a result of the way legislation is going in this country we are creating more and more of a two-class system in terms of medicare and hospitalization. The legislation which is before us at the present time takes us further down that road. It makes it more and more difficult for the poorer provinces to provide the same level of services as they are now providing, let alone a level of services that Canadians in other parts of the country receive.

For that reason alone I believe this amendment should pass. It will give us time to ensure that there can be better legislation in the future, legislation which will actually reflect the tax reform which has been promised in this House.

[*Translation*]

Mr. Alfonso Gagliano (Saint-Léonard—Anjou): Mr. Speaker, I would also like to express my support for this amending motion which would oblige governments to renegotiate the equalization agreement in 1990 instead of 1992 as proposed in the Bill. This, Mr. Speaker, to allow for the impact the tax reform will have on payments to the provinces.

Mr. Speaker, for two years the Conservative Government has been promising tax reform. We know perfectly well that this reform will have a substantial impact on the revenues of the provinces, and since the equalization system works on the basis of those revenues, the agreement should cover a shorter period, so that when we get tax reform, we can then adjust the equalization agreement and fiscal arrangements with the provinces accordingly.

Mr. Speaker, I fail to see why government Members, why the Conservative Members of this House should have any objection to voting in favour of the amendment moved by my colleague, the Hon. Member for Laval-des-Rapides (Mr. Garneau). In fact, their support should be unanimous, so that once the Bill is passed, we can proceed, we hope in a few weeks, with the White Paper promised by the Minister of Finance (Mr. Wilson) in his February, 1986, Budget.

Mr. Speaker, if the motion is defeated this afternoon, it will be clear the Government does not intend to introduce its proposal for tax reform in May, as announced, or if it does, that it does not intend to implement the reform as soon as possible.

Mr. Speaker, that would be only one of many promises this Government has failed to keep. Promises for tax reform, promises for social justice, and instead we got the highest tax increase since World War II.

Mr. Speaker, although the Government's last Budget hardly deserves the name, the Government nevertheless managed to include five tax increases.

If Conservative Members are sincere, if the Government really wants to introduce tax reform proposals that are fair and

equitable, it should support this motion and have an equalization Bill to cover the period from 1990 to 1992. Excuse me, Mr. Speaker, I meant from 1987 to 1990, instead of up to 1992 as proposed in the Bill before the House today.

Mr. Speaker, there is another point I would like to make. We must not forget that the Conservative Government has already considerably reduced funding for economic and regional development. As far as regional economic development goes, the Government's record is not very encouraging. We know that the envelope for regional economic development went from $14.9 billion in 1984-85 to $12 billion in 1987-88. That is a drop of $2.9 billion in three years, so that in real terms, this envelope has lost nearly 30 per cent of its value.

In addition, Mr. Speaker, the unemployment rate is still higher today in six provinces than it was in 1982. Why then does the Government keep on increasing taxes and reducing transfers to the provinces? It wants to sign an agreement for a longer period while speaking about a tax reform which we know will affect the provinces.

Mr. Speaker, I would like to read to this House a statement made by Quebec's Minister of Finance, Honourable Gérard D. Lévesque, in a letter that he sent to his federal counterpart on February 4, 1987. I quote:

> Thus, despite Quebec's opposition, you are proposing to change the real estate tax base using the data provided by the real estate company Royal Lepage. On the other hand, you refuse to take into account the interprovincial differentials in value of residential land reflected in those data, which would largely meet the objections we have put forward. You will understand that I was surprised to hear that those changes had been considered under a federal-provincial joint proposal.
>
> I have serious questions about the usefulness of the consultation process that took place and that led to the present situation.

Mr. Speaker, who has forgotten the commitments made in the fall of 1984?

Consultation. That was the buzzword of all Conservative candidates. They were speaking about a new relationship with the provinces. And here is a Quebec Minister of Finance who seriously questions this consultation process followed by the Conservative Government.

Mr. Speaker, the amendment put forward by my colleague from Laval-des-Rapides (Mr. Garneau) is clear. Its purpose is to have the agreement terminated in 1990 in order to allow for the promised tax reform. If this amendment is negatived this afternoon, it means that our famous tax reform will not take place and I wonder what small business will think about this action. You will recall that not so long ago, the Canadian Federation of Independent Business published a survey of its members. Their two major concerns were the tax burden and Government red tape. Therefore, Mr. Speaker, those two major problems can be solved through a fair tax reform and we hope that Conservative Members will support this amendment. If they do, we shall continue to believe that tax reform will take place in the near future.

• (1620)

[*English*]

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, I had not intended to speak on this motion until I was provoked to do so by the nonsense the Hon. Member for Churchill (Mr. Murphy) was spouting out. First, the Hon. Member wants to know why the Bill was not brought in earlier. It is obvious that because the census data is not available until the end of January or until the beginning of February, when that data becomes available it has to be processed and all kinds of calculations have to be made before it is possible to make the necessary estimates that are dealt with in this Bill. That is simply why it is not possible to bring in the Bill before the census data is available.

The Bill was brought in on March 11. As far as the Government is concerned, it has been dealt with expeditiously. If it were not for the kind of nonsense we went through yesterday with the Liberals and their colleagues, the New Democrats, deliberately delaying the work of this House, this Bill would already have been dealt with and by now it would have received Royal Assent.

The New Democrats in their presentation should have taken into account that there is no change to the formula proposed in this Bill. It does two things. We are continuing with the same existing equalization formula for another five years. There is no change at all to the formula, just a change to the input data as a result of the last census.

We are also being extremely generous with the provinces in this Bill in forgiving about $175 million that has been paid to them in excess of the amounts the provinces are supposed to have had over the last couple of years. When it comes to generosity on the part of the federal Government toward the provinces that do not have the capability of raising all their own provincial revenues, this amounts, in the case of Newfoundland, to about $1,800 per capita per annum. I challenge any member of the New Democratic Party or any other Party in this House to say that that is not fair and generous treatment when you compare that with the $700 per capita in Ontario.

We are getting led astray by the Opposition on the question of tax reform, Mr. Speaker. If we look at the proposals that have been brought forward in this House by the Minister of Finance (Mr. Wilson), what possible effect, other than an almost negligible one, could they have on the ability of provinces to raise moneys through the ways which provinces customarily do? What effect will tax reform have on a province concerning resource royalties, for example? None, Mr. Speaker. What effect will tax reform have on the provincial sales tax? None. We are getting carried away when we think there will be major changes to the equalization formula as a result of any tax reform on the federal level.

Therefore, there is no need for this amendment that we have before us to reduce the time period of renewal from five years to three years. Five years is a reasonable time for the extension

of these types of federal-provincial agreements. If they are ever to be changed, a lot of negotiation will be required. We should not have to go through them every year or every second year because they are something like the Bank Act. Traditionally we have come to the determination that a reasonable period of renewal for major changes to the Bank Act is every 10 years. With these types of financial arrangements between the provinces and the federal Government, we have come to the understanding that five years makes sense and is a reasonable period.

What we have to keep in mind when we are discussing this Bill is that the provinces are expecting to get those cheques issued on April 16, only a few days from now. If that is to happen, Mr. Speaker, then we must have Royal Assent around April 14, which is next Tuesday. Be it on the heads of the Liberals and the New Democrats if they so delay this Bill that those provinces which need the money do not get it, as a result of their activities and the nonsense that is going on in this House.

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, first with regard to what was said by the Hon. Member for Western Arctic (Mr. Nickerson), it seems to me that the argument he gave about the data from the census having to be processed being the reason that the Bill could only be introduced at the time was somewhat suspect as an argument. It seems to me that what the Bill lays out are certain principles and formulae on how equalization payments are to be made. Those could be arrived at and passed by this House, even if they could not have been agreed upon, long before the time the Government chose to bring the Bill before the House.

What concerns me about the Bill, particularly in speaking to the amendment, is the Government's refusal to consider the idea of having a three-year period as opposed to a five-year period. I acknowledge that traditionally there has been a five-year period, and I also acknowledge the wisdom in principle of what the Hon. Member from Western Arctic said that these are things that should not be in a constant state of negotiation. There should be arrangements which last for a significant period of time and, therefore, give a certain amount of predictability to the fiscal management of the provinces and, for that matter, the federal Government.

Unfortunately what has happened is that since 1977, which was the last time the federal Government and the provinces actually agreed on what federal-provincial fiscal arrangements would be, whether with respect to the Established Programs Financing or whether with respect to equalization, which is what we are speaking about today, we have had a history of successive governments. First we had a Liberal Government, and then the Conservative Government which unilaterally changed the fiscal arrangements existing between the federal and provincial governments.

• (1630)

The Bill proposes to give an increase of $175 million to the provinces over two years, instead of the one year to which the provinces were entitled and which the federal Government should have given if it were interested in reaching an agreement. It is another example of unilateral action.

I say to Hon. Members on the government side that there is some authentic merit in the following two notions which one could use to support the idea of only having a three-year period in this instance. First, tax reform is coming forward. It seems to me that Conservatives have always been known for complaining about the way in which tax reforms make financial planning difficult for businesses. Indeed, myriad tax changes happening every year have made it difficult for business and very difficult for the provinces.

Perhaps the Government is not serious about tax reform. Perhaps its resistance to the amendment comes from the fact that down deep it knows there will not be any serious tax reform, and therefore our fears are quite unfounded. Perhaps that is the case. However, let us take the Government at its word, that there will be significant tax reform. In that case it seems to me that serious consideration should be given to shortening the time period or perhaps including a review mechanism in the legislation.

The Conservatives are very fond of sunset provisions in legislation. We are talking about a sunset provision in this amendment which is shorter than the normal sunset provision of five years on federal-provincial arrangements—and in this case its equalization—because by the Government's own admission something is coming down the pipe which could well change the financial and fiscal context within which provinces must operate.

The refusal of the Government to consider a shorter time period seems to be a confession or an expression of lack of confidence in itself and in its ability to reach an agreement with the provinces, both in respect of tax reform and in respect of Federal-Provincial Fiscal Arrangements which could be arrived at by agreement and consensus. By refusing to consider it or dismissing the idea, basically the Government is saying that it does not expect to get along with the provinces or to reach an agreement with them, so it will put this in place for five years and forget about it. Basically that is the impression one cannot help but get when one sees the Government refusing to consider the amendment and promising significant tax reform.

There is still hope, in our judgment, that the federal Government and the provinces can reach more of an agreement than they have as yet, but the Government does not have confidence in itself that it could reach such an agreement. Instead the House is faced with the prospect of once again having to divide sooner or later on the Federal-Provincial Fiscal arrangements which are being unilaterally imposed upon the provinces.

For the benefit of newer members, I remember when the Liberal Government imposed Federal-Provincial Fiscal Arrangements unilaterally upon the provinces. I remember the cry of indignation, outrage, and self-righteousness in the

Chamber at that time about the nasty, arrogant, regionally and federally insensitive, Liberal Government which would even consider imposing anything unilaterally upon the provinces.

However, what have we seen since 1984? We have seen the Conservative Government continuing in that tradition. I remember only too well that it was after the September, 1984 election that I wrote to the Minister of National Health and Welfare (Mr. Epp) and reminded him of when we sat together on the committee which dealt with Bill C-97, if my memory serves me correctly, that unilaterally imposed new fiscal arrangements upon the provinces and implemented the six and five reduction. Oh, what a howl there was from the then Hon. Member for Provencher about the unacceptability of unilateral action.

However, ever since the election of the Conservatives we have seen one unilateral action after another. Today, in their refusal to consider the amendment, they have not only said that unilateral action and unilateral attitude are being preserved but that they are to be preserved for at least the next five years, which could well be three years beyond the mandate of the Government.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I rise to participate in a very brief way in this debate.

It was in the 1930s that a royal commission looked into the problems of Canada, the problems of the provinces, in meeting in a financial way the needs of their people. It was agreed—and indeed it is defined in the Constitution—that the purpose of these programs was to ensure that provincial Governments had sufficient revenues to provide reasonably comparable levels of service at reasonably comparable levels of taxation.

Right after World War II it was accepted by all Parties, indeed by all Canadians, that the federal Government had a responsibility to try to ensure that all provinces and the territories would be in the position to provide basic services—post-secondary education, hospital care, and medical care—so that all Canadians were treated in a reasonable and equal way regardless of where they lived.

Over the years we have developed a great number of programs in areas where the federal Government financially helped the provinces, particularly the have-not provinces—Newfoundland, Prince Edward Island, Nova Scotia, New Brunswick, Quebec, Manitoba, and Saskatchewan—to meet the costs of providing basic services to the people living in those provinces. We developed a hospital insurance plan where the federal Government said to the provinces that if they developed a universal health insurance plan it would pay half the cost. In the case of the have-not provinces, the Government said it would pay even more than half the cost. The Government also said that when the provinces had developed medical insurance plans, it would pay half the cost of those plans.

• (1640)

Realizing the importance of education, and particularly of post-secondary education, the federal Government agreed to pay 50 per cent of the cost of post-secondary education, particularly in universities. Those plans were developed over many years, but beginning in the 1970s the then Liberal Government realized that revenues were not growing as quickly as the costs of these programs. The Liberal Government began to change the programs. We saw the end of the Government funding 50 per cent or more of the costs of hospital insurance, medical insurance and post-secondary education. As well, the Liberal Government put a ceiling on increases in the Established Program Financing formulae.

Many of the provinces expressed their opposition to these changes made by the Liberal Government. Many of the provinces, and particularly the have-not provinces of Atlantic Canada, Quebec, Manitoba and Saskatchewan, did not have the ability to maintain and improve health care and post-secondary education services on their own. Their ability to raise the necessary funds through income taxes or any other form of taxes or fees for services would not permit them to continue to fund these services.

Besides the changes made in the EPF funding to which I have referred, we also saw over the years changes in the equalization payments. These were payments to provinces made by the federal Government designed to help the have-not provinces fund these programs which we as Canadians believed to be fundamental rights. We realized that only with federal government assistance could these programs be continued at an adequate level.

Again, the then Liberal Government decided to put a cap on transfer payments to the provinces. After the Conservative Government was elected, it accelerated the reduction of assistance given by the federal Government to the have-not provinces. It did so by changing the EPF funding and now it is proposing to cut back on the funding given to the have-not provinces through equalization payments.

The Hon. Member for Western Arctic (Mr. Nickerson) is so quick to defend everything his Conservative Government does. On listening to him, one would think that the opposition to this Bill was being brought forward simply for partisan, political purposes. In fact, every one of the have-not provinces has protested this unilateral decision made by the Government. The Provinces of Nova Scotia and Newfoundland, both of which have Conservative Governments, have made very clear their real opposition to this Bill. These are provinces which are in very great financial difficulty. The Province of Quebec, which now has a Liberal Government, has objected to the unilateral decision of the federal Government. The Province of Manitoba, which has an NDP Government, has objected as well.

It is not only Governments that have objected. I would like to bring to the attention of Members of the House the objections to this Bill of two very important organizations. The Canadian Teachers' Federation has argued that this change will affect very adversely and seriously the ability of the have-not provinces to provide adequate education. The Canadian Medical Association has said that as a result of this decision,

which we will make if we pass this Bill, the cut-backs in EPF funding will provide for a two-tier health system. The best services will be available in the have provinces like British Columbia, Alberta and Ontario and the second tier of inadequate health services will be available in the other provinces. It is for these reasons that I join with my colleagues in opposing this Bill.

Let me point out the situation in my own Province of Manitoba. Manitoba alone of the equalization recipient provinces will face a year-over-year decline in grants. In 1986-87, Manitoba was the only province to receive a supplementary payment in the amount of $65 million. This brought its total equalization grant for the year up to approximately $506 million. However, according to the document entitled *Fiscal Equalization* issued by the Government with its legislation, Manitoba will receive just $469 million in equalization payments for the year 1987-88 despite the fact that it has demonstrated its need. This is the only province where there will be an actual decline in payments, a decline of $37 million.

We believe that this decision made by the Conservative Government is unfair. Despite the arguments of government Members that they are willing to consult, we believe that for them consulting means listening to the people who object and then going in the direction in which they intended to go in the first place, something which we consider to be highly improper.

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, I rise this afternoon to speak to Bill C-44 and to raise some concerns. I represent a riding in Ontario, a province which is an in-between province. It is certainly not the worst off of the provinces; nor is it the best off. However, as a Canadian, I share the concerns many of us have over the plight of the poorer provinces.

The Bill before us today which deals with equalization follows through on cut-backs made in other legislation. In Bill C-96, which was before the House last spring, we saw cut-backs in the formula, and of course that Bill put at risk post-secondary education and health care funding.

I would also like to point out that education in the have-not provinces is sometimes disadvantaged by other measures. The problems faced are compounded by the direction in which other provisions are going. An example of this is the Secretary of State's funding for education in the second language or in minority languages. This funding helps considerably, though it is not the main source of funding. It augments funding available for education in the have-not provinces. However, because this funding is directed in large measure toward Anglophone institutions in Quebec, institutions which are quite well established and well funded in their own right, there is less money to go around for Francophones in Manitoba, Alberta, Saskatchewan and British Columbia. There is less money for communities which depend very much upon these special programs. We see that there have been cut-backs there and that they are disadvantaged. Therefore, they are disadvantaged with regard to funding in the main programs and also in the more specialized programs to meet particular needs.

• (1650)

Canada's equalization program is designed to ensure that the provincial governments have sufficient revenues to provide reasonably comparable levels of service at reasonably comparable levels of taxation. This is very fundamental to our federal system, although it is not something that President Reagan understands very well. He simply sees it as the state doing too much and advises us against statism. However, what Mr. Reagan calls statism is, for us, caring.

As a country we care that all our communities not suffer, that the wealth be shared, and that a reasonable standard of service be provided to Canadians all across the country. We want Canadians who happen to live in economically disadvantaged areas to be guaranteed a good quality of service, especially in such key areas as post-secondary education and health care services. Equalization payments have been absolutely fundamental in ensuring that there is a standard for all Canadians to which all Canadians are entitled. All Canadians share in it by paying their taxes.

Although equalization is not perfect, it is one way of sharing the burden between economically advantaged and economically disadvantaged provinces. These provisions have varied since the time of Confederation. They go right back to the BNA Act and there has been some support for the provinces with the assumption of provincial debts and per capita subsidies.

Over the years as the burden of services which the provinces have had to provide for citizens has increased and the tax revenues available to the federal Government have increased certain measures of equalization have been taken to ensure that the provinces can provide those services.

However, the present Government is failing to honour commitments made. This is especially shocking since the Conservative Government made much of the failure of the previous Liberal Government to honour commitments. There were cut-backs which began under the previous Liberal Government and the present Government has continued them, but it has had the colossal effrontery to claim the opposite. In the Speech from the Throne there was a statement about national reconciliation. We wonder where national reconciliation is when it comes down to the nitty-gritty of equalization payments and how the regions are to live with each other. The Government talks big about reconciliation but the federal Conservatives are in fact failing to honour commitments made.

One response of the Government is that there ought to be a phasing-in period and that $175 million could be added to the pot to take some of the sting out of the cut-backs which were coming in equalization payments. The Minister of Finance (Mr. Wilson) stated:

> I believe that an augmentation of $175 million in a year, close to $5 billion in a five-year period, is a very major increase in that program. We weren't able to

get a consensus, so we'll go back to the drawing boards and look at some proposals, but the parameters are still there.

It then turned out that this $175 million would be extended over two years rather than one. Members of the New Democratic Party have raised this supposed misunderstanding. It is not a misunderstanding but a reneging on an obligation to partially modify the cut-backs.

In looking at the actual figures we see that equalization payments as a percentage of GNP have fallen. I think this is the more realistic way to look at them. In absolute terms, of course, they have gone up, but we also have inflation. There is also growing wealth in our country and relating equalization payments to GNP is a very relevant way of looking at what is happening. In 1982-83 it was 1.35 per cent and it decreased over the following years to 1.34 per cent, 1.29 per cent and 1.15 per cent. By 1986-87 it was down to 1.08 per cent and in 1987-88 it was down to 1.06 per cent. That is not a very large percentage of the GNP and we can see that the proportion has been sliding.

In looking at equalization payments compared to the Consumer Price Index, which is a measure of inflation, we see that the increase from January, 1983, to January, 1987, was 9.9 per cent. In that same period of time the Consumer Price Index rose by 18.5 per cent. From 1983 to 1988 equalization payments were at 15.1 per cent and the Consumer Price Index was at 22.8 per cent. In short, by objective criteria the equalization payments are falling behind.

The provinces which have to provide the services and pay in real terms because the costs of services are going up, are having a great deal of difficulty finding the money to meet those needs. The best criticism of the federal Government's actions on equalization is simply that the program does not meet its constitutional requirement to provide comparable levels of service at comparable levels of taxation.

I simply want to reiterate the concerns that teachers have raised about the amounts of money available for education. Education is, of course, a provincial service, but equalization funds are one means through which the federal Government can help out. Expenditures on students very much reflect the availability of equalization payments and school board expenditures have reflected this failure.

The Canadian Teachers Federation has examined the situation seriously because of its concern for quality education and has discovered that the discrepancy between have and have-not provinces in funding of primary and secondary education is actually increasing. The gap between the provinces fell in the early 1970s but has subsequently risen. In other words, the failure of the federal Government to provide adequate levels of support through equalization is having a direct impact on the education of children. This is something which we regard as extremely regrettable.

I would particularly like to mention the case of Manitoba, one of the provinces which has been most hurt by the changes instituted by the Government. I want to repeat the protest which Manitoba has made that the federal Government does have a responsibility under the Constitution to aid in equalization payments.

The Acting Speaker (Mr. Paproski): Is the House ready for the question?

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, I am glad to have the opportunity today to rise and speak on Bill C-44, and particularly on the amendment presented by our colleagues in the Liberal Party. Indeed, in commenting on this amendment I think it not out of place for me to point out that we have not had a speaker from the Liberal Party on this Bill for a little while. I might ask why that is. Surely if they put an amendment forward they must do so from a sincere belief in the principle of the amendment, and there must be more of them willing to support it. For obvious reasons we in the New Democratic Party have adopted this amendment which now appears to be parentless, without its original progenitors. In proposing the amendment in the first place the Liberal Party displayed more gall than grace, as I will demonstrate from an examination of the Liberal Party's record on equalization.

• (1700)

In speaking to the amendment, I believe it is worthwhile to set out some of the basic principles of equalization and what equalization is intended to accomplish.

Equalization is not a form of charity but an investment in Canada, particularly in Canadian unity. It is an investment in a system of financial transfer which is intended and, to some degree, does provide the poor provinces in this country which have lower tax bases, lowering taxing ability and lower tax yield, some opportunity to offer services on a reasonably comparable basis with those of the wealthier provinces.

Equalization is somewhat of a misnomer because equalization payments do not equalize. There would even be those, particularly on the government side, I suspect, who would claim that it is not really the intent of those equalization payments to equalize, but more to provide a balance.

While I will not attempt to calculate the details as to what extent equalization or balancing is accomplished, it is worthwhile to examine why this is attempted in the first place. There are very good ethical reasons for us, as a sovereign country, to attempt some form of equalization. It has been said that civilized societies—as we claim and others judge us to be in this country—are judged not by the standards of our wealthiest sectors but by what sort of services and lifestyle are available to those who, through no fault of their own, are forced to rely upon the support of their fellow citizens and the public purse.

There are even more compelling, pragmatic and practical reasons why equalization should be attempted in Canada. We are a mobile society. Those with whom we rub shoulders in the bus line or at the airport may have been raised and educated in a part of Canada that is 5,000 miles from where we live. They

may have been raised and educated in circumstances vastly different from our own, yet because society is essentially an organic method of social interaction, it is obvious that the opportunities for other people should not be unduly stifled or derogated because of the distance from particular facilities, be it industry, health care, education, commerce, or indeed entertainment. Because of our mobility rights as Canadians and the unparalleled extent to which we exercise them, many of us largely depend on each other in this country's great society. Each of us in our daily lives is dependent in a very real sense on the ability of others to function and realize their aspirations.

It is not in the national interest that we as Canadians should arbitrarily deprive any part of our society, be it divided by geography, occupation or whatever taxonomy, or lack of the proper resources required to make the essential investments in the development, not only of required skills and physical needs but the development of social interaction to which we are all entitled and able to exercise.

There must be an element of equality over time in equalization. There was a time when provinces that are now considered to be amongst the wealthier were in fact amongst the poorer provinces. We should be well aware of the way in which the economic opportunities of some parts of this country have been sacrificed—not necessarily deliberately—to the economic opportunities and prosperity of other parts of the country.

I refer to two cases in particular. The first is the Maritimes in the case of free trade arrangements within Canada and the reduced protectionism across the border that arose particularly in the last century and the beginning of this century. While I do not suggest that there are many areas in the Maritimes that are not healthy, dynamic or prosperous today, the over-all regional economy was allowed to run down. Development was transferred gradually to central Canada, particularly to the two largest and most central provinces.

The second example is British Columbia which has been unfairly and unduly penalized by the Government's willingness to concede to the demands of our great trading partner to the south in regard to softwood lumber. Unemployment in British Columbia today is far above the national average, as the Prime Minister (Mr. Mulroney) admitted today. If we had an equalization formula that included British Columbia on the basis of that high unemployment, it would fulfil the spirit of equalization, which is to tide over parts of the country that have been sacrificed for what the Government considers to be, albeit mistakenly, the broader national economic objectives.

In the time I have remaining, I want to discuss the interaction between equalization and Established Programs Financing. Established Programs Financing, as a percentage of the total cost of education, has fallen for the last seven years. Equalization under the Liberal scheme prior to 1983, and equalization from 1983 to 1987 has consumed a decreasing portion of the nation's resources. We committed an error when we allowed the Liberal Government to do that, and there has been less commitment to equality over time than existed in earlier years.

You are signalling that my time is up, Mr. Speaker. This country needs equalization. It is an investment in our very future.

The Acting Speaker (Mr. Paproski): It being 5.08 p.m., the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS--MOTIONS

[*English*]

IMMIGRATION

EXTRADITION OF LEONARD PELTIER

Mr. Jim Fulton (Skeena) moved:

That this House deplores the extradition of Mr. Leonard Peltier to the United States from Canada in 1976 on the basis of false information filed with a Canadian court by American authorities, and that this House calls upon the government to seek the return of Mr. Peltier to Canada and the annulment of all extradition proceedings in this regard.

He said: Mr. Speaker, I am very pleased that this motion is before the House today. The Parliament of Canada is the highest court in Canada, being one step beyond the Supreme Court of Canada.

The motion before us is honoured today by the presence of a number of first citizens of North America and others who have travelled across the continent to be here. They are: Lew Gurwitz who has represented Mr. Peltier for more than a decade; Steve Robideau who has also worked for more than a decade; and Archie Fire Lame Deer, a medicine man from South Dakota who has travelled a great distance as well to be here during the last couple of days of the 24-hour-a-day vigil that has been taking place on the grounds of Parliament.

The purpose of Motion 28 is to give a man a fair trial before the courts of Canada. That is something that Leonard Peltier thought he was getting in 1976, but did not receive. Over the intervening years we have seen a growing movement, not just in North America but around the world, of civil libertarians, church groups, lawyers, and other interested groups who have tried through every means possible to bring justice to this man. They have done this through the court system, the political system and have provided in excess of 20 million signatures to the White House.

• (1710)

What I am hoping today is that this House allows this matter to come to a division. We will find that out at 6.08 p.m. What I think is starting is a fresh chapter in the life of Leonard Peltier, who is sitting at this very moment in a cell at Levenworth Penitentiary in the United States serving a double life sentence for an offence he very likely did not commit.

Let me deal with what I am attempting to do here today. What happened is that a bilateral treaty between Canada and the United States, a time honoured treaty, was bruised and broken by the United States. Article 9 of the bilateral treaty requires that prima facie evidence be provided in an honest, accurate and forthright manner by the foreign country with whom we have a bilateral treaty.

In this case, as we have learned in the intervening years, the U.S. administration knew at the time the documents were filed before the Federal Court of this country that the documents were perjured and falsified. That has now been confirmed by the U.S. administration. It is an extremely serious case when a treaty with our closest neighbour and ally on this continent has been breached in this way, particularly where it has taken more than a decade of a man's life sitting behind bars.

I know Hon. Members are aware of the case of another first citizen of this country, Donald Marshall, who sat for almost a decade behind bars falsely accused. It was only later when someone else admitted to the offence that he was released and now lives free in this country.

Many people might ask why the Government of the United States would put false documents and information before the highest court of this country, the Federal Court of Canada, to obtain the extradition of Leonard Peltier. One does not have to go too far to find the answer.

There were originally three co-accused, Mr. Robideau, Mr. Butler and Mr. Peltier. Mr. Robideau and Mr. Butler appeared in Cedar Rapids, Iowa, in early 1976, on the charges of which Mr. Peltier has now been convicted. They were acquitted unanimously by a jury on the evidence that the Federal Bureau of Investigation, the State Troopers and others had managed to put together. They were unanimously acquitted. They were not acquitted by a hung-jury or acquitted by half the jury.

We have learned through the work of Mr. Gurwitz and others in the United States, through access to information and through other legal processes, that the FBI sent a telex to all FBI offices and agents in the area of South Dakota and neighbouring states advising them to drop everything else they were working on following the acquittal of Mr. Robideau and Mr. Butler and to get to work full time putting together an air tight case to obtain the extradition and conviction of Mr. Peltier. We know that occurred.

Let me deal for a moment with the documents which were falsified. Our courts cannot unilaterally, on their own, return Mr. Peltier. It can only be done by the Cabinet represented in this Chamber; it alone can take the necessary steps to have Mr. Peltier returned to Canada to come before the Federal Court to be freed, as I believe he would be now if we had had an opportunity to see the nature of the Poor Bear affidavits.

It is worth noting that there may have been at least one Canadian official, Mr. Halpern, who might well have known at the time those documents were tabled that they were perjured and falsified, because he travelled with others to the United States and the FBI did not take just one affidavit, it took five affidavits from Myrtle Poor Bear. She is a person who had been in a psychiatric institution more than 100 times at the time the falsified documents were taken.

The FBI sorted through the various affidavits and, to be sure the courts of Canada would agree to extradition, accepted the one which said this individual had been an eye witness to a double murder and that Leonard Peltier had been the one. That evidence has now been proven to be false, not just beyond a reasonable doubt. The individual who had given those original affidavits has admitted since that time that she was never at Pine Ridge Reservation during this period of time.

Others might ask what was happening? Why is this an important case to Canada? I think the damage to our treaty is the point I want to make. Motion No. 28 provides the way to get Mr. Peltier back for a fair extradition hearing before the courts of Canada, courts he trusted at that time and which unfortunately had false information put before them.

I would like to give a brief history of those years, and the reign of terror which took place in those States on the Wounded Knee and Pine Ridge Reservation which the FBI, the CIA, State Troopers and vigilantes invaded. Between those two areas, Wounded Knee and the Pineridge Reservation over 400 first citizens of this continent died under mysterious circumstances. They were all murdered, but no charges were ever laid. No one was ever convicted of the deaths of those individuals.

The CIA and the FBI brought in armed personnel carriers, M16s. Thousands of rounds were fired. It was truly a state of siege, related to the traditional use and occupancy of lands which had been turned over to the native people in that area, treaty lands which were being encroached upon by ranchers, mining companies, agricultural operations, highways, power lines and by everything else. These first citizens of North America decided to stand up for themselves and a reign of terror came upon them. A Canadian native woman was also murdered during the Pine Ridge occupation.

We see the FBI bringing the information forward it had collected in the first case, and the first two individuals, Mr. Robideau and Mr. Butler, were acquitted unanimously by a jury. The FBI put together a case; it falsified documents, it put those documents before the Federal Court of Canada and got the extradition of this man. He was taken to trial and given two life sentences for the murder of two FBI agents. This is a matter which, in terms of the information that has come out in relation to ballistics, falsified evidence and all kinds of other suppressed evidence, has now caught the attention of the U.S. Congress.

Don Edwards, a former FBI agent himself, is now the Chairman of the Congressional Committee on Constitutional and Civil Rights. He has taken this case. He, along with 55 Democrat and Republican Members of the U.S. Congress filed an *amicus curiae* brief, for the first time in the history of the United States on an active case before the courts in the United

States, in an attempt to get a new trial for Leonard Peltier. However, it was turned down by the Eighth Circuit Court in the United States on grounds unrelated to the evidence which had been adduced under Access to Information.

In Canada, Members of all Parties in this House, 60 parliamentarians, have signed a document asking for a new trial process for Leonard Peltier. That is why I am pleased this afternoon that the former Solicitor General, who was Solicitor General at the time, the number one policeman, one might say, in Canada, the Hon. Member for Notre-Dame-de Grâce—Lachine East (Mr. Allmand), will be speaking this afternoon in support of this very proper process for the highest court in Canada to take the kind of judicial and well thought out opportunity we have to make recommendations to have Mr. Peltier returned to Canada for a fair, honest and open trial. That is something every Canadian expects, not just for Canadian citizens coming before our courts, but for anyone, particularly on an extradition proceeding where there are falsified documents.

The Hon. Member for Cochrane—Superior (Mr. Penner) will also be speaking. He is deeply knowledgeable about the devastating affects of government regulations, policies and laws upon the first citizens of this continent. The Hon. Member for Kenora—Rainy River (Mr. Parry) will also be speaking in favour of this motion. I hope that those government Members who speak on this motion will speak to the issue. It is beyond a reasonable doubt that the documents were falsified. The U.S. administration has admitted that.

Let me sum up by pointing out that first citizens, not just in Canada or in North America, but around the world, are looking to see what kind of leadership Canada is going to give on this matter. It is the first country in the western world to recognize and affirm aboriginal rights in our Constitution. They want to see if the highest court in our country will take account of the views of 74 international church groups, the Archbishop of Canterbury, Archbishop Desmond Tutu, 55 Members of Congress, civil rights' groups around the world, Marlon Brando, who has been involved in this case as an American citizen for more than a decade, Jackson Brown, Jessie Jackson, and four Nobel Prize winners. There is an extensive of people around the world who wish to see Leonard Peltier returned to Canada for a fair, honest and open extradition hearing so he can stay free in North America.

[*Translation*]

Mr. Charles-Eugène Marin (Gaspé): Mr. Speaker, I want to thank the Hon. Member for Skeena (Mr. Fulton) for introducing this motion to call upon the Government to seek the return of Mr. Peltier to Canada and the annulment of all extradition proceedings in this case. This motion gives me an opportunity to provide Hon. Members with brief background notes on the Peltier affair and explain why our Government did not protest against the extradition of Mr. Peltier nor ask that he be returned to Canada.

First I must say that the Peltier affair has often drawn the attention of the media both here and abroad. It has been pointed out that eminent religious and political personalities throughout the world as well as native and international organizations support the requests made on behalf of Mr. Peltier with respect to his release and return to Canada. It has been alleged, first that his extradition was based on false evidence, second that the treaties were ill-advisedly used, third that Mr. Peltier was unfairly and inequitably treated, and fourth that items of evidence were suppressed and that he was unjustly declared guilty of a crime he did not commit.

Unfortunately such statements are made by people who probably do not know all the relevant facts and who may not have studied the many decisions and rulings related to the case. True, inaccurate evidence was given to support the extradition request. However it is not true that such evidence was the basis for the final decision to extradite Mr. Peltier and eventually declare him guilty of murder under two charges. None of the many courts or none of the many commissions which heard or examined this case concluded that the other items of evidence did not warrant a full trial or could not be used as the basis for a guilty verdict.

Mr. Speaker, let me recall that during the CBC *Fifth Estate* interview in January 1987 Mr. Peltier did not deny having been among the group of people who had fired on FBI agents Ronald Williams and Jack Coler when they entered the Harry Jumping Bull hall on the Pine Ridge reserve in South Dakota on January 25, 1975.

To gain a better insight into this case it will be appropriate to discuss the legislation and the extradition principles. After that, Mr. Speaker, a general outline of the extradition issue, the items of evidence in this case, and the decision to extradite will be given. We will also deal with the Federal Court review of the judgment and the decision not to appeal the request made to the then Minister of Justice. The facts in this case are quite clear, Mr. Speaker, and they will show that under the circumstances Canada did nothing other than meet its international legal commitments.

• (1720)

[*English*]

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Mr. Speaker, the motion before the House today deplores the extradition of Leonard Peltier to the United States from Canada in 1976 on the basis of false information filed with the Canadian court by American authorities, and also calls on the Government to seek the return of Mr. Peltier to Canada and the annulment of all extradition proceedings in this regard.

I must say that I was extremely disappointed with the response of the Hon. Member for Gaspé (Mr. Marin) who, I presume, spoke on behalf of the Government. In his reply he said that Canada must live up to its international obligations with respect to treaties. There is no doubt in my mind that the United States did not live up to its obligations with respect to

the extradition treaty when it presented evidence to the extradition hearing in Vancouver in 1976.

For some 10 years now I have been protesting the manner in which Leonard Peltier was extradited to the United States. While I as an individual cannot be sure whether Leonard Peltier is guilty or not guilty of the crimes charged against him, I am absolutely certain that false evidence was presented before the extradition hearing and that other very important evidence in the hands of the prosecution was withheld. I am absolutely sure of that.

The only conclusion that I can draw from that is that this extradition hearing in Vancouver in 1976 was a travesty of justice. It was a blight on our criminal justice system and should be annulled, as the motion suggests. We should start all over again. We should start all over again and hold an extradition hearing in which only proper evidence is presented, and all the proper evidence is presented, otherwise we will be giving credibility to fraud in our justice system.

I would like to recount some of the incidents in this case although my colleague, the Hon. Member for Skeena (Mr. Fulton), has just done that. We know that in 1975 there was a serious incident which took place at the Pine Ridge Reserve in South Dakota in the United States at which two FBI officers entered onto a private ranch on the reserve without any search warrant and attempted to find evidence. As a result of that action by these FBI agents, shooting broke out and the two FBI agents were killed. An Indian was also killed. As a result of this shooting Leonard Peltier was charged with murder, fled to Canada and was later arrested in Hinton, Alberta, in February of 1976. The extradition hearing started in Vancouver in May of 1976 and concluded on December 18, 1976.

It is interesting that when the extradition hearing started I was the Solicitor General in the Government of the day. When the extradition hearing finished, in September of that same year, I was the Minister of Indian Affairs. I can remember receiving in my office, as Minister of Indian Affairs, Marlon Brando and other important personalities from the United States who pleaded with me and gave me evidence that this extradition hearing was badly flawed and should be started over again, that it should not be carried out in the way in which it had started. This was at a time when the evidence was not as strong. It became stronger as time went on. It was later admitted that the FBI had other affidavits which contradicted the affidavit it had presented before the extradition hearing in Vancouver in 1976.

The affidavit it presented was the affidavit of Myrtle Poor Bear, a poor woman who had a record of mental illness, who claimed to be Peltier's girlfriend and who said in that affidavit that she was present when Peltier shot the FBI people. However, there was another affidavit in which she denied that, which affidavit was not presented to the hearing. After the extradition hearing and after the trial it was found that shell casings discovered near the dead FBI agents could not have come from the weapon that was held by Leonard Peltier. However, that evidence, although known to the FBI, was not presented to the trial and was fraudulently withheld.

The Yale Law Review, an eminent law review in the United States, in commenting on this case pointed out that extradition treaties are based on good faith between nations and when one nation seeking the extradition of a person to its own country presents affidavits in evidence, one usually relies on the fact that it is doing so in good faith and in accordance with the treaty. *The Yale Law Review* concluded that in this case that was not done. If that sort of behaviour continues then our whole system in terms of extradition falls down. It begins to crumble because we never know when to rely on the evidence that is being presented to us in these various extradition hearings.

As I pointed out, the extradition hearing and the trial in the United States was full of irregularities, false evidence and was a real frame-up. It was a frame-up to get Leonard Peltier for whatever reason the American authorities felt that that was necessary.

• (1730)

This case is just another example of the continuing inequities in our justice system, vis-à-vis, the poor and racial minorities. As we look at our system here in Canada, and I am sure my colleague from Cochrane can refer to it in his remarks because he is more familiar with it than I, an extremely high percentage of the people in our prisons in Canada are Indians and other people from racial minorities, much higher than their percentage of the population. That was the case in the United States and Canada when we had executions taking place and it is one of the strong arguments I use against the return of capital punishment in this country. Capital punishment has always borne more heavily on the racial minorities, the immigrants and the poor. Social and economic conditions breed this kind of discontent and situation which give rise to these types of happenings.

The Government has made a great deal about our new rules for parliamentary reform. The Government has stated that the new rules should give back-benchers and opposition Members an opportunity to present motions to this House to be debated in an open and free way and then allow those motions to come to a vote so that we can decide certain issues which are not on the Government's agenda but which are on the agenda of the opposition Parties and the back-benchers. This is just such an example.

I should point out that the request we are making in this motion is supported by a very large group of people internationally. As has been mentioned, 60 Members of Parliament in this House support it, 55 Congressmen in the United States, Amnesty International, four Nobel Prize winners, many religious leaders, bishops, archbishops, and so on in the United States, the National Association of Criminal Defense Lawyers and many others. One would hope that the Government will allow this motion before the House to come to a vote so we can take a decision on it.

If we in this country really believe in a criminal justice system, then we cannot tolerate false evidence being presented to us in an extradition hearing or the withholding of evidence. If we are going to have a proper system we must support this motion today.

Mr. Keith Penner (Cochrane—Superior): Mr. Speaker, I wish to concur with the motion presented today by the Hon. Member for Skeena (Mr. Fulton) and commend him for giving the House the opportunity to consider this important matter. I concur with the Hon. Member from Skeena that with regard to the case of Leonard Peltier every aspect is deplorable.

The extradition process was deplorable, as has already been indicated to this House. Part of the evidence presented by the U.S. Government was later established to be unreliable. On the basis of information that there was some unreliable evidence, the Federal Court of Appeal reviewed the decision to extradite. The court, nevertheless, felt satisfied that the Government of the United States had produced sufficient evidence to warrant the extradition action—Sir, "sufficient evidence".

The lawyers, acting on behalf of Mr. Peltier have now obtained, as a result of the United States Freedom of Information Act, a mass of some 12,000 documents which show that the U.S. Government withheld testimony. The review process by the Federal Court of Canada and its decision was deplorable, particularly in light of the subsequent admission by the FBI that much evidence was not only withheld but, in fact, also fabricated in order to obtain the extradition order from Canada.

Mr. Peltier was surrendered to the United States after an unsuccessful political appeal to the Minister of Justice of the day, Mr. Ron Basford. I think that is deplorable as well. The Minister at that time refused to consider the material which alleged that there were inconsistencies in the affidavits. He said that was up to the courts. He confined himself solely and entirely to the question of whether the offences were in any way of a political nature. The Minister reached the conclusion that there was no evidence that the offences were of a political character. I submit, Mr. Speaker, that that was deplorable because the alleged offences with which Mr. Peltier was charged occurred in a highly charged environment and an environment of political confrontation.

It has been mentioned that in June, 1975, Mr. Peltier and other members of the American Indian movement were camped at the Pine Ridge Reservation. They were there for a political reason, to protest the tribal chief's plan to sell some resource rich reserve lands to the American Government. Isn't it always the way, Sir, that the indigenous peoples of any country are always relegated to the worst, poorest quality land? Yet, all of a sudden, when something valuable is discovered on that land, a resource—something a Government wants—the Government finds some way to get the land back, and that is exactly what happened in this case.

Prior to the Pine Ridge incident, in February, 1973, the American Indian movement had occupied Wounded Knee and had declared it to be an independent Sioux nation. The Indians vowed to stay there until Indian treaties had been reviewed. They vowed to stay there until the United States Senate investigated the treatment of Indians in general in the United States of America. Federal marshalls arrived on the scene. There were some negotiations and some gun-fire.

In May, 1973, the federal siege came to an end, but it came to an end in exchange for a promise that there would be sincere negotiations regarding the Indian grievances. Two years later, after that promise was made, the situation remained critical and unresolved. So we come to Pine Ridge. Two Federal Bureau of Investigation agents entered a ranch, as mentioned by my hon. colleague, without a warrant. What were they doing? They were searching for a man who had stolen a pair of boots. This was the Federal Bureau of Investigation; it is easy to see that every aspect of this case was political in nature. For the Minister of Justice in 1976 to have closed his eyes to that and not to have recognized it and granted the extradition order was deplorable and short-sighted.

Mr. Peltier was tried and convicted in the United States. It was a deplorable trial because fabricated evidence was used, unreliable evidence was used and that has been revealed. Amnesty International believes that new evidence casts serious doubts on the fairness of Leonard Peltier's trial. Amnesty International believes that the United States Court of Appeal should have given serious consideration to the evidence and it believes that the interests of justice would best be served by granting Mr. Peltier a new trial.

I might just add parenthetically that there were three judges of the Eighth U.S. Circuit Court, the Court of Appeal that conceded that the prosecution withheld evidence. They also conceded that the evidence presented by the Federal Bureau of Investigation agents, at least two of them, was improper.

• (1740)

Extradition proceedings are carried out pursuant to a treaty. In this case it was the 1842 Treaty, the old extradition treaty between Canada and the United States. Extradition proceedings are not a trial. There is no finding of guilt or innocence. Evidence is not subjected to cross-examination. The purpose is solely to determine whether there is sufficient evidence to warrant a person being sent to a foreign country where it is alleged that he or she has committed a crime.

We now know that there was insufficient evidence. I charge that there was a violation of that extradition treaty between Canada and the United States. There were wrongdoings in respect of those proceedings because false evidence was used. Surely, in order to uphold the basis of a treaty, there are obligations to use only valid evidence. There must be the assurance that documents used are trustworthy. It is deplorable that it was otherwise.

I agree with the Hon. Member for Skeena who said that this was a treaty fraud. The Department of Justice would have us believe that there is no mechanism to annul a proceeding. However, if the basis upon which a decision was made is wrong, surely the decision itself is wrong and that decision should be declared null and void.

If we argue in this place that the absence of a mechanism is the reason for not acting, what a hollow argument that is. It is as if justice is some kind of machine, a sort of judicial technology.

I believe that overarching every proceeding, overarching every trial, hearing and review, there is the ideal of natural or fundamental justice. That ideal ridicules the nuts and bolts of justice and simply demands that we do what is right. To say that we cannot act is simply deplorable.

I repeat what the Hon. Member for Skeena and what the Hon. Member for Notre-Dame-de-Grâce—Lachine East (Mr. Allmand) have said. Let this House in the name of human rights, let this House as the highest court in the land, demand in the name of natural and fundamental justice that there be a new extradition proceeding. Mr. Speaker, let justice prevail.

Mr. Pat Binns (Parliamentary Secretary to Minister of Fisheries and Oceans): Mr. Speaker, I rise to speak on the motion of the Hon. Member for Skeena (Mr. Fulton). I paid particular attention to the strong arguments he made, along with those of other Hon. Members, on this important issue. Certainly some strong arguments have been made to which the House has an obligation to give serious consideration.

However, my colleague has already emphasized the necessity to understand the extradition law and the extradition process we in Canada are bound to follow. It is my understanding that the extradition law is straightforward and does not really offer an option at the present time.

Therefore, before beginning to discuss the particulars of the Leonard Peltier extradition case, I should like to outline generally the extradition law and principles as they are applied in Canada.

As between Canada and the United States, the Extradition Act and the extradition treaty between the two countries is the applicable law. It is important to know that a fugitive found in Canada for whom extradition is requested is not put on trial in Canada. The hearing before the extradition judge seeks to establish by the presentation of evidence essentially four things. The first is identity, that the person before the court is the fugitive wanted for serious crime in the requesting state. The second is dual criminality, that the offence for which the fugitive is wanted is an offence in both the requesting and the requested states. The third is a prima facie case, that there is sufficient evidence before the extradition court that, if believed, would require the case to be put to a full trial. The fourth is that the offence is one listed in the scheduled offences in the particular extradition treaty.

The main difference between an extradition hearing and a trial lies in the type of evidence which is admissible at the hearing and the weight to be applied to the evidence. Sworn statements of witnesses who are outside the country may be presented as evidence to the extradition judge. He is not entitled to weigh this evidence, that is, to decide whether or not he will believe it. He must accept the evidence at face value since the credibility of witnesses and the weight to be attached to evidence are properly matters to be determined at trial. The extradition judge in accepting the evidence at face value must determine, however, that there is sufficient evidence to require the fugitive to be tried in the requesting state.

In the case of Mr. Leonard Peltier, extradition was sought by the United States under Articles 10 and 11 of the Treaty of August 9, 1842, between Her Majesty and the United States of America and under the supplementary Convention between Her Majesty and the United States for the extradition of criminals of July 12, 1889.

An extradition hearing is normally based upon sworn affidavits of witnesses and other documentary evidence. The requesting state produces duly authenticated copies of warrants and indictments seeking to establish the identity of the fugitive and a prima facie case respecting all criminal charges, and the foreign law which must establish a serious criminal offence. The fugitive's defences are limited since the purpose of an extradition hearing is not to establish the innocence or guilt of a fugitive but to establish a sufficient case for trial in the requesting state.

The fugitive may attempt to prove that he is not the person who is wanted in the foreign state. However, he will not present evidence to establish his innocence. He may argue that the crime in respect of which his extradition is sought is not an extraditable offence, or that the offence is one of a political character, or that there is not sufficient evidence to require that he be put to trial.

In the reported case of *The United States v. Sheppard*, Mr. Justice Ritchie of the Supreme Court of Canada described the standards which must be met at a preliminary hearing in Canada in order for a case to be set for trial, the same standard in the opinion of the court applied to an extradition judge in ordering that an extradition should be granted. He noted:

> The justice in accordance with this principle, is, in my opinion, required to commit an accused person for trial in any case in which there is admissible evidence which could, if it were believed, result in a conviction—

He also noted:

> —credibility in my view must always be a question for the jury and if the function of an extradition judge is equivalent to that of a judge in determining whether or not a case should be left to the jury, it follows that credibility is not within his sphere—

As well he noted:

> I cannot accept the proposition that a trial judge is ever entitled to take a case from the jury and direct an acquittal on the ground that, in his opinion, the evidence is "manifestly unreliable". If this were the law it would deprive the members of the jury of their function to act as the sole judges of the truth or

falsity of the evidence and would thus, in my opinion, be contrary to the accepted role of the jury in a legal system.

As you can see, Mr. Speaker, determining sufficiency of evidence is really the only function of an extradition judge. Determining the falseness of the evidence adduced at the hearing does not seem to fall within the purview of an extradition judge.

It should also be noted that if the United States presents a case which meets these standards, Canada is bound by the treaties to extradite. Unfortunately there is no basis as a matter of law for the Government of Canada to intervene before U.S. courts to make an application for Mr. Peltier's return to Canada, even if there were grounds. There is no procedure in law for seeking the annulment of extradition proceedings.

As I said in my opening remarks, it appears that the matter of extradition law is very straightforward and offers no opportunity for another option. Of course that would be the first matter with which the House would have to deal in trying to take another look at the situation.

[*Translation*]

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, the motion before the House today calls upon the Government to seek the return of Mr. Peltier to Canada and the annulment of extradition proceedings in this regard.

At the beginning of my speech, Mr. Speaker, I would like to start by commending the Hon. Member for Skeena (Mr. Fulton) for his dedication and commitment to the case of Mr. Leonard Peltier.

Mr. Speaker, I would also like to commend the Hon. Member for Notre-Dame-de-Grâce—Lachine East (Mr. Allmand), a former Solicitor General and Minister of Indian Affairs at the time, for having the courage to acknowledge before the House the mistakes that were made by his Government. Mr. Speaker, I think that is a real example of courage and of exceptional dedication to the cause of justice in Canada.

Mr. Speaker, I would also like to thank all the other Members who supported the motion.

• (1750)

[*English*]

In supporting this motion I would like not to review the facts, something which has already been ably done by previous speakers, but to examine something of the legal, political and psychological environment that leads us to the motion before us today.

It seems to me that the charges Leonard Peltier fled the United States to escape, the charges which were instanced when he was returned to the United States, courtesy of the Canadian judicial system, arose out of a situation of obvious hazard, a situation that indeed verged on civil war. As my colleague, the Hon. Member of Cochrane—Superior (Mr. Penner), pointed out and so eloquently described, thus it is ever when an essentially alien system seeks to conquer established forms of political organization by dividing. What happened was obviously the result of the division between the legally established authority supported by the United States Government, however lacking in support among its own people, and those people who held to the traditional, time-honoured and always-existing practices and traditions of Governments and social organizations within society.

The moving of a motion to return Mr. Peltier to Canada is not an attack on the judicial system of our great neighbour to the South, the United States of America. All judicial systems of law enforcement are made up of laws and regulations instituted, interpreted and applied by human beings. We are all fallible. As Martin Luther King said, within the best of us there is some evil and within the worst of us there is some good. In moving this motion, we do not propose that in some way the Canadian judicial system is superior to that of the United States. We simply say from a deep level of understanding that indeed both are capable of error, and that in this case there was a grave error made both in the United States and in Canada.

We have a parallel before us in the case of Donald Marshall, a native Canadian who spent 11 years in prison on a charge of second-degree murder for a crime to which another person later confessed. This should be used as an example of the fact that no one has brought this motion forward from any feeling of superiority. Without being flippant, Mr. Speaker, I would say that you had to be there. It is not possible for any one of us in this Chamber to say that we could understand the emotional, psychological and political climate that led to the invasion of Leonard Peltier's community. Nor could we understand the climate of paranoia which led to the laying of charges and the eventual framing of Leonard Peltier before a Canadian extradition hearing.

As the Hon. Member for Skeena (Mr. Fulton) said, this was a case of treaty fraud. In a case of treaty fraud, it behooves us as Members of Parliament to raise the fraud with the other party to the treaty, not in the spirit of retribution or in the spirit of recrimination, but in an attempt to right a wrong that has been done, that if not righted will stand between us as something that would divide these two great peoples.

It is my understanding that Article 9 of the extradition treaty would allow Canada to negotiate through diplomatic channels for the return of Mr. Peltier to Canada for the new extradition hearing which is sought. My friend, the Hon. Member for Cochrane—Superior said that to say that there is no procedure is no excuse.

After all, international organizations in Canada and the United States have supported Mr. Peltier's efforts for a new trial. The U.S. National Association of Criminal Defence Lawyers, Amnesty International, 55 members of the United States Congress from both Parties, Don Edwards who is the Chairman of the Sub-committee on Constitutional Civil Rights in the United States, the Right Reverend Robert Smith who is Moderator of the United Church, the fourth Bertrand

Russell Tribunal which was held last year in Holland and 74 international religious institutions have been joined by some 20 million signatures sent to the White House in an attempt to seek a new trial for Leonard Peltier.

Let us look into the psychology of relationships between our two countries. Should we pass this motion and should Canada seek the return of Leonard Peltier to Canada from the United States Government? If we are to do it, it would be essentially a gesture of friendship to the United States and a gesture of confidence in the people of the United States. Let us look at the psychology. We all know that at times of great trauma, both individuals and organizations go through phases. There is the phase of denial and there is the reliance on pride, particularly in organizations which are afraid to move until all are ready to move.

Eventually in that cycle of denial there comes a point at which the facts are too persuasive, a point at which the motive of conscience is too powerful for pride to resist any further the pressure of reason. At that point, we can be overwhelmed, we can change and we can begin to seek reconciliation. We can begin to admit that errors have been made in the past and we can begin to start to correct those errors. I deeply believe that that is the case in the matter of Leonard Peltier.

The United States Government has admitted that affidavits used to extradite Mr. Peltier were false. To quote an article in the *Yale Law Review* written by Mr. Privitera:

> If sovereign nations are to trust one another in carrying out their treaty obligations, there must be an obligation of fair dealing, good faith, and—representations in the tribunals of another sovereign.

He goes on to state:

> Implicit in any workable contract between nations in which they agree to submit evidence in support of probable cause to the courts of either state must be an understanding that the parties will not defraud one another.

Let us as Canadians and Members of this House give the Government of the United States that opportunity.

• (1800)

Mr. Allmand: Mr. Speaker, I rise on a point of order. I would like to ask the Parliamentary Secretary whether it is their intention to allow this motion to come to a vote or to talk it out.

The Acting Speaker (Mr. Paproski): First, that is not a point of order. Second, this is Private Members' Hour and there are a few other Members who would like to speak. I know that the former Solicitor General, who has been here for many, many years, realizes that this is Private Members' Hour. There are still two or three members who would like to add a few remarks to this very important debate.

Mr. Fulton: Mr. Speaker, I would just ask that government Members keep in mind that if this Bill is to go to a division we have about eight minutes in which to do that. I would hope that at perhaps five after this matter could go to a division. I think it is important.

The Acting Speaker (Mr. Paproski): That is not a point of order. It is debate.

[*Translation*]

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, first of all, I would like to say that instead of rising in the House to interrupt me, the Hon. Member for Notre-Dame-de-Grâce—Lachine East (Mr. Allmand) should have risen in the House when he was a Member of the same Cabinet as the Hon. Ron Basford, when the latter, as Minister of Justice and his Liberal Cabinet colleague, ordered the extradition of Mr. Peltier. That is when the Hon. Member for Notre-Dame-de-Grâce—Lachine East should have risen in the House, not today. Not now.

Second, I believe his representations would have been far more credible if he had not referred us to a publication entitled: *Towards the Remedy for International Extradition by Fraud*. Mr. Speaker, the author of this publication is Mr. Peltier's former counsel.

However, I would like to emphasize that I fully understand the motives that led the Hon. Member for Skeena (Mr. Fulton) to move this motion, though I do not share his views. Earlier, the Hon. Member for Skeena talked about the legislation and principles that apply to extradition in Canada. I would now like to give a summary of the Peltier extradition case and the examination before the Federal Court of Appeal of the decision of the judge who ordered the extradition.

Mr. Peltier was arrested near Hinton, Alberta, on February 6, 1976, on an arrest warrant issued on January 23, 1976, under Section 10 of the Extradition Act. The warrant was issued as a result of a statement under oath made by a police officer who revealed that in the United States, Leonard Peltier was accused of the following five offences:

November 22, 1972, Milwaukee, Wisconsin—attempted murder; June 26, 1975, near Oglala, South Dakota—murder of special FBI agent Ronald A. Williams; June 26, 1975, near Oglala, South Dakota, murder of special FBI agent Jack R. Coler; November 14, 1975, near Ontario, Oregon—attempted murder; and November 15, 1975, near Nyssa, Oregon, break and enter.

After he was arrested, Leonard Peltier was transferred to Vancouver to wait for the extradition hearing. He was held at the Lower Mainland regional correctional centre under the provisions of the extradition warrant. British Columbia Supreme Court Justice Schultz presided at the extradition hearing from May 3 to May 28, 1976. The decision was rendered on June 18, 1976: Mr. Peltier was declared subject to extradition for four of the five crimes allegedly committed in the United States. The Court found that the evidence on the attempted murder in Oregon, as submitted during the hearings, would not warrant an indictment under Canadian law had the crime been committed in Canada.

In this case, three witnesses were summoned on behalf of the United States and 11 witnesses on behalf of Mr. Peltier, although Mr. Peltier himself did not testify. Further, some 35

affidavits were filed from witnesses for the United States Government, including the two affidavits of February 23 and March 31, 1976, by Myrtle Poor Bear, in which she stated:

1. That she had accompanied Leonard Peltier to the Jumping Bull Hall near Oglala—

[*English*]

Mr. Rodriguez: Mr. Speaker, I rise on a point of order. It is a tradition and practice in this House that Members may use notes for reference. The member is reading a speech which was probably prepared by some bureaucrat. The practice is that you have notes and refer to them, but you do not read a speech prepared by some bureaucrat.

• (1805)

The Acting Speaker (Mr. Paproski): The Hon. Member for Lévis (Mr. Fontaine) has the floor.

[*Translation*]

Mr. Fontaine: Thank you, Mr. Speaker. So, to start again:

1. That she had accompanied Leonard Peltier to the Jumping Bull Hall in Oglala, South Dakota, during the first week of May, 1975;

2. That about one week after their arrival, Peltier and a number of other individuals started to plot the murder of all officers of the U.S. Bureau of Indian Affairs or the FBI that might come to the area;

3. That Peltier appeared to be leading the plot;

4. That certain responsibilities were allotted and a detailed escape route established;

5. That, the day before the murder of the FBI officers, Peltier told her the FBI officers would be in the area to serve an arrest warrant and she should prepare to escape after the expected shots took place;

6. That she saw Leonard Peltier fire on men she believed to be FBI officers; and

7. That she saw Peltier again in August, that they referred to the murder of officers and that he told her he had lost his head, had opened fire and shot at them.

The affidavits by Myrtle Poor Bear were not the only evidence introduced during the extradition hearings. Other evidence was submitted confirming Mr. Peltier's guilt, which lead the judge to conclude there was sufficient evidence against Mr. Peltier. The evidence included the gun issued to the murdered FBI officer, Jack Coler, that he carried on duty and which Peltier had in his possession. They included the bullets of a Colt A.R.-15 rifle found in his car and in another vehicle on which Peltier's fingerprints were taken. The Colt A.R.-15 rifle was similar to that used in the murder of both FBI agents. Finally according to the testimony of two eyewitnesses, Peltier had fled the scene of the crime with such a weapon.

On the basis of those pieces of evidence, Justice Schultz concluded in a long written decision that the conclusive evidence warranted the extradition of Peltier on two charges of murder. Moreover, he concluded that other pieces of evidence were sufficient to allow him to include in the extradition order another murder charge and one of a burglary. Nobody has ever suggested that the extradition based on those last two charges were irregular.

Mr. Peltier submitted to the Federal Court of Appeal under Clause 28 of the Federal Court Act a request that the decision rendered by Justice Schultz be repealed. The hearing before the Federal Court of Appeal was held in October, 1976. Previously, Mr. Peltier's lawyer had made an application to obtain the permission to introduce another piece of evidence. That piece of evidence was a third affidavit. This was in fact the first affidavit made by Myrtle Poor Bear on February 19, 1976 which had not been introduced during the extradition hearing held before Justice Schultz in Vancouver. In that affidavit, Myrtle Poor Bear said that she had left the area where the Jumping Bull hall was located the day before the two FBI agents had been shot and had never returned there.

[*English*]

The Acting Speaker (Mr. Paproski): Order. The hour provided for the consideration of Private Members' Business has now expired. Pursuant to Standing Order 42(1), this Order is being dropped from the Order Paper.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 66 deemed to have been moved.

CORRECTIONAL SERVICE CANADA—CONTRACT TO SUPERVISE PAROLEES IN TORONTO

Mr. Andrew Witer (Parkdale—High Park): Mr. Speaker, on February 11 in the House I raised a question of deep concern and frustration to my constituents. It related to a Correctional Service contract with Exodus Link Corporation to provide private parole supervision. I asked the Solicitor General (Mr. Kelleher) to terminate funding to Exodus Link Corporation until a more suitable location had been found outside the boundaries of Parkdale—High Park.

In order to comprehend the full extent of the problem and the reasons for strong and persistent community opposition toward the location of this facility in Parkdale—High Park, it is important to provide some background on the manner in which this issue has been handled.

• (1810)

On September 12, Correctional Service Canada signed a contract with Exodus Link Corporation for the provision of

private parole supervision for up to 80 conditionally released offenders. The contract did not specify a location for the attendance centre other than it was to be in Toronto. We were told that Exodus Link then began the search for a location. After investigating several sites, it applied for and received a building permit for 2050 Dundas Street West in Toronto. That action was completed prior to any consultation with the community or its elected representatives.

The choice of 2050 Dundas Street West as a location created significant and justifiable concern when the plan came to light. Had consultations taken place with elected representatives prior to the decision, Exodus Link and Correctional Service Canada would have been advised of the over-saturation of social assistance and rehabilitation facilities in Parkdale—High Park. They would have known of community concerns about the crime rate in Parkdale—High Park. They would have been warned of the negative impact of locating between 50 and 80 convicted criminals in this area. However, by their own admission, Exodus Link officials conceded that the secrecy surrounding the plan was by design in order to prevent any controversial input from the community or its elected representatives. It was a blatant cover-up.

Not only was the project conceived in secrecy and the community kept in the dark, Exodus Link misrepresented important facts when advising Correctional Service of its plans. Exodus Link told Correctional Service officials that there were only 10 halfway houses in Parkdale—High Park. They told CSC that there had been consultation with a community advisory council when in fact no such consultation occurred. No mention was made of the number of group homes, alcohol and drug addiction rehabilitation homes or young offenders and crisis care facilities which are located in the area. The facts confirm the argument put forward by the community that Parkdale—High Park is over-saturated with facilities which draw upon the community and its support systems and cannot provide the very community support and input which is imperative for the Exodus Link project to be successful.

In responding to my question, the Solicitor General advised that he would reduce the number of parolees referred to this location by 40 per cent. This would reduce the number of parolees to 50 from the original number of 80. Who is the Minister kidding? The bottom line is that Exodus Link will cause a substantial influx of convicted criminals into the area on a daily basis. The community does not and will not accept this answer. In his reply the Minister stated that site selection was the responsibility of Exodus Link. The question which begs to be asked is should Exodus Link have been given such responsibility in the first place? Why was Exodus Link allowed to develop the criteria for the facility without guidance and supervision from Correctional Service Canada and without input from community resources?

We cannot expect the community to accept the position that the federal Government did not choose the location and, therefore, is not responsible for the consequences of the decision. What kind of response is this to the community's justifiable concern? Where is the accountability? What happened to responsible decision making? The Minister and Mayor Eggleton have been duly warned that locating Exodus Link in Parkdale-High Park is a time bomb which can result in tragedy and with serious and long term consequences for the community.

• (1815)

Parkdale—High Park residents have made a determined effort to provide a safe and secure environment for themselves and their families. They are willing to accept the responsibilities of good citizens and bear their fair share of safe social assistance projects. In return, they ask to be treated fairly and to be consulted in matters which affect them. In all conscience can the Minister deny that request? Failure to comply with the request of the community can only be interpreted as showing the same contempt for the electorate as that shown by Mayor Eggleton. It is an adoption of the same elitist attitude.

My constituents have made their position abundantly clear. Residents have signed petitions by the thousands and have picketed Exodus Link daily in order to demonstrate the depth of their frustration and anger. To date, the Solicitor General has not acted in any meaningful way to address the community's demands. His April 8 decision to renew the contract which expired on March 31 has escalated the level of frustration within the community. I can assure the Minister that the residents have no intention of abandoning the fight. They are concerned about the quality of life in their neighbourhood. They are fighting for a secure and safe environment, which is essential to ensuring a healthy, normal family life within our community. We are fighting for the life of our neighbourhood.

The Acting Speaker (Mr. Paproski): I regret to interrupt the Hon. Member but his time has expired.

Mr. Murray Cardiff (Parliamentary Secretary to Solicitor General of Canada): Mr. Speaker, I am glad to have this opportunity to respond further on the issue raised by the Hon. Member for Parkdale—High Park (Mr. Witer). The Hon. Member urges the Solicitor General (Mr. Kelleher) to intercede on behalf of the residents of Parkdale—High Park who object to the presence of the Exodus Link Attendance Centre at 2050 Dundas Street West.

As the Solicitor General has already stated on two occasions in the House, the Correctional Service has no say in the location of halfway houses operated by private agencies. The Correctional Service is responsible for funding agencies capable of providing the required supervision and accommodation to offenders on conditional release. As long as the agency is providing the services in a locale where there is a demonstrated need for them, the choice of location of the halfway house or centre and its relationship with the community are for the agency to determine in consultation with municipal officials and in accordance with local by-laws. This is the salient point in this matter. The responsible authoritative body

is the City of Toronto, which has granted the licence to Exodus Link Corporation to operate the centre.

Exodus Link Corporation has co-operated fully with the City of Toronto in meeting its by-laws and has obtained the necessary licence to operate the centre. In fact, the city recently re-examined the centre's permit as a result of local opposition and has maintained its decision. In the meantime Exodus Link officials have continued their efforts to liaise with community members and to reassure them about the presence of the attendance centre.

It is true that members of the community opposed to the centre continue to demand that the centre be put in another ward. However, it is noteworthy that the centre's program is not being challenged.

No one expects the Parkdale residents to adjust overnight to the centre. It is only normal that there are concerns about what the centre will mean to the community. Being mindful of local citizens' concerns and anxieties, the Solicitor General has directed that referrals to the attendance centre by the Correctional Service be reduced by 40 per cent. Moreover, Exodus Link will be monitored closely by the Correctional Service to ensure that the facility is functioning effectively. Further, Correctional Service has agreed to a three-year freeze on any further halfway houses in Ward Two and to follow the guidelines set by the City of Toronto for crisis centres as it has in the past.

Many halfway houses have encountered similar opposition and have come to be accepted when the community found that they posed no threat to it. This was acknowledged in a recent editorial in *The Toronto Star* and *The Toronto Sun*, but acceptance takes time to grow and agencies such as Exodus Link deserve a chance to prove themselves to the community.

I am confident that, over time, the attendance centre will become as much a part of the fabric of the neighbourhood as some 180 halfway houses have become in communities all across Canada.

• (1820)

[*Translation*]

SHIPYARDS—(A) INQUIRY WHY GOVERNMENT IS DELAYING CONTRACT AWARDS TO THREE QUEBEC SHIPYARDS. (B) INQUIRY WHY CERTAIN WORK HAS NOT YET BEGUN

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, I rise tonight to follow-up on a question which I directed earlier to the Minister of Regional Industrial Expansion (Mr. Côté) about the tragic situation which now exists in Quebec shipyards. For over a year now—by the way that the bush league Member from Lévis, who was shouting earlier, has chosen to leave the House instead of defending the interests of his constituents—workers, business managers and communities have been calling for action on the part of this Government to save Quebec shipyards. Each time, instead of a reply all we get is some kind of promise, which is consistent with the Prime Minister's (Mr. Mulroney) attitude, nothing but lies and promises never fulfilled.

At the Davie shipyards in Lauzon there are hardly 50 to 100 workers there. People there were told four times by the Regional Industrial Expansion Minister and the bush league Member for Lévis (Mr. Fontaine), whose picture has been hanged in effigy out there, that the *Caribou II* ferry would be built for sure. Construction was supposed to start two months ago. Lately, however, people have been told that because Marine Atlantic had changed its plans, *Caribou II* would only be built in September and October 1987. The 3,000 Davie shipyard workers are not even entitled to unemployment insurance any more. They have to rely on social welfare while the Government, the Hon. Member and the Prime Minister (Mr. Mulroney) have one thing in mind: travelling, squandering and patronage.

The same situation prevails at the shipyards in Sorel. Once again, the Conservative Member for that constituency has done sheer nothing. To be honest, I must admit that he had first invited some workers of the CSN, under the presidency of Mr. Lamoureux, to come to Parliament Hill. This Conservative Government once again sent out three or four jumping jacks to greet them and make lots of promises, leading them to believe that they would be given some work, that there existed some plans for them. What happened afterwards? As it turns out, there will be 300 lay-offs at the Sorel shipyard. The Government will have achieved nothing.

What about Vickers, another shipyard in Montreal? The Hon. Member for Hochelaga—Maisonneuve (Mr. Desrosiers), him again, gobbled all the promises made by the Minister of Regional Industrial Expansion. Right now, at this very moment, there is not one single marine worker on site at Vickers. Sad to say, Mr. Speaker, those 5,000 workers and fathers, who learned an honest trade as welders or fitters, will not be able to get new training overnight to enter another labour market. They have commitments, families, children in school. Those heads of families are being humiliated today through lack of planning by the Government, and are reduced to apply for welfare. Some will even be forced to abandon their houses because the fact their spouses are working make them ineligible for welfare benefits.

I am anxious to see what the answer of the Parliamentary Secretary will be. Friday, I went to the Lauzon shipyards. I went there to see for myself what was really going on, not only to hear the recriminations and grumblings. Mr. Speaker, I have pictures here which show the exact location of the drydocks, where there normally would be ships and people working on the cranes we can see. The yards are empty, lifeless. Same thing in the three shipyards. And I ask myself whether the Parliamentary Secretary who answers will say that, yes, the construction of the *Caribou* will start in May at the Lauzon Davie shipyards, and that 1,000 to 1,200 workers will be called back. The National Defence contract, under the TRUMP program, for the *Algonquin* and the *Iroquois* . . . I only have two minutes left, Mr. Speaker . . . Work on these two ships is going to start in the months ahead and we want to

be sure that the contracts are given to the Davie shipyard in Lauzon—there will be some subcontracting done by the Vickers shipyard in Montreal—so they can give work to the 2,000 to 2,300 people they normally employ and to the 500 to 600 employed by Vickers in Montreal. We also want the tenders to go out as quickly as possible for the other two ships included in the TRUMP program.

Mr. Speaker, I do not know where the Conservative Members from Quebec are. I do not know for whom they speak, but if you look at all the Quebec tenders, very few succeed. We are always had, we get only crumbs, promises and more promises. Take for example—and I will end on that, Mr. Speaker—the shipyards, the Gulf refinery in Montreal East, the International Banking Centre, the space agency. It is always the same, Mr. Speaker, "nays" or promises.

Now, we want action and I can't wait for the Parliamentary Secretary's answer. When are we going to get jobs for the shipyards in Quebec?

• (1825)

[*English*]

Mr. J. M. Forrestall (Parliamentary Secretary to Minister of Regional Industrial Expansion): Mr. Speaker, the present Government has done very well, given the abominable mess left by the previous administration as a result of several years of massive neglect of the shipbuilding industry throughout Canada.

The issue raised by the Hon. Member is of course a very important one to the Government. Let me summarize the action taken by the Government to ensure the long-term viability of the shipbuilding sector in the Province of Quebec.

As a result of problems experienced by the single largest shipyard owner in Quebec, the Government facilitated the acquisition by Marine Industrie Limitée of the eastern marine assets of Versatile Corporation, thereby ensuring that contracts already awarded to the companies in jeopardy could and would be proceeded with. This action also ensured employment for several thousands of shipyard workers in this very important sector of the Canadian economy.

The Hon. Member will recognize, if he so chooses, that the completion of a transaction of this magnitude by MIL of three large companies from Versatile Corporation, namely, Davie, Vickers, and Systems, is a very complex matter. It required input not only from the commercial sector but also from the Quebec Government and union members themselves. I am happy to say that with the co-operation of all concerned the transaction was completed and an agreement was signed in late January. The new owner can now operate its assets and develop them.

In order to be more specific, let me say that I am happy to report to the Hon. Member that work on *Caribou II* is now progressing in a normal way. Much of the preparatory work which needs to be undertaken to build a vessel had to be stopped because the former owner of Davie did not have sufficient financial resources to proceed with the work at the time, and the Hon. Member knows that.

Contrary to the Hon. Member's belief, the second vessel being built for Marine Atlantic is not an exact duplicate. Modifications have been made and engineering work is required to effect those changes. Now that the ownership of the yard is on a more solid basis, detailed plans are in fact being prepared, materials for the building of the vessel are being ordered, and some fabrication has been already started in the shops.

Let me assure the Hon. Member that we are doing everything possible to ensure that work on the vessel is reflected on the shop floor. I think the Hon. Member's cause is right and just in that respect. The workers are being recalled and, when the company resumes full operation on the basis of the contracts already signed, it is interesting to note that it should be able to employ some 2,000 workers by late 1988 or early 1989.

• (1830)

[*Translation*]

BILINGUALISM—PUBLIC SERVICE—COMPLIANCE WITH LINGUISTIC REQUIREMENTS BY DEPUTY MINISTERS. (B) POLICY ENUNCIATION—EFFECT ON PUBLIC SERVICE

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, on March 31, the Commissioner of Official Languages tabled his report in the House of Commons. And on April 1, I asked the President of the Treasury Board (Mr. de Cotret) a question about some comments made by the Commissioner who was critical of the apathy and lack of direction on the part of the Government on the subject of official languages. More specifically, I asked him whether or not the Commissioner's criticism of arrangements made by his Department in alleviating linguistic requirements for senior management did not suggest a definite set-back. Mr. Speaker, the question was self-evident since the Commissioner blamed the Government for its inaction and on the same morning, *The Globe and Mail* reported that the Government has recently allowed Deputy Ministers and senior civil servants to ignore more easily the linguistic requirements of their position.

Now, the President of the Treasury Board looked surprised I had the document at hand, the official document No. 800978-79-80 of the department dated February 20, 1986. Appendix B of that document states that "Treasury Board approval is no longer required concerning the exemption from level B linguistic proficiency in the other official language as far as appointments are concerned in two groups of management executives within a bilingual region".

I will quote the guideline word for word from page 6 of that document:

> i) applications from employees appointed to a bilingual position within the management group (EX) in a bilingual region who request that they be exempted from level B proficiency in the other official language as a condition of employment and,

ii) applications for exemption from level B linguistic proficiency requirements concerning appointees at the position of Assistant Deputy Minister (ADM) in the National Capital Region.

And Deputy Ministers were invited to deal directly with the Public Service Commission which, in turn, and I quote: "which, in turn, would report to the Office of the Secretary of the Treasury Board".

Mr. Speaker, to me that looks like a step backward. It looks like the Minister and the Department for which he is responsible have issued definite guidelines to personnel officers, allowing them to deviate from, to water down language requirements, and that worries me. I asked the question because, Mr. Speaker, we all know that when a senior manager, a superintendent or a senior person in charge of a department who is responsible for a number of subordinates does not have the requisite language qualifications, that person cannot converse correctly with the employees in the official language of their choice, their language of work. I will get back to that later, because that is another very important issue and may cause problems in communications between employees and management.

The question today is: Why this retrograde measure? Why these weak guidelines that fail to demand that administrators meet the position's requirements and thus be able to converse with their employees?

Mr. Speaker, this week I found further evidence of this reluctance when reading certain comments by the Public Service Commission on the language of work, and I would like to share with the House what I would call a serious anomaly. In 1985, the Chairman of the Public Service Commission appeared before the Standing Joint Committee of the Senate and the House of Commons. In his brief to the committee, the Chairman at the time Mr. Edgar Gallant submitted, and I am reading from the brief, "the three fundamental objectives of Government policy in the area of official languages in the Public Service: bilingual service to the public, equality of status of both official languages as languages of work—I repeat: "equality of status of both official languages as languages of work"—and finally, "equitable participation by both language groups in the Public Service". I certainly have no quarrel with that!

This year, Mr. Speaker, the present Chairman appeared before the committee, and we read practically the same text, word for word. I quote: "three fundamental objectives of Government policy in the area of official languages in the Public Service: bilingual service to the public, equitable participation by both language groups—those two are the same—the last one, Mr. Speaker, has changed: "respect for both official languages in the job environment". We are no longer talking about equality of status of both official languages as languages of work but about respect for both official languages in the job environment. That is a euphemism, it is ambiguous and it may be a smoke screen. Maybe managers are going to respect the language of their employees, but they will say: Your language does not happen to be mine, and you will just have to speak my language. And there is going to be more trouble, because we have just seen that Treasury Board has reduced language requirements for senior managers. And as I pointed out, the Public Service Commission has changed the Government's guidelines and objectives. It is no longer "equality of status as the language of work" but "respect for both official languages in the job environment". As a mandate and as an objective, Mr. Speaker, it is much weaker.

And I would ask the Parliamentary Secretary to explain why this Government, after promising amendments to the Official Languages Act, after making a formal commitment in two Throne Speeches, and after giving me in this House the assurance that there would be no reluctance to implement the Act, why is this Government issuing directives to senior officials reducing language requirements, and why is this Government, through the Public Service Commission, significantly lowering the commitment that a Canadian citizen working in the Public Service is entitled to use his or her own language at work. This is not only a matter of respect, it is a matter of work equality, it is the right for the individual to use, and it is not I who says that, it is the Canadian Charter of Rights and Freedoms, it is the individual's working language that is the decisive factor and that language should prevail.

I am concerned Mr. Speaker, I am asking the Government, I am asking the Parliamentary Secretary to answer, to state clearly that I am mistaken, that the Government has no intention of reducing language requirements, that such a directive from Treasury Board is an error, that they are going to withdraw it, and that on the other hand, they will specifically revert to these goals, serving the public in the customer's language, Canadians working in their own language, and fair representation. This means that all Canadians, whether from the east, the west, the centre, the north or the south would have the right to work for the Canadian Government and in a way that is fair.

Mr. Michel Champagne (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, as requested by my hon. friend from Ottawa—Vanier, I am going to tell him that he is wrong, that our Government is more concerned than ever with the language of work of Public Service employees. Some progress is being made, Mr. Speaker. I am aware that my hon. friend from Ottawa—Vanier has worked very hard for this. But may I remind him that when I was elected in September, 1984—I am willing to share my personal experiences with him just as he shares his with me—in spite of the previous Government's good intentions and efforts to implement a bilingual policy such as the one we know today, I very quickly realized that, being a Quebecer representing a nearly 100 per cent Francophone area, that the officials he is referring to and about whom he is concerned most of the time had difficulty speaking both languages.

Mr. Speaker, as the Hon. Member for Ottawa—Vanier (Mr. Gauthier) is well aware, nobody is against motherhood. He was referring a while ago to equality. It is true that we are all equal, but there are haves and have-nots. Mr. Speaker, we are 27 million Canadians building a country and of course there are more Anglophones than Francophones. We are

working at the problem. I know that the Hon. Member for Ottawa—Vanier in particular is very much involved in this language issue, and I agree with him so does my Government, as well as the President of Treasury Board (Mr. de Cotret) and the Prime Minister (Mr. Mulroney), on the need to protect French as an official language and as a language of work. This has never been challenged, quite the contrary. We saw evidence of that in the position taken by the Prime Minister in Manitoba. We saw evidence of that again recently.

Mr. Speaker, I think that my colleague from Ottawa—Vanier (Mr. Gauthier) knows to what extent we want to be involved. Despite whatever little progress may have been accomplished before and since 1984, despite good faith and what has happened since we took office, surely he will admit that we are more than willing to take part in democratic work with the Public Sercice Commission. In all honesty and while respecting and protecting the rights of anglophones and francophones according to their language of work, I think the Public Service Commission can be given a mandate to monitor the situation. But, Mr. Speaker, he also knows very well that this guideline does not apply to deputy ministers. Sure it applies to assistant deputy ministers, but they will have to take level B equivalence courses, and he is fully aware of that. He also knows that with respect to the linguistic issue, the way he will staunchly defend the cause . . . and he knows that Members from Quebec and Members of this House will also speak up on the language issue—will always ensure that fair balance will prevail, that the situation will gradually improve. The ultimate purpose is to show to all Canadians that we live in a bilingual country, that every individual has the right to services in his own language, the right to work in and expect respect for the language of his choice.

The Acting Speaker (Mr. Paproski): The motion to adjourn the House is now deemed to have been adopted. Accordingly this House stands adjourned until tomorrow at 11 a.m., pursuant to Standing Order 3(1).

The House adjourned at 6.42 p.m.

HOUSE OF COMMONS

Friday, April 10, 1987

The House met at 11 a.m.

Prayers

STATEMENTS PURSUANT TO S.O. 21

[*Translation*]

AIR CANADA

FIFTIETH ANNIVERSARY—TRIBUTE TO MANAGEMENT AND EMPLOYEES

Hon. André Ouellet (Papineau): Mr. Speaker, to mark the 50th anniversary of Air Canada, on behalf of the Liberal Party of Canada I am pleased to pay tribute to the management and employees of this Crown corporation which, over the years, has gained national and international recognition.

Now that the Conservative Government is on the verge of adopting Bill C-18 which will bring about complete air transport deregulation, it is appropriate to question the wisdom—let alone the need—to privatize Air Canada at this juncture. The Government would be much better advised to convert the Air Canada debt into equity, commit itself to make it easier for the corporation to seek private sector funding to upgrade its aircraft fleet, and abide by the unwritten rule under which Air Canada deserves preferential treatment in the attribution of international and transborder routes, were it only because in many instances Air Canada is the only carrier providing domestic services in the most remote and least profitable regions of Canada.

* * *

[*English*]

NATURAL RESOURCES

OTTAWA RIVER—POTENTIAL FOR RECREATIONAL DEVELOPMENT

Mr. Len Hopkins (Renfrew—Nipissing—Pembroke): Mr. Speaker, right here in the National Capital Region and in the area immediately beyond we have a great national asset which has never been given the importance or attention it deserves. I am talking about the majestic Ottawa River which flows for hundreds of miles as a borderline between Ontario and Quebec. It flows from the massive waters of Lake Timiskaming and joins up with the navigable waters of the historic St. Lawrence at Montreal.

• (1105)

The Ottawa River and its many tributaries were the highways for hundreds of fur traders during the formative years of Canadian history.

In today's world this great Ottawa River and its tributaries can become the recreational paradise and the waterway route for small craft navigation for years to come. It can become the answer in part to the economic problems which plague eastern Ontario and western Quebec. We have the imagination and the plans to bring this new development into reality with proper environmental considerations. Now we need the political will to do the job.

The boating industry brings in more than $1 billion a year in taxes alone for provincial and federal Governments. Why can we not reinvest some of this money and create more tax resources for the development of waterways in Canada? Let us be prepared for the leisure world of the 21st century which we created in this century.

* * *

AIR CANADA

FIFTIETH ANNIVERSARY OF ESTABLISHMENT—TRIBUTE TO WORK OF EMPLOYEES

Mr. Gerry St. Germain (Mission—Port Moody): Mr. Speaker, on behalf of the government side of the House it gives me great pleasure to advise you and the Canadian public that on this date 50 years ago, April 10, 1937, the Trans-Canada Airlines Act was passed in this House. Trans-Canada Airlines later became Air Canada and is today celebrating its 50th anniversary.

This corporation has served our great country and its people with distinction. Over the years it has become one of the world's largest and most respected airlines. I think all Canadians can share with the employees of Air Canada their pride in an airline which is truly recognized around the world for its professionalism and expertise. Mainly, I commend to all Canadians the quality of the service given to us by the crews and the staff of Air Canada.

I ask all Hon. Members to join me in wishing Air Canada a very happy 50th anniversary.

S. O. 21

INCOME TAX

BENEFICIARIES OF CAPITAL GAINS TAX EXEMPTION

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, yesterday the New Democratic tax probe revealed that since the Government virtually eliminated capital gains taxes in 1985 the chief beneficiaries have been the 1 per cent of tax filers earning over $50,000. Fifty-seven per cent were wealthy investors.

Wealthy investors who earn over $250,000 will receive, on average, a tax break of $28,700, $8,700 more than the average Canadian earns in a year. Only 8 per cent of those using the capital gains exemption were farmers. By 1990 $5.6 billion will have been lost to the federal Treasury because of this Tory tax boondoggle.

A fair and progressive tax system, as advocated by the New Democrats, would allow farmers, small businessmen and home owners an exemption on capital gains at little cost to the Treasury. However, farmers, small businessmen and home owners were not the people the Tories had in mind when they introduced their $500,000 capital gains exemption. The Tories, as usual, had their relatives and Bay Street friends in mind.

I call upon the Minister to bring in a more realistic capital gains tax exemption plan when he reforms the tax system this spring.

* * *

[*Translation*]

AIR CANADA

TRIBUTE ON OCCASION OF FIFTIETH ANNIVERSARY OF CORPORATION

Mr. Darryl L. Gray (Bonaventure—Îles-de-la-Madeleine): Mr. Speaker, I welcome this opportunity to recall that on April 10, 1937, Parliament passed the Trans-Canada Airlines Act. Subsequently re-christened Air Canada, our national carrier is celebrating its 50th anniversary today.

The corporation has served the country and Canadians with distinction, becoming over the years one of the largest and most respected airlines in the world.

I think all Canadians will share the pride Air Canada personnel feel in an airline famous the world over for its professionalism and its technical excellence.

Mr. Speaker, I would ask all Members here in the House to join me in wishing Air Canada a happy 50th birthday and a very successful future.

[*English*]

INTERNATIONAL YEAR OF SHELTER FOR THE HOMELESS

INTERNATIONAL CONFERENCE—CANADIAN ROLE AND EXPERIENCE

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, in order to focus attention on the quarter of the world's population that does not have adequate shelter the United Nations has declared 1987 to be the International Year of Shelter for the Homeless.

Canada is helping to fund an international conference of some 100 countries to be held in Ottawa this September and will be providing financial support to 35 demonstration projects in developing countries to improve housing conditions. At home, CMHC and provincial authorities will fund the construction and rehabilitation of 45,000 housing units for needy Canadians.

• (1110)

Canadians, with their expertise in construction technology and real estate development, can play a major role in providing affordable dwellings for the homeless throughout the world.

* * *

VIA RAIL

REPLACEMENT OF ROLLING STOCK

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, yesterday in the House I questioned the Deputy Prime Minister (Mr. Mazankowski) about the Government's decision to abandon yet another of its campaign promises, this one to replace the antiquated rolling stock of VIA Rail with new cars which would be built jointly by Can-Car Rail of Thunder Bay and Bombardier of Montreal.

While the Minister refused to confirm reports that the Government will go shopping for second-hand cars in the United States instead of building our own cars, his tone was clear that the Government just does not want to spend the money.

This incredibly short-sighted decision is made in spite of the knowledge that it will cost over a thousand jobs for Canadian men and women in Montreal and Thunder Bay, and that it is not going to save any money in the long run anyway.

There is an alternative. Instead of buying second-hand U.S. cars, why not enter into an agreement with Can-Car and Bombardier that, if those companies build the cars in Canada, the Government will agree to lease them on behalf of VIA for 15 to 20 years? This will avoid the massive lay out of funds that the Government is afraid of, and will also save the hundreds of jobs about which I am concerned for Canadian men and women. It is worth considering.

CHARTER OF RIGHTS

CALL FOR ENTRENCHMENT OF RIGHTS OF THE UNBORN

Mr. Girve Fretz (Erie): Mr. Speaker, I want to support the Private Members' motion put forward by the Hon. Member for Grey-Simcoe (Mr. Mitges) that would entrench the rights of the unborn in our Charter of Rights.

About two weeks ago some Members of Parliament and the public viewed a film in Room 200 of the West Block. It was on the subject of abortion. In this documentary film a camera probe was inserted into the mother's womb and took pictures of the unborn baby while it moved. Then we saw the surgeon insert into the woman's body forceps which crushed the baby's head and then pulled the baby apart, limb by limb, and pulled the parts out of the woman's body.

It is shocking to realize that babies are being murdered. Members should realize that this is not only happening in the first trimester, but in the third trimester as well, which means that after seven or eight months a baby in its mother's womb can be aborted. That is certainly murder, and I want to reiterate my support of the Private Member's motion by the Member for Grey Simcoe, that babies' rights be entrenched in the Charter of Rights.

* * *

LABOUR CONDITIONS

UNEMPLOYMENT STATISTICS—CRITICISM OF GOVERNMENT POLICIES

Mr. George Henderson (Egmont): Mr. Speaker, the latest unemployment figures are out and, once again, they are not encouraging. Almost 1.4 million Canadians are unable to find jobs.

Ontario again has the lowest unemployment figures, with an unemployment rate of less than 7 per cent, while in Newfoundland it is over 20 per cent.

The Government's job-creation policies are not working. Premier Peterson's Government of Ontario has created hundreds of thousands of jobs over the last two years with good Liberal policy initiatives. I ask the Prime Minister (Mr. Mulroney) to seek an immediate meeting with Premier Peterson to have a briefing on how to get the economy going and how to create jobs by adapting those policies of Mr. Peterson on a national basis.

* * *

NUCLEAR ENERGY

POINT LEPREAU II PROJECT—SUGGESTED POSTPONEMENT

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, the New Democratic Party inquiry into the future of the nuclear industry was in New Brunswick last week. We visited the Point Lepreau nuclear facility and heard from a number of people in Fredericton.

Premier Hatfield of New Brunswick is saying that he is cutting a deal with Ottawa to finance Point Lepreau II, a 300 megawatt reactor, with federal loan guarantees of up to $2 billion.

The lobby behind this project is by Atomic Energy of Canada Limited, which is desperate for new projects, and by a provincial Premier who is desperately trying to get re-elected.

The Minister of Energy, Mines and Resources (Mr. Masse), whom I questioned in committee yesterday, knows very little about any deal, so Premier Hatfield is really misleading his people in New Brunswick.

There should be no nuclear reactors constructed in this post-Chernobyl period, at least until safety, monitoring, and waste disposal problems are solved, and maybe not even then.

• (1115)

We heard from the wood-lot owners of New Brunswick who told us of the immense biomass potential, the potential for jobs in New Brunswick. The Minister should look at this possible future option. There are 21 plants manufacturing biomass in Maine and making energy from it. I ask the Minister to look at this project before going ahead with any financial guarantees for Lepreau II.

* * *

MULTICULTURALISM

CALL FOR STRENGTHENING OF POLICY

Mr. Sergio Marchi (York West): Mr. Speaker, the Government seems prepared to proceed with amendments to the Canadian Citizenship Act incorporating our multicultural reality but which would exclude a separate Multiculturalism Act. This initiative is ill conceived and completely out of step with the aspirations of Canada's ethnocultural communities.

The previous Liberal Government introduced legislation creating a distinct Multiculturalism Act which, unfortunately, died on the Order Paper. Subsequently two former Conservative Ministers for Multiculturalism carried on this Liberal initiative and consulted extensively with organizations across the country. The third Conservative Minister for Multiculturalism (Mr. Crombie) is now prepared to turn the clock back. I urge him to recognize that Canada's multicultural policy requires a strengthening of its legislative foundation.

The structures underpinning bilingualism and multiculturalism, which were born from the same B and B Commission, have taken very different paths. It is crucial that strides toward rectifying this be undertaken now.

Minor amendments will not do. There is only one type of citizenship in this country and that is first-class citizenship for one and all.

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CANADA WINTER GAMES

TRIBUTE TO CAPE BRETON VOLUNTEER WORKERS

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, I want to salute thousands of volunteers who lent their time and energy to the 1987 Canada Winter Games in Cape Breton, Nova Scotia. More than 6,000 people volunteered their services in a great variety of ways. They provided first aid to the athletes, assisted the media, provided back-up support to the many performing artists, and their warm hospitality extended not only to athletes but, indeed, to all visitors.

The efforts of these people were a vital part of the success of the Games which most observers agreed were the very best. All Cape Bretoners ought to take pride in the success of the Games. From the time the athletes arrived to the moment the flame was extinguished, all events associated with the Games proceeded flawlessly.

All Canadians and all Members of the House would, I am sure, want to join with me in saluting the efforts of the people of Cape Breton in making the 1987 Canada Winter Games such a significant success. Congratulations, volunteers, for a job well done.

* * *

AGRICULTURE

MANITOBA SUGAR COMPANY PLANT CLOSING—EFFECT ON FARMERS

Mr. Vic Althouse (Humboldt—Lake Centre): Mr. Speaker, today the Manitoba Sugar Company announced the closure of its Winnipeg plant and the lay-off of 73 employees by July 10. Sugar beets will not be contracted in Manitoba this year. The industry will lie dormant due to the deception of the federal Government and the Minister responsible for the Canadian Wheat Board who promised on May 2, 1985, that: "The federal Government will not require any further financial participation by the Manitoba Government beyond the 1985 crop year". Manitoba provided $2.8 million that year. Alberta planted no beets.

The Minister now says there is no agricultural stabilization plan for beet producers except a tripartite proposal. The Government continues to provide full funding under the Agricultural Stabilization Act for eastern farmers. It is also fully funding the five-year dairy program. But it cannot live up to this commitment to Manitoba farmers. No wonder Canadian farmers are displeased with the Government. It is playing political games with their future.

ORAL QUESTION PERIOD

[*Translation*]

SUPPLY AND SERVICES

CONTRACT WITH MR. PÉLOQUIN—QUERY WHETHER GOVERNMENT PREPARED TO DEMAND PUBLIC INQUIRY

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, my question is directed to the Minister of Supply and Services and again concerns the role played by Mr. Jean Péloquin in awarding certain advertising contracts. I finally received a copy of Mr. Péloquin's contract, and I want to thank the Minister for sending it to me yesterday and for reversing the decision of those persons who had turned down my initial request. Incidentally, I hope the Minister of Public Works will do the same for the contracts for Place Vincent-Massey.

I would like to ask the Minister, since article 19 of the contract signed by Mr. Péloquin with the Government says clearly that the entrepreneur should have no pecuniary interests that might influence him in making his decisions, whether in the light of these facts, she is now prepared to demand a public inquiry so that all Canadians will know exactly what happened?

Hon. Monique Vézina (Minister of Supply and Services): Mr. Speaker, this week I said time and time again in the House that following allegations that were made about Mr. Péloquin's behaviour, I asked for legal advice. I received that advice yesterday from my legal adviser who is recommending, first of all, that we order an internal audit of the activities of the Advertising Management Group and second, I asked the Department's security service to investigate the allegations. My Department's security service will therefore have full authority to do whatever is necessary to shed light on the present situation.

Mr. Boudria: Mr. Speaker, I may remind the Minister that it seems even this group will have no official investigating powers. We have just gone from one level to another level in the same department.

• (1120)

[*English*]

REQUEST FOR PUBLIC INQUIRY

Mr. Don Boudria (Glengarry—Prescott—Russell): What we are talking about here is not an everyday contract. We are talking about a contract to provide advice to the Tory Government in relation to selecting which Tory firm is to be rewarded by Tories.

In view of this type of politically-charged atmosphere in which these incidents are happening, will the Minister not do the right thing and call for a full public inquiry concerning the Péloquin affair?

[*Translation*]

Hon. Monique Vézina (Minister of Supply and Services): Mr. Speaker, I intend to act on the advice I received from my legal adviser, and an audit will be made by the security committee within the Department.

Mr. Speaker, I may add that I think it is pretty scandalous I should be asked such questions this morning, especially by a Member who belongs to a party that shared this patronage concept when it awarded all its advertising contracts on the basis of a phone call to their friends.

[*English*]

EMPLOYMENT OF MR. PÉLOQUIN

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, the Minister says that she is scandalized. With the way her Government is performing, she should be scandalized.

Yesterday the Minister said in the House: "That contract ended on March 31st . . . Mr. Péloquin no longer works in my" office.

In view of the fact that as late as Wednesday of this week members of her staff in her Department were still answering phone calls claiming that Mr. Péloquin was only out for the day or out momentarily, why are they still answering as if this person were still working there? Is he or is he not working there? If he is not working there, is he a volunteer? What is he doing in that office?

[*Translation*]

Hon. Monique Vézina (Minister of Supply and Services): Mr. Speaker, Mr. Péloquin ceased to work for my Department on March 31 this year. He is no longer working with our advertising group.

We have put in place an effective system and effective working methods, and I want the House to know that as the Minister reponsible for this system, I will never let anyone tarnish its success, be they Liberals, Conservatives or members of the NDP.

* * *

[*English*]

CORRECTIONAL SERVICES CANADA

CONSTRUCTION OF PRISON IN PORT-CARTIER—CANCELLATION OF OTHER CAPITAL PROJECTS

Mr. John Nunziata (York South—Weston): Mr. Speaker, my question concerns the Prime Minister's misguided exercise in pork-barrel politics, that is, his $68 million prison in his own riding. We now know how the Prime Minister intends to pay for the prison in Port-Cartier.

According to information I received yesterday from Correctional Services Canada the Government has cancelled 25 much needed capital projects in the correctional services. Ten of these projects were scheduled for western Canada. Is it any wonder that the Hon. Member for Edmonton—Strathcona and westerners generally are as mad as hell at the Government? I would now like to put my question to the Government.

How can it explain the cancellation of these 25 capital projects? Will the Government not admit that the Prime Minister's prison in Port-Cartier is being built at the expense of jobs and correctional facilities in western Canada?

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker, I find it quite amazing—

Mr. St. Germain: Sickening!

Mr. Hnatyshyn: —my colleague says "sickening"—that members of the Liberal Party are so much against making progress on the North Shore of Quebec—

Mr. Riis: At the expense of western Canada.

Mr. Hnatyshyn: —that they would constantly criticize this excellent facility that will be built for the benefit of people in that region in terms of economic development. There is no linkage at all with respect to the program going on in the Solicitor General's Department. The basis on which the Hon. Member puts his question is erroneous, false, mischievous, and quite out of order.

• (1125)

Mr. Speaker: I know Hon. Members would want me to comment first that it is for the Chair to decide what is out of order.

Some Hon. Members: Hear, hear!

Mr. Speaker: I think Hon. Members would also want me to remind the House that the Hon. Member had a very lengthy preamble. I am conscious of the fact that the Hon. Member for York South—Weston is the second lead questioner for the Official Opposition, but I would expect the Hon. Member to make his preamble and question short.

Mr. Nunziata: Mr. Speaker, as a western Canadian the Justice Minister ought to hang his head in shame for not standing up and fighting for western Canada.

CANCELLATION OF EXPANSION OF EDMONTON INSTITUTION

Mr. John Nunziata (York South—Weston): Mr. Speaker, I would like to ask the Government to explain why a $50 million capital project in Edmonton, the expansion of the Edmonton institution, was cancelled. Can the Minister explain why this much needed expansion in western Canada which would have

created jobs for western Canadians was cancelled in order for the Prime Minister to build a prison in his riding?

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker, not only am I proud to represent western Canada in this Cabinet but I would suggest that, if the Hon. Member ever gets a chance to get out to western Canada, he should check his facts. Any suggestion of any linkage between these two projects, without infringing in any way on your consideration of the rules of the House, Mr. Speaker, is not necessarily out of order but is certainly mischievous, wrong, and false.

* * *

THE ECONOMY

PROPOSED CANADA OPPORTUNITY DEVELOPMENT BOARD

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, my question is directed to the Hon. Member for Yellowhead, the Secretary of State for External Affairs. He will know full well how serious the economic situation is in western Canada, particularly in Alberta and British Columbia. He is probably aware that this morning we found out that the unemployment figures in Alberta had remained virtually unchanged and the situation in British Columbia has actually worsened. He will know that westerners do not want special treatment, they simply want fair and equitable treatment, the kind of treatment they are seeing other parts of Canada get.

The Secretary of State for External Affairs knows that three years ago he and his Government promised the development of a Canada Opportunity Development Board to assist community-based economic ventures financially particularly in western Canada. Will the Secretary of State explain why absolutely no action has been taken on this promise made three years ago? If there is to be action, when will it take place?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the House Leader for the New Democratic Party, unless his status has been changed by a recent telephone call, will know from his close association with the former Liberal Government that there has been a dramatic change in the degree of attention given to western economic priorities as a result of the election of a Progressive Conservative national Government.

Some Hon. Members: Hear, hear!

Mr. Clark (Yellowhead): The National Energy Program is gone, the Foreign Investment Review Agency is gone, the deficit is going down, and issue after issue raised by western Canadians, whether aid to the farmers, aid to the energy industry, or aid to other sectors of the western Canadian economy, were all undertakings given by the Government on the way to office in September of 1984, and delivery has begun in spades in western Canada.

WESTERN ECONOMIC DIVERSIFICATION STRATEGY

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, the Secretary of State has outlined a whole number of policy areas that might have gone. I want to remind him that the Hon. Member for Edmonton—Strathcona is also gone from his caucus. The one Member of Parliament from the Province of Alberta who has spoken out on behalf of Albertans has been kicked out of the caucus. That is not the kind of representation westerners are prepared to accept. My supplementary question is again directed to the Secretary of State for External Affairs. He may think that things have improved in western Canada. I would recommend that he go home to his constituency to take a little tour of Yellowhead and find out what real Albertans are experiencing under this new federal regime.

In the last month the situation in British Columbia has worsened. At a time of year when unemployment would traditionally be going down, it is actually going up.

• (1130)

Will the Secretary of State for External Affairs explain whether or not the Western Economic Diversification Strategy will be applied to that western province? If so, when can we expect an office to be opened? And, if that office is opened, will it have new money, new staff, and new policies, or will it simply be retreaded programs and people?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the Hon. for Kamloops—Shuswap should be the last Member to speak to me about Members of Parliament who consider straying from their caucus.

Let me make the point with regard to Yellowhead, if I may, since the question was raised. I was recently in Yellowhead as a result of the *Freedom to Move* legislation introduced in the House of Commons by the Government. As a result of that legislative initiative there has been a significant plant expansion in Hinton. There will be other developments if that legislation passes through the House of Commons.

However, we notice that that legislation to bring an end to historic prejudice against western Canada is being opposed in Parliament by an unholy alliance of the NDP and the CPR.

Mr. Riis: The responses of the Secretary of State for External Affairs get sillier by the bloody day. The people of Alberta—

Some Hon. Members: Oh, oh!

Mr. Riis: If I were a Member of Parliament from Alberta I would be standing up and doing something for Alberta as opposed to cheap shots during Question Period.

Stand up for your province, stand up for the people of Alberta. Do something instead of kicking one of your colleagues.

Some Hon. Members: Oh, oh!

Mr. Speaker: Perhaps Hon. Members would give courtesy to the Hon. Member for Kamloops—Shuswap who, I know, will put his question.

Mr. Andre: He has given speeches so far.

Mr. Riis: You are a little touchy this morning Harvie; I understand why.

COMPREHENSIVE ENERGY PROGRAM

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, I have a supplementary question for the Secretary of State for External Affairs. We have been hearing about a comprehensive energy program for many months now. We have been seeing dribs and drabs coming in, with a little program announced here and another little program announced there.

Will the Secretary of State for External Affairs be specific to the Province of Alberta, particularly, and explain when his Government plans to announce a comprehensive energy program, so that Albertans will be able to plan their future and get on with developing the economics out there they wish to develop?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, when the Hon. Member began his question he said that nothing had been done. Now he concedes that the PGRT is gone. The National Energy Program is gone. Recently there has been a $350 million to $400 million program of support to drilling and service industries—

Mr. Riis: Unemployment is 13 per cent in Edmonton today. Do you agree with that? You created it.

Mr. Clark (Yellowhead): He quotes the unemployment statistics in Alberta now. It is precisely because there have been those serious economic problems in western Canada that the Government has reversed the policies of the Trudeau-NDP alliance, policies which were dragging down the economy of western Canada, and has brought in a series of changes that are bringing and will continue to bring real benefits to that region.

Mr. Riis: Go to Yellowhead and say that.

Mr. Speaker: The Hon. Member for Papineau.

Mr. Ouellet: The vigour of the Minister makes us all realize that they are in deep trouble in western Canada.

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AIRPORTS

TORONTO ISLAND AIRPORT—FIRE SAFETY RULES

Hon. André Ouellet (Papineau): Mr. Speaker, my questions are for the invisible Minister of Transport or whatever Minister wants to do the job which it seems the Minister does not want to do.

After all the promises by the Prime Minister, the Deputy Prime Minister, and the Minister of Transport that the Government would not compromise at all—they told us that there would be no compromise—on safety at airports, how can the Government explain that the Toronto Island Airport does not meet the fire safety rules?

Mr. Blaine A. Thacker (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I rise for the first time in the House as a Parliamentary Secretary.

Some Hon. Members: Hear, hear!

Mr. Thacker: I should like to thank my colleague opposite for his question, which I am sure he intended to be a tough one. He also knows—

Mr. Speaker: I notice that the usual courtesies have been extended to the Hon. Member as a new Parliamentary Secretary, and I notice that the announcement was made with some friendly and warm applause.

Of course the obligation on the part of the Parliamentary Secretary now is to give an answer, and we will see whether there is the same reaction.

Mr. Thacker: I thought, Mr. Speaker, that you would be generous on the first question.

I assure my colleague opposite that safety is first and foremost. In fact, under the National Transportation Act, which is in the process of being passed through committee clause by clause, and in which my friend opposite is playing a very constructive role, safety is the number one factor in respect of the Toronto airport. That will always be the case. It is being examined closely. There is a process for upgrading fire protection if, as, and when it is needed.

Mr. Ouellet: Indeed I appreciate and thank the Parliamentary Secretary for his answer. However, I think words are not enough; action is needed.

REQUEST FOR REDESIGN OF AIRPORT

Hon. André Ouellet (Papineau): Mr. Speaker, because of the fact that this is one of the busiest airports in Canada, will the Government immediately redesign the airport to make it a category five facility, and will the Government assume the cost of the appropriate fire equipment needed there, right now?

Mr. Blaine A. Thacker (Parliamentary Secretary to Minister of Transport): Mr. Speaker, that whole question is being looked at very closely at the moment. There is a report in the works, and I am sure that its conclusions will be out momentarily.

INDUSTRY

PLANT CLOSURES IN MANITOBA

Mr. Rod Murphy (Churchill): Mr. Speaker, my question is also for the Secretary of State for External Affairs who was recently in western Canada.

He just returned from Manitoba and knows that Canada Packers has closed the doors of one part of its operations, laying off 300 people yesterday. He also knows that 300 more people in that operation will lose their jobs next year. He should know that the Manitoba Sugar Company announced today that it would be closing its operations this summer.

What is the Government doing for those affected workers and, just as important, what it is doing for farmers who depend upon those plants in Manitoba?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I have just returned from Manitoba and had the opportunity to meet with a range of individuals, including the Canadian Grains Council.

In respect of the specific question, I will have to take it as notice on behalf of the relevant Minister and will ensure that an answer is provided next week.

I can say that among the facts brought to my attention when I was in Manitoba was that over 80 per cent of Manitoba's exports are to the United States. Consequently, the present situation of protectionism in that country, which puts both tariff and non-tariff barriers in the path of Manitoba exports, creates a very real and continuing threat to the economic vitality of the Province of Manitoba.

One of the reasons the Government is prepared to undertake a comprehensive trade negotiation with the United States is to try to bring some kind of benefit and job security to the people of Manitoba and the rest of the country.

Mr. Murphy: That may be the statement the Minister wanted to make, but it has nothing to do with the two industries about which I am talking. The beef packing and sugar industries are internal industries. We are losing our jobs in Manitoba, and I wish there was somebody in that Government who could answer these questions today. Apparently there is no one over there who can do that.

Mr. Hnatyshyn: Ask the provincial Government. It has a responsibility.

Mr. Murphy: The Manitoba Government is doing damn good for the people of Manitoba. We want something from the feds.

Mr. Speaker: I would ask Hon. Members, because there have now been two inadvertent slips in the use of language which is perhaps not suitable for this place, to be careful.

I know Ministers are very anxious to answer questions, but perhaps they could wait until they have actually been asked a question.

Mr. Murphy: Mr. Speaker, I take back the word "damn" from my comments but not from my thoughts.

TELEPHONE CALLS SUPPORTING MEMBER FOR EDMONTON—STRATHCONA

Mr. Rod Murphy (Churchill): Mr. Speaker, my supplementary question is directed to the Secretary of State for External Affairs. To whom should we refer the calls we are receiving supporting the Hon. Member for Edmonton—Strathcona? To whom should we refer them in the Government?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, if there are questions which are genuine questions respecting the Hon. Member for Edmonton—Strathcona—and I took a number of them on the Warren radio show in Manitoba the other day—I am prepared to take more. If the Hon. Member wants to direct those to me, he can certainly do that. Let me also say, since we are speaking of telephones, that if he has any difficulty getting in touch with his Leader, we can perhaps help him in that way as well.

• (1140)

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PRIVATIZATION

BOEING'S ACQUISITION OF DE HAVILLAND CORPORATION—TERMS OF AGREEMENT

Mr. David Berger (Laurier): Mr. Speaker, I would put my question to whomever is answering for the Minister responsible for privatization. It concerns the compensation that the Boeing Company is reportedly asking for de Havilland. Under the agreement with Boeing, the Government agreed to contribute 35 per cent of the cost of modifications to production facilities and equipment to a maximum of $8.75 million. Can the Minister confirm whether the compensation Boeing is now asking is provided for in the agreement between the Government and Boeing, and that such compensation does not exceed the agreement or the maximum amount set out in that agreement?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, that is a very detailed and specific question. The Minister responsible for privatization is unavoidably not in the House. I will have to take the question as notice, and either that Minister or another of the Government will try to get back to the Hon. Member as soon as we can.

REPORTED DEMANDS MADE BY BOEING

Mr. David Berger (Laurier): Mr. Speaker, I would advise the Minister that the Chairman of Boeing told the House Committee on Regional Development that a team of 12 experts from that company conducted an exhaustive six-month study of all facets of the de Havilland operation. They found a company that has "fine products, impressive managerial design and production skills and experience and adequate

facilities". They acknowledged, however, that considerable investments would be required to bring the company up to Boeing standards and indicated that Boeing was prepared to make those investments. In the light of the testimony of the Chairman of Boeing Canada to the parliamentary committee, how can Boeing make these demands today?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the original question had to do with whether or not demands were made and whether or not those are consistent with the original undertaking. I indicated to the Hon. Member that since that was a detailed question of which no notice had been received and the Minister is absent, I will have to take it as notice. His second question was contingent upon the first. I cannot make reference to representations that have not been confirmed.

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CANADIAN SECURITY INTELLIGENCE SERVICE

REFUSAL OF INFORMATION CONCERNING FORMER AMBASSADOR TO EGYPT

Mr. Alex Kindy (Calgary East): Mr. Speaker, my question is for the Right Hon. Secretary of State for External Affairs. It concerns one of his former employees of that Department, Herbert Norman, who was Ambassador to Cairo and who committed suicide in 1956. The federal Information Commissioner is taking the Canadian Security Intelligence Agency to court because the Government does not want to reveal information in the spirit of freedom of information. Could the Secretary of State reveal what is behind the cover-up? Why is Canada still protecting a former mole of the Soviet KGB? Could the Secretary of State for External Affairs answer that question please?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, we are talking here about the case of a man who died more than 30 years ago and about allegations that trace back at least five decades. The question is about information that might have been made available.

Speaking for my Department, which is the Department which employed Mr. Norman and which he served, all of the information that is allowed to be permitted under the Privacy and Freedom of Information legislation was made available to various authors who were conducting investigations. There are no skeletons left in that closet. I would suggest that the Hon. Member not pursue skeletons that do not exist. I would also suggest that he repeat his own observation in the prelude to his question that there are legal remedies that can be pursued by the Privacy Commissioner or by the Access to Information Commissioner. If those are being pursued, they will be respected and honoured. Otherwise I think it would be unnecessary and unworthy to raise 30 year-old questions here in this House.

AIRPORTS

MANAGEMENT FRAMEWORK INITIATIVE—ROLE OF LOCAL MUNICIPALITIES

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, my question is for the Right Hon. Secretary of State for External Affairs in his capacity as Acting Prime Minister regarding government policy. The Minister of Transport announced yesterday policy regarding the transferring of Canadian airports to municipalities. The Minister will be aware that the only airports any municipality in its right mind would consider taking over are the ones making a profit.

In British Columbia the profit from Vancouver Airport in effect pays for the losses of all the other airports in B.C. Is it the intent of his Government's policy in getting rid of these profitable airports that the taxpayers will have to pick up the tab for the remainder?

Mr. Blaine A. Thacker (Parliamentary Secretary to Minister of Transport): There is no such intention at all, Mr. Speaker. The policy is a good policy that, on a voluntary basis, permits local municipalities, regions and commissions to take over the management or indeed possibly the ownership of an airport and apply the local energy and initiative from a region to make an airport profitable. Compare that to the NDP philosophy which would be to keep control in Ottawa, guaranteeing a drain on the taxpayer.

GOVERNMENT POSITION

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, someone called that a national airport system.

If the Government is not going to pass on the 10 per cent airport transportation tax to any airports that municipalities take over, how does the Government expect those airports to make money? By taking up a silver collection perhaps?

Mr. Blaine A. Thacker (Parliamentary Secretary to Minister of Transport): No, quite the opposite, Mr. Speaker. For example, at the airport with which I am familiar in Lethbridge, an enormous number of hangars are sitting there. They could be used. With local initiative and enterprise that airport could be turned around and could be making income tax money for us here in Parliament to redistribute to the people in the country who really need it.

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CRIMINAL CODE

MANDATORY IMPRISONMENT FOR SECOND DRUNK DRIVING CONVICTIONS—EFFECT OF SUPREME COURT DECISION

Hon. Bob Kaplan (York Centre): Mr. Speaker, my question is for the Minister of Justice. It has to do with the Supreme Court of Canada's decision not to hear an appeal which, in effect, has invalidated mandatory incarceration for a second

drunk driving conviction. I would remind the Minister that when Parliament introduced that provision it had very great public support. Is the Minister of Justice prepared to introduce an amendment to the Criminal Code to correct the technicality which resulted in the invalidation of mandatory incarceration for a second conviction?

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker, I appreciate the Hon. Member's question. As he knows, the matter is going to receive a review. I will have an opportunity to discuss this and other matters with my provincial colleagues involved in the administration of justice at a meeting which will take place at the end of May. At that time I hope we can work together in terms of having an appropriate balance in this important question.

GOVERNMENT POLICY

Hon. Bob Kaplan (York Centre): That is disappointing, Mr. Speaker. Does the Minister of Justice still have the conviction—and is it still the firm policy of the Government, a policy with which the whole of this Parliament agreed—that there should be mandatory incarceration on a second conviction for drunk driving?

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker, this Government has brought in legislation which has done more in terms of the Criminal Code provisions concerning drinking and driving. Our commitment is beyond question. The whole point of this endeavour is to make sure in a co-operative effort that we can move forward. I have involved myself in consultation with my provincial counterparts so as to get the benefit of their points of view. I intend to carry on consultation. We will act decisively once that consultation has been completed.

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CROWN CORPORATIONS

HARBOURFRONT—CONSTRUCTION OF HIGH-RISE BUILDINGS ON TORONTO WATERFRONT

Mr. Dan Heap (Spadina): Mr. Speaker, my question is for the Minister of Justice. I have a question for him about eastern Canada. As the Minister knows, Harbourfront, which is a Crown corporation managing Toronto's waterfront, made a dozen secret deals allowing developers, such as Huang and Danczkay, to build high-rise towers that violate City of Toronto by-laws for Harbourfront. Does the Government of Canada intend to order a public inquiry into such mismanagement of a Crown corporation?

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker, at last reading of my geography book, the Hon. Member is referring to central Canada.

Some Hon. Members: Oh, oh!

Mr. Hnatyshyn: As we say in Saskatoon, the Hon. Member represents a central Canadian riding. Having said that, I do not accept the premise of the Member's question. Given the allegations made by the Hon. Member, I think the matter is the responsibility of the provincial Attorney General. However, I will give consideration to his representations.

• (1150)

MINISTER'S POSITION

Mr. Dan Heap (Spadina): Mr. Speaker, I accept the Hon. Minister's preference for his own geographical language which differs from a former Premier of Alberta who proposed to let those eastern so-and-sos, including Ontario, freeze.

My supplementary concerns the same project in Toronto. One of the buildings being constructed by Huang and Danczkay will bring no revenue to Harbourfront for 10 years. Yet all the non-profit projects were required to pay right from the beginning. Does the Minister not consider that such gross favouritism and discrimination by a federal Crown corporation deserves a very thorough public inquiry?

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker, I reiterate if the Hon. Member has any proof of any wrongdoing then he should report it to the appropriate authorities rather than standing up in this House and grandstanding with allegations he is not prepared to turn over to the authorities. Our system of justice does not involve making allegations under the protection of the House of Commons and getting publicity for a position which may not be justified in fact. I suggest the Hon. Member respect the traditions of Canadian justice.

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YOUTH

DISADVANTAGED YOUTH—TERMINATION OF BRIDGING THE GAP PROGRAM

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, my question is directed to the Minister of State for Youth. He will know that a program called Bridging the Gap is designed to assist severely disadvantaged youth in Lunenburg and Queens County, Nova Scotia. Can the Minister inform the House why funding for this project has been terminated when the Ministry knew the program did not duplicate any other program from any level of government? Educators, parents of these young people, the private sector, and all three levels of government, including the regional office of CEIC, were in favour of continued funding for this most important project.

Hon. Jean J. Charest (Minister of State (Youth)): Mr. Speaker, the Hon. Member for South Shore also made representations concerning this program.

The information I have this morning is that the program was not continued because there was apparently some element of duplication. As the Hon. Member knows, if we had enough resources we would continue a lot more of these programs. The fact is that half of all funding in CEIC for employment programs goes to young people. If we can avoid some duplication and get more for our money we try to do it.

REQUEST THAT MINISTER INTERVENE

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, the Minister will know that his Department requested that this organization select a consultant to examine the operations of the program and make recommendations to the federal Government. That consultant recommended the continued funding of the project. He said in part: "In discussions with more than 100 persons only three negative comments were elicited and these were directed not at the Bridging the Gap program, nor its philosophy or staff, but a member of the board of directors."

I ask the Minister respectfully, on behalf of those severely disadvantaged youth in Lunenberg and Queens County, to commission a report or discussion with that group so that the funding can be continued and the objectives of the program can be achieved. Can I have that undertaking?

Hon. Jean J. Charest (Minister of State (Youth)): Mr. Speaker, I will take the Hon. Member's comments as being representations. I think he will find on this side of the House we recognize the fact there are a lot of programs, in fact a great deal of them, that we would like to pursue. Half of our resources always go, at least with this Government, to youth employment programs. We intend to pursue that policy, so I will take his comments as representations.

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CANADA POST CORPORATION

CANADA LUTHERAN MAGAZINE—DENIAL OF SECOND-CLASS MAILING PRIVILEGES

Mr. Simon de Jong (Regina East): Mr. Speaker, my question is directed to the Minister in charge of the Post Office. As he might be aware, earlier this year I raised the concerns of various trade and religious magazines, such as *Beef in B.C.* and *Canada Lutheran* which were being denied second-class mailing privileges. The Post Office then suggested to *Canada Lutheran* that it reapply for second-class mailing privileges. They were also led to understand that some decision would be forthcoming about the beginning or middle of March.

Can the Minister inform us whether his Department is prepared to give second-class mailing privileges to *Canada Lutheran*?

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, I am not current with that particular application but I will become current. Just by way of correction, it is not my Department. It is an independent Crown corporation. However, I will inquire as to the status of that application.

CONTENT OF RELIGIOUS MAGAZINES

Mr. Simon de Jong (Regina East): Mr. Speaker, the reason why *Canada Lutheran* was denied second-class mailing privileges was that the Post Office considered it was not religious enough, that it did not have enough religious material.

Obviously there is some question about the way Canada Post decides which religious publication should get second-class mailing privileges and which should not. For example, *The United Church Observer* and the Presbyterian magazine get second-class mailing privileges but *Canada Lutheran* has been denied that privilege. I think the Minister would agree that it is not the job of the Post Office to determine what magazine is more religious or which has more religious content than other magazines.

In reviewing the policy will the Minister not straighten out Canada Post so it does not become involved in looking at the content of religious magazines?

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Certainly, Mr. Speaker. I should point out in fairness, however, that that really is not the determining factor. It has to do with the extent to which a publication on behalf of any group uses advertising. In other words, where does its funding come from? If it is clearly for charitable purposes, without reliance on advertising revenue, and is of a religious nature, that is one thing and it receives second-class status. I think it was on that point rather than concerning the religious nature of the magazine. However, I hear the Hon. Member's representations and I will certainly transmit them to the Post Office.

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EXTERNAL AFFAIRS

MINISTER'S FORTHCOMING VISIT TO WARSAW PACT COUNTRIES

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, my question is addressed to the Secretary of State for External Affairs. Can he confirm that he will shortly be visiting several Warsaw Pact countries, and tell us about his itinerary and the purpose of these visits?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I can confirm that in early May I will be visiting Hungary, Poland, and East Germany. As the House will know, I had the opportunity two years ago to be the first Canadian Foreign Minister in nearly 12 years to visit the

Soviet Union. I have not yet had an opportunity in this capacity to visit eastern Europe. I am interested in doing that, both to advance East-West relations and to pursue some of the important and growing opportunities for commercial relations between Canada and the countries I will be visiting.

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SUPPLY AND SERVICES

OVERCHARGE ON PURCHASE OF TORPEDOES

Mr. Len Hopkins (Renfrew—Nipissing—Pembroke): Mr. Speaker, my question is directed to the Minister of Supply and Services. She may recall that last October I asked a question concerning the possibility that Canada may have been overcharged by as much as $18 million on the purchase of torpedoes manufactured by Honeywell in the U.S. Her answer at that time was that there was "no reason to believe that Canada was overcharged". She went on to say she would not know whether we were overcharged until 1988. It has since been confirmed that Canada has been overcharged.

Why did the Minister deny last October any possibility of having been hoodwinked before she knew all the facts? What is she prepared to do now to assure Canadians that their defence dollars are carefully monitored at all times to prevent this kind of skullduggery, particularly when it involves an overcharge to Canadians of $18 million by the Pentagon?

[*Translation*]

Hon. Monique Vézina (Minister of Supply and Services): A few weeks ago, Mr. Speaker, I was given a progress report on this contract. The Hon. Member is quite right, there is a difference in the two prices. Of course Canada will be credited in the coming months or whenever we make other purchases or sign other contracts. Unfortunately I am still waiting for the final report, but I should think that indeed Canada will be credited for the additional amounts.

• (1200)

[*English*]

PURCHASES MADE BY NATO COUNTRIES THROUGH PENTAGON

Mr. Len Hopkins (Renfrew—Nipissing—Pembroke): Mr. Speaker, the Minister's own officials have informed me that Canada is not entitled to copies of contracts made between the Pentagon and private companies in the United States and, therefore, cannot possibly monitor the process to ensure honesty and fairness on behalf of Canada and other NATO countries.

Does the Minister realize the implications this case has for the hundreds of purchases made by Canada and other NATO countries through the Pentagon? Will she inform this House how she plans, now that the facts are clear, to prevent this from occurring again instead of treating the issue as if the wastage of taxpayers' money is of little importance? There must be a clearly defined pattern through which Canadians in fact know what is going on in the Pentagon if the Pentagon is going to be the agent for purchase from industries in the United States.

[*Translation*]

Hon. Monique Vézina (Minister of Supply and Services): Mr. Speaker, I take note of the concern expressed by my colleague and I will ask for a complete report which I will gladly send to the Hon. Member.

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[*English*]

PRIVATIZATION

BOEING'S PURCHASE OF DE HAVILLAND CORPORATION—REPORTED REQUEST FOR COMPENSATION

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, I want to direct questions on the de Havilland matter to the Minister of External Affairs who is the Acting Prime Minister today. A headline in the newspaper today reads: "Boeing wants money back on de Havilland". As the Minister knows, the Government of Canada entered into a sweetheart deal in which the taxpayers lost $70 million through the sale of de Havilland to Boeing.

Will the Minister show some western Canadian backbone? Will he stand tall in the saddle and tell this American company that it will not get a penny more of the taxpayers' money and will not be able to renegotiate this deal?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, as you know, it has never been my style to engage in gunslinger politics. One of the facts about the de Havilland arrangement is that since it was made some 1,100 new jobs have been created in the country.

Some Hon. Members: Hear, hear!

Mr. Clark (Yellowhead): It may be that members of the New Democratic Party are not interested in job creation. One can certainly conclude that from certain of the questions they have asked and positions they have taken, particularly with regard to the trade initiatives. We are interested in job creation. We are also interested in respecting the letter of contracts which were entered into.

A question which falls within the responsibility of a Minister who is unavoidably absent from the House with respect to the detail of a contract was asked of me earlier today. We will take a look at the detail of the contract and will ensure that what Canada entered into Canada will observe.

Mr. Waddell: Mr. Speaker, the Minister is right. He is not into the gunslinger pose. As a matter of fact, Mr. Trudeau told me that.

GOVERNMENT POLICY ON CONTRACTS

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, is this a pattern? We have seen it across the river in the reopening of the Place Vincent Massey contract. Is the Government prepared, through pressure either from its friends or from foreign companies, to get into the pattern of reopening contracts which it has already signed?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the answer to that question is no.

Allow me to deal with the practice of conversations between members of the New Democratic Party and Mr. Trudeau. That, of course, is not a revelation to us. We know very well about that practice which led to the description of the organic union. It is interesting that those conversations which used to be among Parties are now becoming increasingly difficult, even within the respective Parties. The Leader of the Opposition cannot appear to get agreement from any of his members. The Leader of the New Democratic Party can only speak to his by long distance telephone.

Mr. Speaker: I should advise Hon. Members that there will be a question from the Hon. Member for York West, followed by the last question from the Hon. Member for Mission—Port Moody.

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VISIBLE MINORITIES

INTERNMENT OF JAPANESE CANADIANS DURING WORLD WAR II—REQUEST FOR COMPREHENSIVE TALKS

Mr. Sergio Marchi (York West): Mr. Speaker, my question is for the Acting Prime Minister. It has been almost three years since the Prime Minister promised that an honourable settlement to the issue of Japanese Canadian redress would be an urgent and important priority of the Government. Yet after three Ministers of Multiculturalism not only is the substance of any agreement nowhere in sight, but a formal process of talks has not even been established.

This lack of commitment to a very clear promise is an affront to the Japanese Canadian community. Therefore, when will the Government initiate a full and formal process of talks—not individual meetings here and there but full comprehensive talks—so that a fair and meaningful settlement will have a chance to come to fruition during the life of this Parliament?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the affront to the Japanese Canadian community was the position taken by the former Prime Minister, the then Leader of his Party, who refused to deal with this question at all. The Hon. Member knows that that matter is being pursued actively by the Secretary of State who will make the appropriate announcements.

Mr. Marchi: Mr. Speaker, we are talking about a clear promise of the Prime Minister who has had neither the decency nor the respect after three years as Prime Minister to meet even once with the leadership of the National Association of Japanese Canadians.

REQUEST FOR COMMITTEE REFERRAL

Mr. Sergio Marchi (York West): Mr. Speaker, since the Government is hesitant about dealing with Japanese Canadian redress, would it not agree to mandate the Standing Committee on Multiculturalism, which has representation from all sides of this House and which, for this issue, could include one or two Members from a Japanese Canadian community, to work on and recommend a settlement which would be honourable to the Japanese Canadian community and do honour to this country?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I do not want to get into comparisons of the attitudes which have been taken by Leaders of respective Parties. That is clear and on the record. The Liberal Party refused to recognize that an injustice had been done to which there needed to be a response. This Party and this Government changed that practice. The Secretary of State is pursuing the question and will make appropriate announcements.

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THE ECONOMY

WESTERN ECONOMIC DIVERSIFICATION STRATEGY—SCOPE OF APPLICATION

Mr. Gerry St. Germain (Mission—Port Moody): Mr. Speaker, my question is directed to the Secretary of State for External Affairs in his capacity as Acting Prime Minister and is really a supplementary question to that posed by the Hon. Member for Kamloops—Shuswap through which, I believe, he sort of left the misconception, with regard to the western diversification initiative, that not all parts of western Canada would be brought into the process. I would like clarification from the Right Hon. Minister as to whether all of western Canada will be encompassed in this initiative. Can he tell the House at this time when this very important initiative will be brought forward?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, of course the Western Economic Diversification Program will apply to the whole of western Canada including British Columbia. The Deputy Prime Minister is co-ordinating activities on that initiative and will be making an announcement shortly.

One of the fundamental changes which has been brought to the country by the present Government is that it treats the country as a whole, the regions and the provinces, as equals. That is a change from the Liberal-NDP period. That certainly

brings benefit to British Columbia and the rest of western Canada.

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BUSINESS OF THE HOUSE

Mr. Doug Lewis (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, there have been discussions among the Parties as to the business for today. I think you would find unanimous consent for the proposal that immediately after the item of petitions in Routine Proceedings the House would move to Orders of the Day. The Government undertakes to call Bill C-44 and to recall it after the lunch recess. Bill C-44 would be the only item of business called by the Government between the hours of 2 and 4 p.m. At 4 p.m. or earlier, if there is unanimous consent, the House will proceed to Private Members' Hour. That proposition is made with the understanding from my colleagues, the House Leader of the Official Opposition and the House Leader of the New Democratic Party, that we should be able to complete report stage and third reading of Bill C-44 today in order that the other place can deal with this important matter on Monday.

• (1210)

Hon. Herb Gray (Windsor West): Mr. Speaker, I can confirm that there have been consultations between myself and the Deputy House Leader for the Government and what he has said reflects the results of these consultations. We will give consent on the part of the Official Opposition to the proposal he has made.

However, I want to make two points by way of clarification. First, I think it flows from what the Deputy Government House Leader has said that there will be no attempt by the Government to call Bill C-22 or anything connected with it today.

Second, I may be anticipating debate, but I hope the House will consent to allowing the Hon. Member for Trinity (Miss Nicholson) to move certain amendments at report stage which are in the name of the Member for Laval-des-Rapides (Mr. Garneau) who is unable to be here this afternoon.

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, we certainly can confirm that there have been discussions between myself and the Parliamentary Secretary, and we are certainly willing to entertain the introduction of amendments by the Hon. Member for Trinity (Miss Nicholson) as part of the understanding.

This discussion is a little bit out of the usual this afternoon, but the reason for it is that we oppose the principle and content of Bill C-22 in its present form and plan to do whatever is necessary to stop the imposition of this legislation on the people of Canada. However, when the Government House Leader and, in this case, the Minister of Finance (Mr. Wilson) indicated the need to proceed with Bill C-44 on the whole matter of equalization, I pointed out that it was always our intention to co-operate as much as possible to facilitate the expeditious passage of that Bill. We were planning to do that earlier in the week.

Once we have this commitment by the Parliament Secretary that the Government will not try to use some devious route to introduce a form of closure on debate on Bill C-22, we are more than willing and, as a matter of fact, anxious to get on with Bill C-44 and complete all deliberations today.

Mr. Speaker: I take it that the proposition put forward by the Parliamentary Secretary is accepted. I see the Parliamentary Secretary rising. Does he have something further to add?

Mr. Lewis: Mr. Speaker, I think it would be appropriate to put on the record that the Government will not deal with Bill C-22 in any way today and that we would be quite prepared to have the Hon. Member for Trinity (Miss Nicholson) move any amendments at report stage which are presently on the Order Paper in the name of the Hon. Member for Laval-des-Rapides (Mr. Garneau).

Mr. Rod Murphy (Churchill): Mr. Speaker, I am not trying to delay things at all. I am quite happy with the proposal that is put forward. I thought that perhaps the Parliamentary Secretary to the Government House Leader made a mistake when he said that "we should" be able to complete report stage and third reading". It is our understanding that we will indeed do that in an effort to pass the equalization legislation. I would like to see his government proposal strengthened.

Mr. Lewis: My discussions with the House Leaders of the Official Opposition and the New Democratic Party were on the basis of "should". If it becomes "would", I am very content.

Mr. Speaker: The House has heard the undertaking. Is it agreed?

Some Hon. Members: Agreed.

Mr. Speaker: I might point out, especially to Canadians who are watching, that it is, of course, no secret that there have been a number of interesting, brisk, and fascinating events taking place in the House with respect to Bill C-22. That has been going on since November.

However, I think it is also appropriate to point out that on other matters and on other Bills there has been a very considerable degree of co-operation between the Government and the Official Opposition and the New Democratic Party. Of course, that is as it should be, because without it this place cannot function. I compliment all Members in that regard.

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

GOVERNMENT RESPONSE

Mr. Doug Lewis (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, pursuant to Standing Order 106(8), I have the honour to table, in both official languages, the Government's response to Petitions Nos. 332-1212, 332-1266, 332-1275, 332-1301, 332-1510, 332-1514 and 332-1521.

* * *

AIR CANADA

TABLING OF ANNUAL REPORT, 1986

Mr. Blaine A. Thacker (Parliamentary Secretary to Minister of Transport): Mr. Speaker, on the occasion of Air Canada's fiftieth anniversary I am pleased to table in our two official languages its annual report for 1986.

* * *

COMMITTEES OF THE HOUSE

JUSTICE AND SOLICITOR GENERAL—PRESENTATION OF SECOND REPORT OF STANDING COMMITTEE

Mr. Rob Nicholson (Niagara Falls): Mr. Speaker, I have the honour to present the second report of the Standing Committee on Justice and Solicitor General on the review of the report and recommendations of the 1986 Commission on Judges Salaries and Benefits.

[*Translation*]

STRIKING COMMITTEE—PRESENTATION OF NINETEENTH REPORT OF STANDING COMMITTEE

Mr. Scott Fennell (Ontario): Mr. Speaker, I have the honour to present the nineteenth report of the Striking Committee.

(*For above reports, see today's Votes and Proceedings.*)

* * *

[*English*]

PETITIONS

EFFECT OF FREE TRADE ON AUTO PACT—RETENTION OF SAFEGUARDS

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, I have a set of four petitions dealing with the question of the

Auto Pact. These four petitions add to the previous petitions on this issue which have come from my constituency.

At this particular stage we have a total of 2,258 additional names of people indicating their severe concern about the thousands of jobs that could be lost to our area and many parts of Canada if the safeguards in the Auto Pact are eliminated. The petitioners pray that the Government will defend these safeguards in any free trade talks and see to it that the Auto Pact is maintained intact.

UNIVERSAL ACCESS TO FAIR ORAL HEARINGS BEFORE REFUGEE BOARD

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, I have a number of other petitions to present. The first comes from Pickering and Kingston and deals with the question of refugee determination.

The petition stresses the unhappiness of the petitioners with recent government moves which run in the face of the position of our churches across Canada, that refugee determination should be carried out as expeditiously as possible within this country.

The petition concludes that the Government and Parliament should enact legislation to embody a principle of fair and quick oral hearings of refugee claimants before a refugee board, independent of the Immigration Commission. It also calls for universal access to such hearings for every claimant in Canada.

OPPOSITION TO PROPOSED CHANGES TO PATENT ACT

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, I also have a petition which comes from the area of Edmonton, Alberta, and expresses the very strong unhappiness of many westerners in that city about Bill C-22, which is attempting to make changes to the patent legislation in this country which, in the opinion of the petitioners, will dramatically increase the level of drug prices in this country both for individuals and provincial Governments.

• (1220)

The petitioners also see this proposed change as an example of Government concessions to the United States in the context of free trade negotiations.

My final petition deals with the same subject but comes in this case from British Columbia. The petition presents as strong a case for this Parliament to listen to the thousands, indeed, close to a million voices which have now been heard on this serious issue.

[*Translation*]

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I have eight petitions signed by hundreds of constituents who humbly declare that the monopoly granted to innovative pharmaceutical companies will prevent competition from less expensive generic drugs which, as we know, will result in an increase in drug prices for Canadian consumers and severely

restrict the ability of many people to buy necessary prescription drugs. It follows that the proposed amendments to the Patent Act will directly affect all Canadians who are not covered by private or governmental medicare programs, that the Government's proposal will raise the already high costs of provincial health care programs, and that the proposed Bill C-22 amendments to the Patent Act are another good example of the Canadian Government's concession to the United States in the current free trade negotiations, at the expense of ordinary consumers. Wherefor the petitioners humbly call upon Parliament to reject the Bill C-22 proposals which will surely increase prescription drug prices for Canadians.

[*English*]

OPPOSITION TO PROPOSED CHANGES TO UNEMPLOYMENT INSURANCE BENEFITS

Mr. Dan Heap (Spadina): Mr. Speaker, it is my honour and duty today to present several petitions. The first petition is from residents of my constituency of Spadina. It concerns the subject of unemployment insurance.

The petitioners point out that the report of the Forget commission would end regional benefits and thus take $1 billion in income transfers out of Quebec, $660 million from the Atlantic and $670 million out of the West; it would also cut out Government contributions to unemployment insurance benefits and, all in all, it would reduce the income of unemployed persons to less than $140 a week in many cases.

Therefore the petitioners request Parliament to reject any legislation designed to eliminate federal contributions to the unemployment insurance program or to reduce unemployment insurance benefits to unemployed Canadians.

LOW-LEVEL FLIGHTS AT ARMED FORCES BASE AT GOOSE BAY

Mr. Dan Heap (Spadina): I have another petition from a number of residents of Toronto and municipalities adjoining Toronto. The petition concerns the Canadian Forces Base at Goose Bay, Labrador, and the low level flight training there of pilots of NATO countries. It points out that these training flights not only hurt the local ecology and disrupt the life of the people but are also a provocative and aggressive war fighting action which tends to endanger world peace.

Therefore these petitioners call upon Parliament to ensure that the Prime Minister will end all low level flight training at the Goose Bay Canadian Forces Base and cease negotiations with NATO for the establishment of a larger base there.

UNIVERSAL ACCESS TO FAIR ORAL HEARINGS BEFORE REFUGEE BOARD

Mr. Dan Heap (Spadina): Mr. Speaker, I also have a petition from more than 100 Canadians from Toronto and adjoining areas in Ontario on the subject of refugees. The petitioners point out that in the past Canada had fairly good standards of refugee status determination but recent strains have broken it down and that the relevant committee of Parliament has proposed a new system which would be quicker and fairer but that the Government has not yet taken action although this has support from the churches, the Canadian Bar Association, the Canadian Jewish Congress and other groups.

Therefore the petitioners call upon the Government and Parliament to enact legislation which will embody the principles of fair and complete oral hearings of claimants before a refugee board, independent of the Immigration Commission, for universal access to such hearings for every claimant in Canada and for a fair chance to arrive in Canada to present this claim.

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, I have two petitions to present. The first petition is in regard to the regulations governing the entry of refugees and calls upon Parliament to enact legislation which would allow fair and quick oral hearings for refugee claimants who are trying to enter Canada.

OPPOSITION TO PROPOSED CHANGES TO PATENT ACT

Mr. Stan J. Hovdebo (Prince Albert): My second petition is in regard to the change in the Patent Act and calls upon Parliament to reject proposals which would increase the price of prescription drugs for Canadians, particularly senior citizens and those who require those drugs on a continuing basis.

Mr. George Henderson (Egmont): Mr. Speaker, I have four petitions to present today. The first petition is signed on behalf of a number of residents from Rogersville, Ste. Anne, Black River Bridge and so on, in the Province of New Brunswick. The petitioners oppose the proposed changes to the Patent Act and maintain that this will directly increase the cost of prescription drugs in Canada.

I also have another petition on the same subject. It is signed by residents of Sydney, Cape Breton and Glace Bay, Nova Scotia, and Saskatoon, Saskatchewan. The petitioners oppose the proposed changes to the Patent Act and humbly pray and call upon the Parliament of Canada to reject these proposals which will increase the price of prescription drugs for Canadians.

I have another petition from residents of Sydney, Glace Bay, Nova Scotia and the surrounding area. These petitioners also oppose the changes to the Patent Act which are being proposed by the Government in Bill C-22.

My fourth and last petition is signed by residents of Shediac Bridge and the surrounding area, and from Robichaud, New Brunswick. These petitioners also ask the Government not to go ahead with Bill C-22. They call upon Parliament to reject the proposals in Bill C-22 which will increase the price of prescription drugs for Canadians.

[*Translation*]

Mr. Sergio Marchi (York West): Mr. Speaker, I have the pleasure and honour to present to the House three petitions signed by a number of Canadians of the Province of Ontario.

[*English*]

The individuals come from Parry Sound, Burlington, Downsview, St. Catharines, and the surrounding area. These Canadians who signed these petitions are requesting that the Government abandon its course on Bill C-22.

Canadians are questioning the advisability of moving to reform the Patent Act which will have the ultimate effect of increasing prescription drugs for Canadians in need. The petitioners request that the Government recognize the harm that this will create, and that if it is to reform the Patent Act, it do so in a way that the needy and sick will have accessible and affordable drugs in Canada.

REQUEST FOR PROTEST TO EL SALVADOR—MIGUEL RIVAS HERNANDEZ

Mr. Peter Peterson (Hamilton West): Mr. Speaker, I have a petition which I have the honour to present on behalf of constituents in Hamilton West and other residents of Hamilton—Wentworth, who humbly pray and call upon Parliament to protest to the Government of El Salvador the disappearance of Mr. Miguel Rivas Hernandez. They demand that our Government stop bilateral aid to El Salvador until arbitrary arrests, disappearances and torture are practised no more by the security forces of that country.

• (1230)

OPPOSITION TO PROPOSED CHANGES TO PATENT ACT

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, I have a pile of petitions to present today, although none of them are from Edmonton, which in a sense is not surprising. They are from Melfort, Saskatchewan; Lorette, Manitoba; Saskatoon, Saskatchewan; Regina, Saskatchewan; Winnipeg, Manitoba; Pembina; Gimli, Manitoba; New Westminster, Aldergrove, British Columbia; Calgary, Alberta; Langley, Clearbrook, Vetter Crossing, Chilliwack, Mount Lehman, Vancouver, Kelowna, Maple Ridge, Pitt Meadows, and Port Coquitlam, British Columbia; as well as from McBride which is near my own constituency; and from Prince George and Quesnel, British Columbia.

The petitioners from all these communities indicate their displeasure with the Government's proposal to change the Patent Act relating to prescription drugs which they believe will increase drug prices for Canadian consumers and severely restrict the ability of average Canadians to buy those necessary prescription drugs. They therefore call upon the Government to stop proceeding in this way.

OPPOSITION TO PROPOSED CHANGES TO UNEMPLOYMENT INSURANCE BENEFITS

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, I have another short petition to present. It contains a list of individuals from Baie de Verde, Newfoundland. These people are all fishermen. They indicate that fishermen in Newfoundland really do require unemployment insurance benefits to get along for a certain portion of the year. They are concerned about what they perceive to be the Government's plan to implement changes to the Unemployment Insurance Act which would restrict fishermen access to these benefits. Obviously, they are saying that the Government should reject any recommendation from the Forget Commission that would deprive fishermen of their rights.

UNIVERSAL ACCESS TO FAIR ORAL HEARINGS BEFORE REFUGEE BOARD

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, it is my privilege and pleasure to present today two petitions to this honourable House.

The first is signed by the residents of communities such as Toronto, Brampton, Nepean, Willowdale, Thunder Bay, Gloucester, Ottawa, Sudbury, and also residents of Edmonton and Calgary in the Province of Alberta, as well as residents of such picturesque communities as Blezard Valley and Val Caron, who humbly pray and call upon Parliament to ensure that the Government and Parliament enact legislation that will embody the principles of fair and quick oral hearings of refugee claimants before a board independent of the Immigration Commission.

OPPOSITION TO PROPOSED CHANGES TO PATENT ACT

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, the second petition I have to present is also duly certified and is on a somewhat different topic. It is one that has attracted great attention from all parts of Canada and on which this Party has had great support.

This petition is signed by residents of Calgary, Alberta, who protest the Government's plans to make instant concessions before free trade negotiations are even really under way by allowing the passage of Bill C-22 which will inevitably increase prescription drug prices for Canadians.

OPPOSITION TO PROPOSED CHANGES TO UNEMPLOYMENT INSURANCE BENEFITS

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, I too have a petition. I noted that the Hon. Member for Kamloops—Shuswap (Mr. Riis) had a petition on behalf of fishermen from Newfoundland. My petition is from the other side of the country. It is from Alert Bay, British Columbia, that great little fishing area. Fishermen there petition the Government to ensure that the Minister of Employment (Mr. Bouchard) will reject any recommendation that would deprive fishermen of their right to collect unemployment insurance and to enter into consultations with all representatives of fishermen in order that improvements to the program offered to fishermen are made.

It is a great privilege to present this petition, Mr. Speaker. I know that Your Honour is from Alberta. However, I know that you know about fishing and fishermen. Thus I present my petition on behalf of the fishermen of Alert Bay.

Motions

OPPOSITION TO PROPOSED CHANGES TO PATENT ACT

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, I have a number of petitions to present, although not as many as yesterday. I have petitions signed by residents of the Province of Newfoundland who are opposed to the proposed amendments to the Patent Act. They believe this is another example of the Canadian Government's concessions to the free trade negotiations with the United States at the expense of everyday Canadians. They call upon Members of Parliament to reject Bill C-22.

I have another petition signed by Canadians from Kemptville, Ontario, who likewise are opposed to the provisions of Bill C-22 which they believe will unfairly raise the price of prescription drugs in this country affecting the poor, the elderly and the disabled.

I have another petition from residents of Victoria, British Columbia, and elsewhere in western Canada, who are also opposed to Bill C-22 because they believe that it will negatively affect Canadians, in particular the elderly, senior citizens and the poor.

I have another petition to present signed by residents of Ottawa who are opposed to Bill C-22. They too wish to call upon the Government to withdraw the Bill because of the negative effects it will have on Canadians, in particular senior citizens, the disabled and the elderly.

My second-to-last petition to be presented this morning is signed by residents of British Columbia who wish to call upon the Government to withdraw Bill C-22. They believe it affects negatively senior citizens and the disabled.

Finally, I have a petition to present signed by residents of the constituency of Cape Breton—East Richmond and such communities as Howie Centre, Coxheath, Henry Street, Whitney Pier, Marion Bridge, Heathview Drive, South Bentic Street in Sydney, Nova Scotia, and a number of other communities in my riding who state that the monopoly granted to innovative pharmaceutical companies will prevent competition from generic companies and will result in an increase of drug costs and prices and will severely restrict the ability of average Canadians to buy necessary prescription drugs; and that the proposed changes to the Patent Act are another example of the Canadian Government's concession in the free trade negotiations with the United States at the expense of everyday Canadians.

The petitioners humbly pray and call upon Parliament to reject these proposals which will increase prescription drug prices for Canadians.

Mr. Rod Murphy (Churchill): Mr. Speaker, I believe I have the honour to present the last petition today. It is from a number of residents of New Brunswick from the communities of Edmundston, St. Basile, Moncton and Francoeur. In this petition the petitioners express their concern with the Government's attempt to pass legislation, in particular Bill C-22, which will increase the cost of prescription drugs. They also state—

[*Translation*]

That people whose health condition requires the continuous use of prescription drugs will be particularly hard hit by the proposed changes.

[*English*]

Pardon my French, Mr. Speaker. The petition is signed by a number of people from New Brunswick. I hope that the Government will listen to them.

* * *

STRIKING

CONCURRENCE IN NINETEENTH REPORT OF STANDING COMMITTEE

Mr. Scott Fennell (Ontario): Mr. Speaker, earlier this day I had the honour to present the nineteenth report of the Striking Committee. At that time I failed to ask for unanimous consent for concurrence in this report. I have now made arrangements with the House Leaders of the Opposition and have ascertained that there is unanimous consent. It is a simple change with respect to one person on the committee. Therefore I should like to move concurrence at this time.

The Acting Speaker (Mr. Paproski): Is there unanimous consent to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to.

The Acting Speaker (Mr. Paproski): As per agreement made earlier this day, the House will now proceed to Orders of the Day.

GOVERNMENT ORDERS

[*English*]

FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS AND FEDERAL POST-SECONDARY EDUCATION AND HEALTH CONTRIBUTIONS ACT, 1977

MEASURE TO AMEND

The House proceeded to the consideration of Bill C-44, an Act to amend the Federal-Provincial Fiscal Arrangements and Federal Post-Secondary Education and Health Contributions Act, 1977, as reported (without amendment) from a legislative committee, and Motion No. 2 (Mr. Garneau, p. 5017).

The Acting Speaker (Mr. Paproski): When debate ended yesterday the Hon. Member for Kenora—Rainy River (Mr. Parry) had the floor. He still has the floor for one minute if he wishes to carry on.

Mr. Murphy: No, he does not.

The Acting Speaker (Mr. Paproski): The Chair recognizes the Hon. Member for Trinity (Miss Nicholson) on debate.

Miss Aideen Nicholson (Trinity): Mr. Speaker, I would like to speak briefly to the motion standing in the name of my colleague, the Hon. Member for Laval-des-Rapides (Mr. Garneau).

This motion would limit the application of Bill C-44 to the year 1990 as opposed to the year 1992. The reason for this is the Government's proposed changes to the taxation system.

• (1240)

For the last two years, the Minister of Finance (Mr. Wilson) has been promising changes in the taxation system and indeed we understand that a White Paper will be forthcoming shortly. We understand that this will involve very comprehensive tax reform which would affect personal and corporate income tax, that the tax base would be modified and broadened and that some taxpayers would be taken off the tax rolls and a heavier tax burden would be carried by corporations. If and when these changes come into effect, there will be obvious implications for the provinces.

We have also been given to understand that there will be changes to the federal sales tax which could be replaced by a value added or a transaction tax. If that is the case, then the provinces would want to review their own provincial sales tax systems and we would face a very significant change in the taxation arrangements of both the provincial and the federal governments. If that is the case, it would obviously be undesirable to be locked into a five-year commitment on equalization payments.

Therefore, the amendment moved by my colleague, the Hon. Member for Laval-des-Rapides, would strike out line 19 at page 1 of Clause 2 and substitute the words "and ending on March 31, 1990" in place of March 31, 1992. I believe that this is a reasonable amendment. It seems to be a prudent step. I hope the House will consider adopting it.

The Acting Speaker (Mr. Paproski): Is the House ready for the question?

Some Hon. Members: Question.

The Acting Speaker (Mr. Paproski): The question is on Motion No. 2 standing in the name of the Hon. Member for Laval-des-Rapides (Mr. Garneau). Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Paproski): All those in favour please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion the nays have it.

And more than five Members having risen:

The Acting Speaker (Mr. Paproski): Pursuant to Standing Order 114(11), the recorded division on the proposed motion stands deferred.

Miss Aideen Nicholson (Trinity) (for Mr. Garneau) moved:

Motion No. 4

That Bill C-44, be amended in Clause 3 by striking out lines 1 to 21 at page 2.

She said: Mr. Speaker, the object of this amendment is to introduce in the first year the technical changes to the equalization formula rather than to phase them in over two years as proposed by the Bill. In our view, the Government should have introduced changes in the formula to calculate revenue from the first year of the renewal of the arrangements, something which is generally understood to have been promised by the Minister. Instead, the Government is phasing in the introduction of these changes over two years. This means that the provinces will lose $87 million in 1987-88.

Bill C-44 introduces a number of technical changes to the calculations of revenue for purposes of equalization. As I said, however, the changes will not be introduced from the first year but instead phased in over two years. There is a disagreement here. Most people understood that the Minister promised that the change would be introduced in the first year. Therefore, the provinces are unhappy about being deprived of approximately $87 million which they considered was promised to them. The Minister of Finance (Mr. Wilson) has claimed that he never made such a promise. Obviously, one must accept his word. However, there is a perception that the promise was made.

The perception that the promise was made is based at least in part on some public statements. For instance, in an interview with the Minister which was quoted in *The Globe and Mail* of November 1, 1986, the Minister was quoted as having said: "We offered $175 million a year in enhancement or almost $1 billion over the next five years".

Furthermore, in a television interview given by the Minister of Finance carried on national television in December of 1986, the Minister said: "I believe that an augmentation of $175 million a year, close to $1 billion over a five-year period, is a very major increase in that program". Those figures were used and the provinces understood that those figures were firm, but now, by changing the formula so that the changes will be introduced over two years, something which was not negotiated with the provinces but simply appeared in the legislation, the provinces will lose about $87 million.

The amendment standing in the name of my colleague, the Hon. Member for Laval-des-Rapides (Mr. Garneau), would have the effect of having the technical changes to the equalization formula introduced in the first year, and that is what the provinces understood would happen. I trust Hon. Members will be able to support this motion.

Mr. Rod Murphy (Churchill): Mr. Speaker, I will speak for only a few minutes on this motion. In seconding the motion, I wished to express the support of the New Democratic Party for this motion. It was an idea that we had also put forward in committee and it is something that we stated at second reading stage.

We believe the Government made a promise to the provinces through the Minister of Finance (Mr. Wilson). The Minister was recorded on the CBC and in the national news as having said that that money would go to the provinces in a one-year period. I believe it is very unfortunate that that offer was withdrawn and that the money will go to the provinces over a two-year period.

I would hope that government Members, in redeeming their word to the provinces, would accept this amendment. I do not expect them to do so, but I hope that that will be the case.

The Acting Speaker (Mr. Paproski): Is the House ready for the question?

Some Hon. Members: Question.

The Acting Speaker (Mr. Paproski): The question is on Motion No. 4 standing in the name of the Hon. Member for Laval-des-Rapides (Mr. Garneau). Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Paproski): All those in favour please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion the nays have it.

And more than five Members having risen:

The Acting Speaker (Mr. Paproski): I would like the House to know that if we do call in the Members, we will not be able to go on to third reading.

• (1250)

May I call upon the Hon. Member for Ontario (Mr. Fennell) to indicate the exact disposition of the House.

Mr. Fennell: Mr. Speaker, unfortunately the Liberals, with the exception of the Hon. Member for Trinity (Miss Nicholson), who knew the game plan, came into the Chamber and stood up. Originally they had intended to vote on each of the amendments. However, I think we have unanimous agreement, in order to get the Bill through, to move now to third reading and forgo the votes which were indicated earlier.

The Acting Speaker (Mr. Paproski): Order, please. I will put the question on both amendments again and hope that I receive the consent of the House.

Is it the pleasure of the House to adopt Motion No. 2?

Some Hon. Members: No.

Some Hon. Members: Agreed.

The Acting Speaker (Mr. Paproski): In my opinion the Nays have it.

Motion No. 2 (Mr. Garneau) negatived.

The Acting Speaker (Mr. Paproski): Is it agreed that Motion No. 4 is also defeated on division?

Some Hon. Members: Agreed.

The Acting Speaker (Mr. Paproski): Is that so agreed?

Some Hon. Members: Agreed.

Motion No. 4 (Mr. Garneau) negatived.

Miss MacDonald (for the Minister of Finance) moved that the Bill be concurred in.

Motion agreed to.

Miss MacDonald (for the Minister of Finance) moved that the Bill be read the third time and passed.

Mr. Pierre H. Vincent (Parliamentary Secretary to Minister of Finance): Mr. Speaker, all Members recognize the importance of the equalization program and the need to renew the program as soon as possible. By renewing the equalization legislation, Parliament will authorize the transfer of an estimated $5.6 billion to the four Atlantic provinces, Quebec, Manitoba, and Saskatchewan this year.

As the House is aware, annual increases in equalization of about $300 million, or over 5 per cent over the next two years, are expected under the Bill. This includes the positive impact of improvements to several of the revenue measures used in the program.

In addition, the Bill contains a net forgiveness provision in respect of the amounts owed by provinces because of census related overpayments over the last two years. This is also of significant benefit to the less wealthy provinces which are anxious to receive the support it provides.

The Bill will also maintain the broad framework of the federal Government's fiscal relations with the provinces by

renewing and updating other programs and provisions authorized by the Federal-Provincial Fiscal Arrangements Act.

I want to thank Hon. Members for the constructive and co-operative approach shown in the course of the debate. I should also like to extend my appreciation to colleagues on both sides of the House and those who served on the legislative committee on Bill C-44. I am particularly grateful to the Hon. Member for Victoria (Mr. McKinnon) for so ably chairing the committee.

Miss Aideen Nicholson (Trinity): Mr. Speaker, Bill C-44, an Act to amend the Federal-Provincial Fiscal Arrangements and Federal Post-Secondary Education and Health Contributions Act, 1977, has four aims.

Its first purpose is to renew for a five-year period the current fiscal arrangements for the equalization program. The amendment which we moved and that has just been defeated would have renewed it for only a three-year period in view of the Government's proposed taxation reforms.

The second purpose of the Bill is to forgive a total of approximately $270 million in federal overpayments over the past two years to the four Atlantic provinces, to Quebec, and to Saskatchewan. The overpayment appeared when the preliminary 1986 census data were released. Since the equalization payment formula is in fact based on population data, adjustments had to be made when the final census results came in.

The third purpose of the Bill is to change the revenues included in the equalization calculation. These changes will be phased in over the next two years. The most significant technical change concerns property taxes. As my colleagues from Quebec have pointed out in the House, there is dissatisfaction with the proposal.

The fourth goal is to end the three-year revenue guarantee which the previous Liberal Government introduced following the 1982 changes to equalization. This revenue guarantee set a floor for payment to the provinces during the first three years following equalization reform, that is, from 1982-83 to 1984-85. However, the Conservative Government has not seen fit to renew this guarantee.

The history of equalization indicates that it has been very important to successive Liberal Governments. It has also been very much a part of our view of nationhood and what holds the country together. In the middle of the 1950s, following a recommendation made by the Rowell-Sirois Royal Commission of Inquiry, the Liberal Government of the day introduced a series of measures in an attempt to improve the balance between Canada's various regions, the principle of equalization. Equalization means enabling each province to offer the people of that province the same number and quality of services. The aim was to give Canadian citizens the same opportunities whether they live in Newfoundland, British Columbia, Manitoba, Alberta, or Quebec. It is a very important part of the Liberal philosophy that Canadians all across the country should have the same equality of opportunity and access to comparable services, whether they live in a rich province or a poorer province.

I might add that after equalization had been in place for a number of years, a study done by the Economic Council of Canada confirmed that equalization payments should not be regarded as a disguised form of welfare, but that the economic value of equalization payments was important for all regions of the country—for the Canadian economy in general, not only for the less prosperous regions.

The legislation which became effective in April 1957, and has been maintained all these years, established a formula. It took the per capita income received by the provinces from various fiscal sources and set a national average, the national average being based upon the income of the richest province or group of provinces.

Some changes have been made to the formula over the years because of developments in the economy and because of variations in the prices of certain raw materials, so there are always some changes involved—either additional payments or a reduction of certain payments. However, the basic principle of the legislation reflects a perception of the country and a commitment to equality of opportunity for all citizens wherever they live. It also reflects a view of the role of the central Government in order to maintain a political unit, regional balance, and a commitment to use national policies to build nationhood.

May I continue after two o'clock, Mr. Speaker?

The Acting Speaker (Mr. Paproski): You may. It being one o'clock, I do now leave the chair until two o'clock this day.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

The Acting Speaker (Mr. Paproski): When the House rose at 1 p.m., the Hon. Member for Trinity (Miss Nicholson) had the floor.

Miss Aideen Nicholson (Trinity): Mr. Speaker, when the House rose I was speaking about the importance that my Party attaches to equalization payments as a method of building this nation, as a method of providing equality of opportunity for Canadians no matter where they live.

A particularly important part of these equalization payments is their contribution to post-secondary education, or what is called the Established Programs Financing. If we are to have true equality of opportunity, obviously bright young people must have access to higher education whether or not their parents are rich. There are few things about which we in this Party feel more strongly than the principle of equal access to higher education for Canadians whether they have rich

parents or poor parents or whether they live in a poor province or a more prosperous one.

This Government has been making changes in the Established Programs Financing arrangements. We do have to be concerned, because the result of the measures taken in successive budgets and also in this Bill before us is that the provinces will be losing $8 billion by 1990; nearly $2 billion in Ontario and about $2 billion in Quebec. This short-fall in transfer payments will oblige the provinces to increase their deficits, increase their taxes or reduce services. We have to be very concerned about that.

While we in the Opposition are making it very easy for the Government to pass this Bill, we are not at all in agreement with the policies. We do realize that there are reasons that this Bill, with its flaws, must pass, not the least of which is that legally speaking since April 1, 1987, the Government has had no authority to make equalization payments to the provinces and is, therefore, breaching the constitutional agreement. The existing equalization program expired on March 31, 1987. It has been difficult for us to understand why the Government did not move more promptly. It certainly had every assistance from us on this side of the House, but the Government did delay in introducing the Bill. We are prepared to pass this Bill in a few minutes so that the equalization payments can continue, but we are not at all in agreement with the cuts that have been made thus far.

Although the Government quotes over-all increases in employment figures, which one would expect at this point when we are recovering from a recession, the fact remains that all the increases in jobs are pretty well in Ontario, central Canada, while in several other provinces the unemployment picture is as bad as or worse than it was in the depths of the recession in 1982. This is a case for more sensitive use of the equalization payments rather than a case for cutting.

If you take the additional equalization transfers that the provinces are to receive as a result of this Bill and balance them against the cuts they will suffer in health care and post-secondary education financing, you see that the provinces will lose $374 million in 1987-88. We must also remember that the Government has already considerably reduced the amount spent on regional economic development.

Again I would repeat what I said earlier in speaking to the amendment, the Government is locking the provinces into an agreement here, an agreement which is not based on known facts because we are expecting tax reform which may totally change the provinces taxing situation. It is obviously unwise to lock us into five year agreements in the face of this big information gap when we do not know what changes the tax reforms will bring. Even the technical changes made to the formula for calculating revenue were not unanimously agreed upon.

The transitional equalization guarantee was not met for Quebec, which represents a $97 million short-fall in entitlements. The Government has also refused to include the export tax on softwood lumber in the equalization formula so provinces will be losing millions of dollars as a result of that.

This Bill also ends the special three year transitional payments which the previous Liberal Government had agreed on. The Constitution guarantees equality of access to basic public services to all Canadians. Subsection 36(2) reads:

> Parliament and the Government of Canada are committed to the principle of making equalization payments to ensure that provincial Governments have sufficient revenues to provide reasonably comparable levels of public services at reasonably comparable levels of taxation.

The measures before us endanger this principle. While there is some enrichment in some places and there is some guarantee of continuity, there are cuts that we know about, and there is a locking in to a formula without knowledge of the changes that will be coming very shortly in taxation which may totally change the base.

Quebec for one province has made it very clear that the current equalization program does not allow it to provide levels of public service that are comparable to those of other provinces without increasing the tax burden on taxpayers or going further into debt.

Mr. Rod Murphy (Churchill): Mr. Speaker, as I indicated earlier, I will not be making a very long speech at third reading because I had the opportunity at second reading and at report stage of speaking against this legislation, but obviously not against the principle of equalization. That is in our Constitution and it is something that we support. We do not like the process between the federal Government and the provinces in passing this legislation. It was obviously unilateral action. Premiers from all three political Parties were critical of the federal Finance Minister because of this action. We have a situation in which there is a sense of betrayal in many parts of this country because of the legislation.

In my second reading speech I quoted Premier Peckford. He thought that this would create a situation in his province which could equal the economic depression of the 1930s. This results from the fact that this legislation does not deal with the serious problems of people in our poorer provinces. That is my main concern.

• (1410)

We have agreed that this legislation will pass today, allowing the Senate to look at the legislation for the usual length of time, and then the cheques can go out. The provinces need the money. However, we need a new system of dealing with Established Programs Financing, the money used for post-secondary education and medicare, so that a boy or girl growing up in Atlantic Canada has roughly the same opportunity for education as someone growing up in Toronto.

We need this so that people in other parts of the country have a sense that the federal Government does care and wants to see people prosper in all parts of this country. Whether it be transition houses for women, child care, or a whole host of federal-provincial cost shared programs, we need some

indication of where the federal Government is going. We must have some commitment by the federal Government to sit down in honest negotiations with the provinces to ensure that we have the legislation that will actually meet the needs of the provinces receiving equalization payments.

I realize there is at least one other Member of the House who seems to have an urgent desire to speak on this issue, and I will let that person speak in a few minutes, especially since he is my House Leader. In the meantime, let me say that what I would really like is this House, through one of its standing committees, to do what we did in 1981; to look at the whole issue of federal-provincial fiscal arrangements to see how it could be better done, and how to bring the provinces into the process. That would be better than having the kind of meetings we have at present, where the federal Minister of Finance (Mr. Wilson) looks at his Budget, his deficit, and tries to negotiate downward the federal Government's commitment in these very important areas. That was the promise we had from the former Minister of State for Finance, the present Minister of State for Privatization (Mrs. McDougall). She said we would have that process before now, but it did not happen.

I say that before we bring forward new legislation on EPF and equalization payments, those matters must be dealt with. We must get away from this process where the Premier of Newfoundland is screaming at the Minister of Finance, along with the Premiers of other provinces. That is not the way to develop a constructive system of federalism. This just has to stop, and we have to work toward a process which will improve co-operative federalism.

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, I want to say a few words regarding Bill C-44. The concern that has been registered by my colleagues about education and health care is shared by all Members of this House. We recognize that, for whatever reason, the federal Government recently cut back on the usual increase in Established Programs Financing for health care and post-secondary education.

Just to make it very clear, while the Government increased EPF to assist post-secondary education and the health care funding, there was not the usual increase. Consequently, had the federal Government not intervened, more dollars would have gone to the provinces for health care and post-secondary education.

I know you will recall that the Canadian Medical Association intervened at the time and very strongly suggested that what this will mean is that there will be two levels of health care; a lower level in the poorer parts of Canada and a higher level in the richer parts. Those provinces such as Ontario which have a strong buoyant economies as a result of so many government initiatives, both provincially and federally, will likely have more revenues to fund a better level of health care and post-secondary education than you will find in the Atlantic or western provinces.

What we are dealing with today is an effort by the federal Government, which has been undertaken now for many, many years, to equalize opportunities in Canada. If you are a young man or woman in Atlantic Canada or western Canada, you should have the same opportunity to go to school or receive various types of support and assistance from the federal Government. We all agree that is a good move. That is what Canada is all about. Where revenue is generated in the have provinces, where for a variety of reasons things often go better, they would share those revenues with those less fortunate areas of Canada where things are not going as well.

Equalization provides grants to provinces for education if they so desire. This is not post-secondary education but general public school education, primary school, junior secondary and secondary schools. I am sure everyone in the House applauds that. We would like to see more money made available to ensure that youngsters in the have-not provinces have opportunity equal to those in the have provinces.

I have been looking at some of the material provided to us regarding primary and secondary education expenditures per province. When you look at school board expenditures as a percentage of the Gross Domestic Product, an interesting anomaly appears. For example, in Newfoundland that percentage is 7.2 per cent, one of the highest; in Prince Edward Island it is 6.2 per cent; in Nova Scotia it is 6.1 per cent; in New Brunswick it is 6.3 per cent; in Quebec it is 5.3 per cent; in Ontario it is 4.3 per cent; in Manitoba it is 4.8 per cent; and in Saskatchewan it is 4.6 per cent.

When you look at the list the one province that stands out as having the lowest percentage of GDP for education is the Province of British Columbia. By national standards B.C. is a have province. Quite frankly it should be in a position to put significant amounts of money into education for its young boys and girls.

When you look across Canada to see which province has virtually the worst record when it comes to providing funding for education at all levels, the one province that stands out above all the others with a most miserable performance is, I am ashamed to say, the province from which I come, the Province of British Columbia. I hope that one day we take the necessary steps in that province to put the Government in a position to provide the necessary education to ensure that young people from British Columbia receive opportunities equal to those of the rest of Canada.

The Acting Speaker (Mr. Paproski): Is the House ready for the question?

Some Hon. Members: Question.

The Acting Speaker (Mr. Paproski): Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: On division.

Motion agreed to, Bill read the third time and passed.

Motions

• (1420)

ROUTINE PROCEEDINGS

[*English*]

NATIONAL HEALTH AND WELFARE

AUTHORIZATION FOR STANDING COMMITTEE TO TRAVEL

Mr. Doug Lewis (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, there have been discussions among the Parties and I think you will find unanimous consent to do two things. First, with respect to the Standing Committee on National Health and Welfare, I move:

That, the Standing Committee on National Health and Welfare be authorized to travel to Halifax, Nova Scotia, from April 12 to 15, 1987, inclusive to observe a course on orientation to chemical dependency pursuant to the committee's ongoing study of alcohol and drug abuse, and that the necessary staff accompany the committee.

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, I want to indicate that there have been consultations for a number of days. While we will certainly give unanimous consent to support the committee travelling to Halifax on this matter, I would like to add the note that we ought to be very cautious with regard to standing or special committees which want their representatives to travel to other parts of Canada to take courses. When we are funding people to attend courses to better inform themselves, that means they are not in the House of Commons or here participating in committees. We approve this today, but we will want to look very carefully, on an individual basis, at every request so that this will not become simply a matter of course.

Mr. George Henderson (Egmont): Mr. Speaker, I would like to confirm that the Official Opposition was consulted as well and agrees with this request for the committee to travel to Halifax to observe this course. We are in total agreement.

The Acting Speaker (Mr. Paproski): Members have heard the terms of the motion. Is it so agreed?

Some Hon. Members: Agreed.

Motion agreed to.

Mr. Lewis: Mr. Speaker, we agreed earlier that there would be no further government business on this day. There were discussions with the other Parties well in advance of this time and I think you will find unanimous agreement to proceed to Private Members' Hour at this time and that 60 minutes after Private Members' Hour commences, or whenever the particular item of business is dealt with, the House will adjourn for the day.

The Acting Speaker (Mr. Paproski): Shall I call it four o'clock?

Mr. Riis: Mr. Speaker, I would like to take this opportunity to commend my colleague, the Hon. Parliamentary Secretary. Discussions took place earlier today with regard to identifying ways and means to facilitate the business of the House in terms of ensuring that the important legislation that must pass does in fact pass expeditiously. I simply want to go on record as saying that as an opposition Member I appreciate that approach to the business of the House of Commons.

The Acting Speaker (Mr. Paproski): It being four o'clock p.m., the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS--MOTIONS

[*English*]

CIVILIAN WAR PENSIONS AND ALLOWANCES ACT

PROPOSAL TO AMEND

Mr. Ian Waddell (Vancouver—Kingsway) moved:

That, in the opinion of this House, the government should consider the advisability of amending the Civilian War Pensions and Allowances Act by eliminating the condition for entitlement of serving at sea for at least six months in order that one trip through dangerous waters would be the only qualification necessary for the Civilian War Allowance on the part of Canadian merchant seamen.

He said: Mr. Speaker, this is a very fortunate day for me, having this motion drawn for debate. Yesterday was the seventieth anniversary of the great battle of Vimy Ridge. I noted today the remarks about the speech of the Hon. Minister of Veterans Affairs (Mr. Hees) who, according to the press, gave one of the most eloquent speeches of his long and distinguished career. The Hon. Minister said: "Our children, grandchildren and great grandchildren have understood and understand the ageless legacy of Vimy". He said that in the presence of 11 veterans in their 80s and 90s from different parts of Canada. The Minister recalled that day just over 70 years ago as "a day a nation was forged".

I and many of my colleagues in this House were not in the War. We are of the post-Second World War generation and were too young to serve in the Korean War. We are the beneficiaries of that for which the veterans fought. They fought, were injured, and died, or survived with scarred memories and difficult times. That is why I am very pleased to bring this motion forward for debate and consideration by the House today.

The motion reads:

That, in the opinion of this House, the government should consider the advisability of amending the Civilian War Pensions and Allowances Act by eliminating the condition for entitlement of serving at sea for at least six months in order that one trip through dangerous waters would be the only qualification necessary for the Civilian War Allowance on the part of Canadian merchant seamen.

Canadian merchant seamen also served in the war, Mr. Speaker. One of my constituents, Mr. John M. Bray, of 5876 Tyne Street in Vancouver, British Columbia, has been tireless in his pursuit of what he considers to be an injustice which is being done to merchant seamen. He has asked that it be

corrected. He has lobbied me, as his Member of Parliament, to put this motion forward, as I have done. By good fortune it was drawn to be debated. Mr. Bray has also lobbied the Canadian Legion which has passed a motion that I will read shortly.

The best way to explain what we are trying to do through this motion is to read a letter which I wrote on March 9 of this year to the Member for Burlington (Mr. Kempling) who is the chairman of the Standing Committee on Private Members' Business. The Hon. Member for Burlington is himself a distinguished war veteran who served in the Burma campaign. The letter reads:

> Dear Mr. Kempling:
>
> Re: Notice of Motion
>
> I would like the Committee to rule in favour of having my Motion concerning amendments to the Civilian War Pensions and Allowances Act be made a votable motion.
>
> The issue is a nonpartisan one. Essentially, if an amendment such as I propose were made to the Civilian War Pensions and Allowances Act, Canadian Merchant Seamen who made at least one, and maybe several, trips through dangerous waters during wartime, would be eligible for the Civilian War Pension and Allowance. At present, a Merchant Seaman must have served at sea for at least six months in order to qualify. The law as it stands at present is inequitable, as many Merchant Seamen did serve in close assistance with the military during the war, and travelled through dangerous waters many times during a period less than six months. On the other hand, there are other seamen who did serve at sea for the period longer than six months, but who only travelled once through dangerous waters, and who, by this fact, do qualify under the Act.

In other words, those merchant seamen who travelled through dangerous waters once or many times do not qualify for the pension if they did not serve for a total of six months whereas other merchant seamen who may have only travelled through dangerous waters once but served for more than six months, do qualify. We, Mr. Bray, and the Legion, think this is inequitable.

The letter continues:

> My amendment to the Act would serve to remedy the existing inequities in the law.
>
> The Pacific Command of the Royal Canadian Legion is very concerned about this matter, and has written me with respect to this issue.
>
> I look forward to a positive ruling by the Committee on this matter.

I would like to read a letter written to me by Mr. Bray on March 1 of this year. It is actually a copy of a letter he wrote to the Hon. George Hees, P.C., M.P., Minister of Veterans Affairs. It reads:

> Dear Mr. Hees:
>
> BRAY JOHN M. A4924/V6523 &C.W.A. 822074I Ex. Canadian Merchant Navy.

• (1430)

Those are the identification numbers. It goes on:

> Dear Sir:
>
> In the case of Merchant Seaman I feel that they should not come under the Civilian War Allowances Act for the following reasons.
>
> (1) It was obligatory to take Gunnery courses etc. and had to man the Guns in event of enemy attack. As most Merchant ships were crewed with only 8 Naval Personnel (D.E.M.S.) and that these ships were equipped with 2-12 Pounders or 4-inch heavy guns, 8-20 MMOrlikons and 1 set of Rockets plus Browning & Lewis Machine Guns. It is very evident that the Merchant crews had to man them.

In other words, there were guns on the merchant ships and they had to know how to man them.

It continues:

> (2) At cessation of War in a Zone did not negate the dangers as there was always the possibility of Mines and danger of accidents with the Ammunition on board, until they were stripped after arriving back in their home port.
>
> (3) In the case of the armed forces, their time was considered from Enlistment to Discharge. I think that the Merchant Seamen should be afforded the same consideration as the rest of the armed forces that handled Guns and Ammunition also Fuel & Oil.
>
> (4) Seamen especially Canadian Seamen should be at least covered until their arrival back to their home port or until the ship was denuded of all Ammunition & Armament.
>
> So hopefully you can see your way clear to alter the existing Act to include the Merchant Navy as actual Armed Forces personnel and give them their just due. Thanking you.

It is signed: "J.M. Bray".

I think what Mr. Bray meant in his first paragraph is that there is an inequitable situation in which one group of seamen is covered and another group is not.

Let me quote the Royal Canadian Legion Dominion Convention Resolution of 1986. It states:

> 12. Merchant Navy Eligibility
>
> WHEREAS Subsections 75(1) and 75(2) of the War Pensions and Allowances Act, stipulate that a Canadian Merchant Seaman, to be eligible for the Civilian War Pensions and Allowance must have served at sea for a period of six months, and during that period at sea, made at least one trip through dangerous waters; and
>
> WHEREAS during a lesser period than six months, a Merchant Seaman may have made numerous trips through dangerous waters:
>
> THEREFORE BE IT RESOLVED that Subsections 75(1) and 75(2) be amended so that one trip through dangerous waters would be the only qualification necessary for Civilian War Allowance on the part of Canadian Merchant Seaman.

There was a response from the Department which deals with the fact that the qualifying period was established to correspond with the service time that was required by merchant seamen for the receipt of war medals, such as the 1939-45 Star of the Atlantic and Pacific Star. Thus, to qualify for the allowance, this length of service was considered to be the minimum time requirement for civilians who served in close support of the Armed Forces during wartime.

In my view, that is a bureaucratic response. While medals are important, pensions for veterans are needed. I see at the table Stanley Knowles, the former Member from Winnipeg, who fought many years in the House for pensions and managed to get the Government and bureaucrats to change their minds on numerous occasions. I say to Mr. Knowles and the Government that the purpose of this motion is to try to get the Veterans Department, under the very able and excellent Minister, the Minister of Veterans Affairs (Mr. Hees), to look at this again and change the inequity for those merchant

seamen who were in battle zones in the war and may have gone through dangerous waters numerous times but did not serve for a period of six months. The determination of that six-month period is very strict.

I evoke the spirit of the Hon. Minister who spoke at Vimy yesterday and said that a nation was forged. That means everyone should be included and if we are to err, let us err on the side of charity to help those who served in the wars and who, because of inequity, are not getting their just pension.

Mr. Dan McKenzie (Parliamentary Secretary to Minister of Veterans Affairs): Mr. Speaker, it is a pleasure as Parliamentary Secretary to the Minister of Veterans Affairs to address the motion now before the House.

While it is not customary for Ministers to participate in these debates, I know that the Minister of Veterans Affairs (Mr. Hees) would very much have wished to be here this afternoon. As the Hon. Member knows, the Minister is representing Canada at the commemorative ceremonies marking the seventieth anniversary of the Battle of Vimy Ridge. I should add that he is joined by ten Vimy veterans, every one of whom deserves our pride, respect and thanks.

The motion before us is obviously one that the Government would not reject out of hand. Indeed, it was a Progressive Conservative Government which provided civilian war allowance eligibility for merchant seamen in the first place. We have, therefore, always had the interests of merchant seamen very much at heart.

In responding to the motion, we must look at two things: first, why the 180-day requirement was put into the legislation and, second, whether this reasoning has relevance today.

It becomes readily apparent to anyone who reads committee minutes on Veterans Affairs that merchant seamen made countless representations to successive post-war Governments requesting eligibility for War Veterans Allowance benefits. So did the Corp of Civilian Canadian Firefighters in respect of their service in the United Kingdom. The Voluntary Aid Detachment of the St. John's Ambulance, and the Overseas Welfare Workers, who served under the auspices of the Canadian Red Cross Society and the St. John's Ambulance, also made representations. So did the Civilian Air Crew of the Royal Air Force Transport Command. So did the Newfoundland Overseas Forestry Unit make representation for War Veterans Allowance benefits.

The answer was always no until the election of the Diefenbaker Government and the appointment of the late Gordon Churchill as Minister. In Mr. Churchill's words: "One of the first matters I drew to the attention of the officials in the Department of Veterans Affairs was the status of the Merchant Marine, which I mentioned in particular, and other groups such as the firefighters and foresters".

In response, the Minister received all the time worn reasons why nothing could be done to help these groups. To paraphrase Mr. Churchill, he said that the time had come to help, and that the Department's job was to find a way that would be satisfactory to everyone concerned.

Following consultations with the groups concerned and the veterans' organizations, including the Royal Canadian Legion, the result was the compromise of providing eligibility under the Civilian War Pensions and Allowances Act for what amounted to War Veterans Allowance benefits. Parliament passed the legislation by a unanimous vote on February 14, 1962.

The compromise was not an easy one to find because feelings ran very strongly on both sides of the question. Again going back to the post-war period, the argument constantly used to deny income support benefits to merchant seamen was that war veterans allowance was for war veterans only, and not for merchant seaman. Those supporting this view said that bestowing veteran status on merchant seamen would lead to similar status for any civilian who contributed to the war effort in any way.

Merchant seamen justifiably pointed to their heroic, distinguished and very perilous service in supplying food, raw materials, ammunition and so on to our troops, and argued that they had every right to veterans' benefits. The debate was not a pleasant one, and it invariably led to ugly disputes about who did more for Canada during war time.

The six-month requirement enabled both sides to meet each other halfway. After all, any person who served, and voluntarily at that, for six months in the Merchant Marine, and who made at least one trip through dangerous waters, was someone who was well and truly committed to the war effort. No one then or today could dispute that fact.

• (1440)

However, the six month requirement was not just an arbitrary time period drawn out of a hat. Six months' service corresponded with the service time required to qualify for the Atlantic Star, the Pacific Star and the 1939-45 Star. If six months was the period required for enlisted personnel to be awarded such recognition it seemed only reasonable that six months should be the bench-mark for civilians who served in close support of the Armed Forces during war-time.

The motion before us is arguing in effect that one day's service should be enough service eligibility to qualify a merchant seaman for Civilian War Allowance benefits. I say this because a trip three miles out to sea would suffice to be one trip through dangerous waters. This may well be what the Hon. Member has in mind, although I expect all of us are thinking of those who were on the high seas for weeks on end. If so, Mr. Speaker, we are really saying that one day is not enough service time for merchant seamen to qualify, but six months is too long.

As I said earlier, the Government and our Party have never had any hesitation in acknowledging the war-time service of merchant seamen. Our record clearly shows that. For this reason, and given the tremendous improvements made to

veterans legislation over the past two and a half years, I am very glad that this motion is being debated today. The debate will unquestionably serve to raise public consciousness of the crucial role played by the Merchant Marine and the House can be assured that the Minister will be very much interested in the views expressed today.

Mr. George Henderson (Egmont): Mr. Speaker, I am very pleased to speak on the motion presented by the Hon. Member for Vancouver—Kingsway (Mr. Waddell). I must say I am glad the Hon. Member did bring this motion forward because I can see some great merit in it.

I understand a little about what happened during the Second World War. I certainly was not very old in 1945, but I was old enough at 10 years of age to remember. Coming from Atlantic Canada, I remember quite clearly and vividly the sights which could be seen in Halifax Harbour when the merchant fleet would line up in Bedford Basin and the convoys would leave Halifax Harbour for England, mainly, to deliver supplies to the Armed Forces. Probably not too many members in the House realize, although some of the older Members and those who are actual veterans of the Second World War would understand well, that one did not have to go too far outside of Halifax Harbour, for instance, to McNabs Island, before one was into some pretty dangerous waters during the Second World War.

The German U'-boats were lying off Halifax Harbour and there was great difficulty experienced by our Armed Forces and, indeed, by those in the merchant fleet serving Canada and supporting the Armed Forces in its very important role. Many merchant ships left Halifax Harbour never to return.

The same thing can be said for St. John's, Newfoundland. St. John's had an excellent harbour and for those Members of Parliament who have visited St. John's for a time will surely know what its harbour is like. It has a very small entrance and one can look down from Cabot Tower right across to the other side. It does not seem to be much of a distance. However, during the war there was a ship sunk right at the dock in St. John's Harbour by a torpedo which came right in through the entrance to the harbour. It was a direct hit. A lot of areas in Atlantic Canada were very close to the Second World War, both in terms of the number of people who served in the Armed Forces in Europe and at home as enlisted members of the Armed Forces as well as those in the marine service.

It is well documented that during the Second World War there were quite a number of German submarines which frequented the waters of the Gulf of St. Lawrence and created a very dangerous situation for our merchant fleet and Armed Forces vessels.

The Parliamentary Secretary spoke of how the six months was arrived at in Parliament back in 1962. However, I think in 1987 it is time we took another look at it. I understand the complication which can arise because one trip could mean one day. However, that is sort of bureaucratic thinking. I am sure it could be straightened out to the satisfaction of those who served. They are entitled, in my opinion, and in the opinion of many other Hon. Members in this Chamber, to receive some compensation for their efforts. It only takes one hit. Many of those who served in the Merchant Marine can testify to that.

I believe the number of merchant seamen who qualify under the provisions of the Act as it now stands is something around 4,000. I do not see too many more being qualified if this Act was changed to what the Hon. Member for Vancouver—Kingsway is suggesting, that one trip through dangerous waters would be the only qualification necessary.

We have to look as well at those who were in the merchant fleet in 1945. The very youngest would probably be around 49 or 59 years of age. Some of them went to sea when they were pretty young, at 16 or 17 years of age. This is 1987 so they would be now around 58 years to 60 years. Most of them are, of course, 65 years and over. I do not see that it would be a tremendous drain on the Treasury at this time to recognize these people in a more meaningful way.

I went to sea a bit myself, certainly not in war-time, but in the late 1960s, sailing from Yarmouth to Bar Harbour, Maine. Everytime I sailed that route I thought about the number of vessels and the problems which occurred to those vessels in the waters off the Bay of Fundy, up through Louisbourg, around Cape Breton and on to Newfoundland. Those were very treacherous areas during the war.

I just want to say that I would like to support, on behalf of my Party, this motion before us today. I hope all Members of Parliament will look upon this in the right spirit and that we can present this motion to the Minister.

• (1450)

I must compliment the Minister. He has been a very good Minister of Veterans Affairs (Mr. Hees). I had the opportunity, along with the Parliamentary Secretary, to visit Holland with him on the fortieth anniversary of the liberation of The Netherlands and Italy. I was proud of our Minister of Veterans Affairs on that visit. We visited the graves of those who lost their lives in the Second World War. I am equally proud of the representations he made recently on behalf of Canada and our veterans on the seventieth anniversary of Vimy Ridge.

I will end on this note. It is incumbent upon each and every one of us as Parliamentarians to do whatever we can to help our veterans, both those enlisted and those who served Canada well in a supportive role, either in the merchant navy or by other means. It is through their efforts and the efforts of many of our allies that we are able to participate in debate in this Parliament here today in a free and democratic society. It is something that we must never forget. Parliament should be directing its efforts in whatever ways possible now and in the future, not only to support those who have served but to work toward peace from now until eternity.

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, I too consider it to be a privilege to have an opportunity this

afternoon to say a few words in support of the motion of my colleague, the Hon. Member for Vancouver—Kingsway (Mr. Waddell). I think it appropriate to take a moment to read the text of the motion as follows:

> That, in the opinion of this House, the government should consider the advisability of amending the Civilian War Pensions and Allowances Act by eliminating the condition for entitlement of serving at sea for at least six months in order that one trip through dangerous waters would be the only qualification necessary for the Civilian War Allowance—

This is a rather special occasion for many of us in this House, myself included, who were too young at the time of the last war to serve our country. I recognize that the Parliamentary Secretary to the Minister of Veterans Affairs (Mr. McKenzie) served our country. My colleague, the Hon. Member for Spadina (Mr. Heap), trained and was ready to serve as the war came to an end but never had the opportunity to go overseas. I noticed earlier in the Chamber our colleague, the Hon. Member for Burlington (Mr. Kempling), and I am well aware of his record, and the records of many others.

As my hon. friend from the Liberal Party has indicated, it is because they were prepared to serve and give the ultimate sacrifice, their lives, knowing the suffering, torment and worry that resulted to their families as a result of their service, that we are able today to consider a motion to recognize the service of those people who served in the Merchant Marine but do not fall within the appropriate regulations to be entitled to financial recognition, though they were willing to lay their lives on the line for Canada.

My hon. friend from Vancouver—Kingsway reminded us of the very eloquent words of the Minister of Veterans Affairs (Mr. Hees) at Vimy Ridge when he indicated that it was at Vimy Ridge that the nation of Canada was forged. I know that all of us in the House have been supportive and appreciative of the work done by the Minister of Veterans Affairs.

When we consider those who served in our Merchant Marine and who were quite prepared to sail through dangerous waters, and know that those individuals are likely now about the age of 60, and when we consider the contributions they made and the willingness with which they approached their careers to serve Canada during hostile times, it seems to me that the least we can do is recognize that contribution and provide them access to the benefits provided by the Civilian War Pensions and Allowances Act.

This would not involve much money when we consider the relatively small number of Canadians who would be involved. As the Parliamentary Secretary has pointed out, not all would take advantage of this opportunity. However, those who need financial support and those with families who could use that financial support would be entitled to this allowance.

There is no question that we owe it to these individuals to at least refer this motion to the appropriate committee for further consideration. Perhaps there are other ways more appropriate—even better ways—to recognize their service to Canada and to provide appropriate compensation.

We must consider the sacrifices they made for us. As I have said, many of us were not old enough to serve our country. We only see the embattlements, for instance in my Province of British Columbia on the West Coast and around the City of Vancouver. We can see the remnants of the big gun placements which were used to protect our coast from invasion. That is as close as we get. Yet we all know individuals who served, not only in the Canadian services but also in the Merchant Marine. We know the lives that they led during those difficult times.

I now wish to read for Members of the House a motion put forward at the 1986 Convention of the Royal Canadian Legion. As a member of the Royal Canadian Legion Branch 213 I wish to say that the motion presented at the convention in terms of the merchant navy was a thoughtful one. It is a motion that received a great deal of consideration before it actually went to the convention floor. It states:

> WHEREAS Subsections 75(1) and 75(2) of the War Pensions and Allowances Act, stipulate that a Canadian Merchant Seaman, to be eligible for the Civilian War Pensions and Allowance must have served at sea for a period of six months, and during that period at sea, made at least one trip through dangerous waters; and
>
> WHEREAS during a lesser period than six months, a Merchant Seaman may have made numerous trips through dangers waters:
>
> THEREFORE BE IT RESOLVED that Subsections 75(1) and 75(2) be amended so that one trip through dangerous waters would be the only qualification necessary for Civilian War Allowance on the part of Canadian Merchant Seamen.

In a sense that is what the motion of my hon. friend encompasses. When we consider the work done by the Royal Canadian Legion for so many years, and the extremely important work it continues to do on behalf of Canadian servicemen and women, and the concern it has indicated in terms of the merchant navy, individuals who would now be eligible for some compensation if this motion is passed, I encourage Members of the House to give the motion the opportunity to be referred to the appropriate committee for further consideration.

The six-months qualifying service for civilians was established to correspond with the service time that was required by merchant seamen for the receipt of war medals such as the 1939-45 Star, the Atlantic Star and the Pacific Star. Thus to qualify for the allowance this length of service was considered to be the minimum time requirement for civilians who served in close support of the Armed Forces during wartime.

I think that today in April of 1987 it is time that we recognize those who served in our Merchant Marine. It is time for us to recognize those who were prepared to sail through extremely dangerous and hostile waters to serve their country. This is but a small way of saying as a Parliament: "We recognize your contribution. We appreciate your contribution. We want to acknowledge it by making you eligible under the appropriate compensation program."

[*Translation*]

Mr. Marcel R. Tremblay (Québec East): Mr. Speaker, first of all I want to thank you for giving me this opportunity to speak to the motion before the House today.

As the House is aware, the Minister of Veterans Affairs (Mr. Hees) would have liked to give us his comments on the motion, but as you know, Mr. Speaker, the Minister is over in France this week where with his usual dignity he is representing Canada at the ceremony to commemorate the seventieth anniversary of the Battle of Vimy Ridge.

Mr. Speaker, this afternoon we are considering a motion asking the Government to amend the Civilian War Pensions and Allowances Act by eliminating the condition for entitlement of serving at sea for at least six months in order that one trip through dangerous waters would be the only qualification necessary for the Civilian War Allowance on the part of Canadian Merchant seamen.

Mr. Speaker, as you know it was a Progressive Conservative Government that introduced this legislation in 1962, thus demonstrating a very real interest in the fate of those civilians who served in a theater of war to support the Armed Forces.

Mr. Speaker, I would like to refer at this point to an excellent brochure published by Veterans Affairs and entitled: War Veterans Allowance and Civilian War Allowances, published in April 1985, and with your permission, I will give a short description of the various groups of civilians who served in a theater of war, as I said earlier, and are entitled to a civilian war allowance. They have to meet certain criteria, and I shall, if I may, quote this brief passage.

Eligible are the following groups of civilians, provided they meet certain criteria as to duration and area of service:

(1) Canadians who served in the Merchant Marine in either war or in the Korean War;

(2) Non-Canadians who served in Canadian merchant ships in either war or in the Korean War;

(3) The Canadian Voluntary Aid Detachment of the First World War;

(4) Canadian Fire Fighters of the Second World War;

(5) Canadians overseas welfare workers who also served during the Second World War;

(6) Canadian Trans-Atlantic Air Crew of the Second World War; and

(7) Members of the Newfoundland and Overseas Forestry Unit of the Second World War.

In responding to this motion, we must consider two major points, Mr. Speaker. First of all, the reason why a minimum of 180 days of service is required to be eligible, and second, the relevance of this criterion in 1987.

Mr. Speaker, anyone interested in the proceedings of the Standing Committee on Veterans Affairs would know that merchant seamen made repeated representations to the various post-war governments concerning their eligibility for veterans allowances.

And so did the following groups:

-The St. John Ambulance volunteer help detachment during the 1914-18 war;

-Volunteer firemen during the 1939-45 war;

-The social assistance service members who served under the auspices of the Canadian Red Cross Society and the St. John Ambulance during the 1939-45 war;

-The Royal Air Force Transport Command transatlantic flight crew in 1939-45; and

-The Newfoundland Foresters, again during the World War II of 1939-45.

Mr. Speaker, the response was always negative until the election of the Diefenbaker Conservative Government in 1962. The then Minister of Veterans Affairs—we all remember the Hon. Gordon Churchill—had drawn the attention of his senior officials to the position of merchant seamen and the other groups I have just mentioned.

Consultations with the groups involved and such veterans organizations as the Royal Canadian Legion led to a compromise: civilians who served during the war became eligible under the Civilian War Pension and Allowances Act which, as you recall, was unanimously adopted by the House on February 14, 1962.

As we all know, the benefits provided under this legislation are similar to those provided under the War Veterans Allowance Act.

Mr. Speaker, it was not easy to reach a compromise, considering the vastly divergent views on this matter. The argument most frequently heard against awarding these benefits to civilians was, in essence, that civilians should not be given a veteran's allowance.

Supporters of this position were against the principle that civilians who had in any way contributed to the war effort should have the same privileges as veterans.

Civilians described, and rightly so, the heroic, distinguished and extremely perilous services rendered in carrying food, raw materials and munitions to our troops overseas and claimed they were eligible for veterans benefits.

The criterion of 180 days of service enabled the parties to reach a compromise. After all, Mr. Speaker, any person who had served voluntarily for six months in the Merchant Marine and who made at least one trip in dangerous waters was truly engaged in the war effort. No one could deny that.

The 180-day criterion is no accident. It corresponds to the days of service required to qualify for the Atlantic Star, the Pacific Star, the 1914-1918 Merchant Marine War Medal and the 1939-1945 Medal.

If the six-month criterion is acceptable for the military to qualify for these medals, I think it is entirely proper and

reasonable that the same criterion should apply to civilians who seconded the Armed Forces in wartime.

According to the motion under consideration, only one day's service would be enough for civilian war allowances eligibility. For instance, one three-mile sea cruise would be deemed to be a voyage in dangerous waters. This may be the position of the Hon. Member, but I think these allowances were intended for people who have spent several months on the high seas.

Be that as it may, Mr. Speaker, I would suggest that only one day's service is insufficient, while 180 days as a criterion may very well be too long. As I said, the Government and our Party in particular have never hesitated to rate merchant seamen wartime service as being acceptable.

For this reason and in view of the significant improvements made to the veterans legislation in the past thirty months, I am glad this motion was debated in the House today.

The debate will undoubtedly make the general public more aware of the important role of merchant seamen, and Hon. Members may rest assured that the Minister of Veterans Affairs will give due consideration to the views expressed today. This concludes my remarks, Mr. Speaker, and I thank you for letting me use the precious time of the House to say what I think of this motion.

• (1500)

[*English*]

Mr. Gordon Towers (Parliamentary Secretary to Minister of State for Science and Technology): Mr. Speaker, I too take great pleasure in speaking to the motion of the Hon. Member for Vancouver—Kingsway (Mr. Waddell). I know the Minister of Veterans Affairs (Mr. Hees) would have liked to have been here because he has said on many occasions that not enough tribute has been paid to the role of the merchant navy in the Second World War.

The Merchant Marine was the lifeline stretching across the Atlantic. Weather, aircraft and U-boats threatened to snap that lifeline but, happily for all of us, it never broke. The Minister himself was a soldier who fought in the battle of the Scheldt. The purpose of that battle was to clear out the enemy so that the Port of Antwerp in Belgium would be opened to allied shipping. This was accomplished and the merchant fleets landed enough supplies to arm, fuel and feed the invasion forces. General Eisenhower said that Naziism was finished when the first ship sailed into Antwerp. Incidentally, it was a Canadian built vessel.

I thank the Hon. Member for allowing us to recall just how much the Armed Forces were dependent upon the merchant navy. The seamen manning those convoys were heroes, fully deserving of the House's time and attention today.

There is another group which also deserves our attention, the wives and girl-friends of those who went off to war. For many of them, the war meant loneliness and worry. A telegram could put an end to life's sweet young dreams. Many had to bring up families alone, and a fine job they did of raising a generation of young people.

I am glad this Government has been able to do something for these spouses. For instance, one of the first pieces of legislation introduced by the Minister included a measure to help recently bereaved widows or widowers of disability pensioners. Before the Minister acted, the money coming into the family was drastically reduced within 30 days of the death of the pensioner. One month there was a cheque reflecting the married rate; the next month it was the single rate.

• (1510)

We must think of the consequences, Mr. Speaker. The couple could well have had a large apartment on a long lease. There were likely other ongoing expenses linked to the pensioner's physical condition. Yet, on top of great personal loss, the widow had to sustain the double whammy of financial pressure.

I congratulate the Minister of Veterans Affairs, with the support of the Prime Minister (Mr. Mulroney), for showing immediate concern. Widows now receive a married rate pension for one year following the death of a spouse. It is another example of how the Minister and the Government have applied scarce resources very wisely indeed.

I hope all planning with regard to veterans' programs reserve a large place for widows and widowers. It is a fact that women live longer than men. It is inevitable that sometime in the future the number of widows of veterans will exceed the actual number of veterans. By looking after these widows, we will be keeping faith with our veterans and recognizing another type of wartime sacrifice which has largely gone unheralded.

I again thank the Hon. Member for Vancouver—Kingsway for giving us this opportunity to discuss the needs of some very deserving Canadians. He has put his case very well indeed. I am sure his words will be given every attention by the Minister of Veterans Affairs and the Government. As I have shown in the case of those widows, the Minister's record, as well as the Government's record, is one of understanding and compassion.

Mr. Waddell: Mr. Speaker, I rise on a point of order. Earlier I made reference in my speech to Mr. Knowles being at the table. He is now an officer of the House. It occurred to me that I am not supposed to make reference to the table, to bring them into disrepute. Some of them are disreputable enough occasionally, so I apologize if I—

The Acting Speaker (Mr. Paproski): Order, please. The Hon. Member for Calgary West (Mr. Hawkes).

Mr. Jim Hawkes (Calgary West): Mr. Speaker, obviously it is Friday afternoon. After one has a little experience in this place, one knows that there are ways of telling that.

It is a pleasure to rise on this particular Friday afternoon, which happens to follow by one day the commemoration which characterized our news screens last evening as we watched the

Minister of Veterans Affairs (Mr. Hees) at the ceremonial before the Memorial at Vimy Ridge. It identified for all of us and for generations to come the reality that Vimy Ridge was a landmark in Canadian history which took place in a foreign land.

It was the first time that the fledgling nation of Canada had elements of its forces come together in a great battle in defence of a free world. It was part of a European tradition in one form or another which perhaps went back hundreds of years. Certainly it was something new and different for the land across the sea, the land we so affectionately call Canada, the nation about which we feel so deeply.

Therefore, I think it is appropriate to have a Private Member's Bill dealing with the subject of war allowances before us today. Both the people who fought for us back in the First World War, in that fight for freedom, and those who fought for us in the Second World War, in a repeat of that fight for freedom, are owed a great deal by those of us of later generations who have had the opportunity to benefit from the kind of world for which they fought and which they protected.

The group in the First World War which Canada commemorated at the seventieth anniversary of Vimy Ridge had not only a role to play in protecting our freedoms and making the world a better place for us, but they had a role to play in nation building, because it was an inspiration to what was then a very fledgling nation.

With some consciousness of some of the difficulties in Canada today, perhaps one becomes a little homesick for something inspirational which might happen to all of us—if that could be, what a lift it would be and what a difference it would make.

Perhaps I would be remiss as a member on the government side of the House if I did not take this opportunity to draw attention to some of the achievements of the Government and past Progressive Conservative Governments in their treatment of Canadian veterans. I do that partly because the achievements of the Government over the last 2.5 years have been so many and have happened so rapidly that there is not really a comprehension throughout the land of the difference we have wrought. The situation today is not the same as it was in September, 1984.

Those of us who have memories going back to September, 1984, say: "Thank God, thank heavens it is not the same situation as in September, 1984". It is a better situation. There are more people working in every province of the country. There are fewer people unemployed than there were in September, 1984.

I should like to refer to the activity level of the current Minister of Veterans Affairs. Certainly in the eight years that I have been here—and there are Members who have been here longer—we have not had a Minister of Veterans Affairs who has helped make all of us more conscious of the reality of our veterans—what they fought for, what they stood for, and what they accomplished on our behalf—than the current Minister. He has visited many points in the world. On each and every occasion, whether commemorating one event or another, he has been accompanied by veterans.

On our television screens last evening which showed the commemoration of Vimy Ridge, the veterans who were with him were about 90 years of age. Their war, their triumph, was a long time ago. I think the children of today and some of us who are not quite children any more need to be reminded of such things. Certainly the Minister of Veterans Affairs is both a symbol and an activist in helping us look at and remember that reality.

Let us look back at the Throne Speech of the Government and its promise of or commitment to a veterans' independence program. The phasing in timetable was laid down years and years ago. I remind Hon. Members that most progress in veterans' pensions has been made by Conservative Governments. I do not think it is a public image which we enjoy throughout the land, although veterans and military people know about it. Some parts of that program were eliminated in terms of First World War veterans and, overnight, a piece of existing public policy became available to 6,000 Canadians who, the day before, were not eligible for it. That is an achievement. It is not one you see on the front page of newspapers, but it is one that you do see in the minds and the hearts of the 6,000 veterans who, all of a sudden, were eligible to participate in a program. I think that for their spouses and their relatives it was also an important event.

• (1520)

That change in public policy announced in the Throne Speech by our Government means that 75 per cent of all First World War veterans with overseas service are now able to apply. The remaining 25 per cent are either self-sufficient or are not in need of financial assistance. I think we can stand in this Chamber and say that 100 per cent of our veterans from the First World War are getting in Canada today, either through their own efforts or through the assistance of Government through our programs, the kind of help and assistance that they need. I think it is consistent with our reputation around the world. We are a nation that cares about our veterans. I see you are looking at me, Mr. Speaker. Does this indicate that the day has come to a close?

The Acting Speaker (Mr. Paproski): Yes.

Mr. Hawkes: I thank you for your generosity. I think you did give me a few extra seconds, Sir. There is much more that can be said, but if we can all leave this Chamber and remind our children and grandchildren over the weekend about our veterans and the contribution they have made, they will never forget.

[*Translation*]

The Acting Speaker (Mr. Paproski): Order, please. The hour provided for the consideration of Private Members' Business has now expired. Pursuant to Standing Order 42(1), the order shall be dropped from the Order Paper.

Civilian War Pensions and Allowances Act

It being 3.25 p.m., this House stands adjourned until Monday next at 11 a.m., pursuant to Standing Order 3(1).

The House adjourned at 3.25 p.m.

HOUSE OF COMMONS

Monday, April 13, 1987

The House met at 11 a.m.

Prayers

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

GOVERNMENT RESPONSE

Mr. Doug Lewis (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, pursuant to Standing Order 106(8), I have the honour to table, in both official languages, the Government's response to Petition Nos. 332-1229, 332-1241, 332-1242, 332-1264, 332-1265, 332-1271, 332-1273, 332-1279, 332-1303 to 332-1333 incl., 332-1455, 332-1573 to 332-1611 incl., 332-1625 to 332-1627 incl., 332-1675 and 332-1681.

In addition, I move, seconded by the Deputy Prime Minister (Mr. Mazankowski):

That the House now proceed to Motions.

Mr. Speaker: I advise Hon. Members that under all the circumstances the Chair is prepared to hear argument on this motion because I anticipate there will be Members wishing to speak to it.

[*Translation*]

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I certainly am interested in speaking to the issue whether the House should proceed to *Motions*, which is only one of the many items before the House. When the House is dealing with *Routine Proceedings*, it has an opportunity to receive reports from members and from Ministers. It may proceed with various items such as tabling of documents, Ministers' statements, reports of inter-parliamentary delegations, tabling of committee reports and petitions. Mr. Speaker, we believe that the Government, by moving this motion, is trying to prevent us from presenting our petitions. The Government's motion concerns a proposal to proceed with that stage of the proceedings during which the Conservatives will be able to present a motion for time allocation for the debate on Bill C-22.

Mr. Speaker, it is obvious that this Government is so incapable of putting its house in order that it must resort to arguments that are so transparent and so unacceptable to the minority. Indeed, as the minority, we cannot vote in sufficient numbers to threaten or defeat a Government we believe is incompetent. The Government is short-circuiting *Routine Proceedings* by moving to proceed with a motion advising the House that the debating time for Bill C-22 will be shortened and that closure will be imposed on the proceedings after a day or two of debate at the report stage and third reading.

Mr. Speaker, the House should realize that if the Chair accepts the motion and it is put to a vote, it means the Chair will have prevented Ministers from making their statements, inter-parliamentary delegations from making their reports, committees from tabling their reports and members from presenting their petitions to the House. We will have prevented Bills from being introduced and we will also have prevented the introduction of public Bills originating in the Senate.

The Acting Prime Minister says it is a fiction. Not at all, Mr. Speaker. It is not a fiction but an extremely unpleasant disposition by the Government which wants to short-circuit debate and, between now and the Easter recess, wants to impose the will of its massive majority. A Government that would have us believe that for the sake of its friends, those people who have been putting pressure on the Government to accelerate the adoption of Bill C-22 . . . Everybody knows the Government's purpose is in essence to proceed with consideration of Bill C-22. Everybody knows that is why it wants to impose closure on the remaining stages of debate, namely the report stage and third reading. And that is why I find it hard to accept that the Government should short-circuit all routine proceedings just to move this motion.

Now exactly what is the meaning of what the Hon. Member just did? We are concerned here with a very important procedural matter, namely whether what we have before the House now is a measure that, with the various measures I mentioned before, including, tabling of documents, Bills, committee reports and petitions, comes under Routine Proceedings. Each stage of Routine Proceedings is there for a purpose, and it is up to the Government to meet certain commitments on which agreement has been reached with the House. Routine Proceedings may provide an opportunity to table petitions, for instance. And what the Government is doing here, Mr. Speaker, is short-circuiting the whole business and saying, more or less, that "Motions" is what they want to consider today, and forget the rest. In fact I find the Government's attitude rather disagreeable, considering its number of members: they know there will be a division, we will be back here in half an hour to vote and they will win. They have the numbers, 211 members against our 40, and the NDP has only

30. What will happen is that we will certainly go on to motions.

What I should like to know, Mr. Speaker, because I think the question is whether this is a dilatory tactic—no doubt about that—to which the Government resorts to achieve its ends, is whether this dilatory tactic is in order, can a member move a motion when the only reason he has the floor is to deal with a daily routine item? This is the point on which I should like to comment.

Under "Daily Routine" we have the item "Tabling of documents", and this is when the Parliamentary Secretary rose to say: I am tabling responses pursuant to Standing Order 106, responses to petitions presented to the House. He took this opportunity to move a motion to go on to the eighth item and have the House proceed with "Motions". Mr. Speaker, I say and I maintain that he does not have the right to do that in the House. He does not have the right in the House to use a daily routine item, "Tabling of documents", to introduce a dilatory motion to go directly to item No. 8, which is "Motions" under "Daily Routine". As I see it, he does not have the right to do that because this particular item can only relate to tabling of documents, statements by Ministers, reports from parliamentary delegations, committee reports, petitions, and introduction of Bills. In my opinion, a member cannot skip over all these items and go directly to "Motions" when he has the floor for a specific purpose. Not anymore than recently when the Hon. Member for Mission—Port Moody (Mr. St. Germain) rose in the House, he had the floor to speak about his Bill, to explain to the House why his Bill was intended to restore capital punishment one way or another. Although it was not a particularly attractive piece of legislation, it had to be introduced and we voted to give him leave to do that. He rose in the House and as we so graphically put it in English—

• (1110)

[*English*]

He tried to bootleg in a dilatory motion to go to the next item of business which was against all the rules as far as I am concerned. You sustained that. Indeed, you said that he could not do that. The Chair told the Hon. Member for Mission—Port Moody (Mr. St. Germain) that he could not utilize an item under routine business to bootleg in something else. This morning we have the Parliamentary Secretary to the Deputy Prime Minister (Mr. Lewis) again come in, under Tabling of Documents, and try to bootleg another motion, that we now proceed to motions. That is a similar circumstance and just as unacceptable in terms of parliamentary procedure, as far as I am concerned. I submit that if he could not do it last week under Introduction of Bills, then he cannot do it today under Tabling of Documents.

Mr. Speaker: Before the Hon. Member for Ottawa—Vanier (Mr. Gauthier) completes his remarks, I might ask him to address carefully the matter of which he just spoke. It seems to be the memory of the Chair that with respect to the Hon. Member for Mission—Port Moody (Mr. St. Germain), the Chair's ruling was that when it came to Introduction of Bills the Member for Mission—Port Moody did not have the floor until the Bill had been read and introduced and voted upon. It was only after that that the Hon. Member for Mission—Port Moody had the floor and did make the motion to move to the next item of business, which the Chair sustained.

Of course, the Hon. Member is perfectly right that the Chair insisted that the rubric be followed, but when the Hon. Member for Mission—Port Moody did have the floor the Chair ruled that he was entitled to make a motion which moved from one rubric to the other within Routine Proceedings. Perhaps the Hon. Member would like to comment on that.

Mr. Gauthier: Mr. Speaker, I thank you for reminding me of that procedure. However, if I recall, that vote was never taken. The motion put by the Member for Mission—Port Moody lapsed at one o'clock, again a circumstance with which I disagree. Our Constitution says that every question put to the House must be resolved by democratic vote. That is Clause 49. I do not want to repeat the arguments I have already given but, unless you rule as to why the Chair has that right to lapse motions, I have some difficulties with that issue. I do not think we resolved the question last week when the Member for Mission—Port Moody moved his motion. The House divided on it but the vote was never taken because the Chair lapsed the motion.

Mr. Speaker: I thank the Hon. Member. The point is that that question was not ultimately resolved but the effect of the Chair's ruling at that time was that the Member for Mission—Port Moody did not have the floor to do anything until the Bill had been introduced.

Mr. Rod Murphy (Churchill): Mr. Speaker, I find this attempt by the Parliamentary Secretary to the Government House Leader to be offensive to the whole House. There is a procedure in the House whereby we go through Routine Proceedings. That procedure is explained in Standing Order 19(3) where it states:

> At 11 o'clock a.m. on Mondays, Tuesdays, Thursdays, at 3 o'clock p.m. on Wednesdays, and at 12 o'clock noon on Fridays, the House shall proceed to the ordinary daily routine of business which shall be as follows:

It lists Tabling of Documents, Statements by Ministers, Presenting Reports from Interparliamentary Delegations, Presenting Reports from Committees, Presenting Petitions, Introduction of Bills, First Reading of Senate Public Bills, and then Government Notices of Motions. It is the clear understanding of the House that we go through those items one at a time.

I have not had an opportunity to research one of your previous rulings, but there have been attempts by the Government in the past to skip various of those proceedings. If my memory serves me right, you have ruled on those occasions that we go through the items as they appear on the Order Paper. It is very essential that we be able to do that, otherwise

the majority in the House can skip each of the daily items of routine procedure that we are expected to follow in the House.

• (1120)

I understand the Governments' desire to move to Bill C-22. I understand its desire to impose a motion limiting the debate on Bill C-22. However, more important than the desire of the Government is the ability of this House to go through the various items.

There are procedures which have been used by the Government as recently as last Wednesday in an attempt to get to Government Notices of Motions. There were motions which basically stated that we should move to the next item of business. That is the procedure and the only procedure the Government can use in order to move items along a little faster. That allows the House the opportunity to look at each of the items in order to determine whether it wants to deal with those items, and allows members who have reports to make on behalf of standing committees, petitions to present and who wish to introduce Bills, the opportunity to do what the Standing Orders allows them to do under Routine Proceedings.

There is one exception. It is clearly stated that we can move to Orders of the Day. That is the only exception the rules make. The rules do not say we can move to Government Notices of Motions at any time. They do not say we automatically have the right at any time to move to Petitions. It is only in respect of that one clear case that the rules speak, and they speak only because they recognize the necessity on occasion to deal with Government business and the actual debate. There is no precedence whatsoever given to Government Notices of Motion. If it was deemed by those who made the rules, and those who are responsible for Beauchesne's, to have Government Notices of Motions treated in the same manner as Orders of the Day, then the rules would clearly state that. However, they do not. Because they are silent on that point, I would presume that we should be following the ordinary rules of procedure, and going from one item to the next as they are listed, and if the Government wishes to proceed more quickly it can move the motion, as I indicated earlier, to move to the next item of business.

The Government does have options from time to time but has not always used them. If I can go back to my earlier point, I will quote Standing Order 27:

> A motion for reading the Orders of the Day shall have preference to any motion before the House.

That is understood to mean that in that particular case the Government can, at the time the Parliamentary Secretary, did or perhaps under Petitions or Introduction of Bills, skip a number of items under routine proceedings. Standing Order 27 is very clear on that.

However, it does not give the Government that same right, nor the Opposition, with respect to any other item of business. I think it is important that in ruling on this matter, the Chair look at the fact that Standing Order 27 does not give that right in regard to Government Notices of Motions or any other routine proceeding.

I would argue that the Chair should in its ruling indicate that this motion is completely out of order. Certainly the Government wants to get on with what it considers its priorities but there is nothing indicated in the rules of the House of Commons that that would support acceptance of this motion by the Chair.

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, as I listen to the debate on this particular question I felt very moved to become involved, because I recognize that there is a very important principle involved. Let us just look at the background.

The Government has served notice that it wants to limit debate on Bill C-22. It can introduce that motion when it comes to Government Notices of Motions under Routine Proceedings. The principle here is that we have a majority Government with over 200 members. We have an opposition consisting of about 70 members. We have a Juggernaut of a Government with a puny Opposition. What the Government wants to do is use its might to crush what is illegal and what is recognized opposition in this House. It is not prepared to be patient.

The particular rubric the Chair asked us to deal with was whether in fact a Government Member could stand up under Tabling of Documents and, having tabled a document, then move a motion to skip several items of Routine Proceedings to go to what the Government wants, what it is lusting after. It cannot work that way. In a parliamentary process the House of Commons should be the first to practice democracy. Might is not always right.

Mr. Lewis: Let's vote.

Mr. Rodriguez: I want to tell the Parliamentary Secretary that might is not always right. I have petitions to enter. I recently read a press statement from the Parliamentary Secretary which criticized Members of the Opposition, and particularly my caucus, for delaying the presenting of petitions when in fact this is exactly the process the Government used to deny the rights of ordinary Canadian citizens to be heard through their petitions. This was just so the Government could serve its own selfish and undemocratic principles.

We know the Government wants to get Bill C-22 out of the way. We all recognize why it wants to get that Bill out of the way. In fact, there is trouble in the camp. There is division within the Tory ranks about Bill C-22. It is starting to seep to the surface and the Government does not want this mess to be aired. So the Government wants to crush out any legitimate opposition in the House of Commons to Bill C-22. I think it is an abuse of the rules and we have to stop it in its tracks right now. We have to say to the Parliamentary Secretary that he cannot use these subterfuges. He cannot stand upon the pretext of Tabling a Document, in this case tabling responses

to Petitions, and then smuggle surreptitiously into the House a motion to skip several items and go directly to Motions.

I would humbly suggest that the Chair rule the Parliamentary Secretary's motion out of order and let Hon. Members in a democratic way proceed with introducing their petitions and deal with all the other routine business which should never be sacrificed for the unholy gains of the Government with respect to what it wants in Bill C-22.

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I have a few comments on this particular issue. The Hon. Member for Ottawa—Vanier (Mr. Gauthier) argued that the Government cannot short circuit the process. What we have had over the last few days is the Opposition doing just that. The Opposition has, over the course of the last few days, frustrated the ability of the Government to introduce a motion. It is a motion which it has every legitimate reason to introduce, but by virtue of the various dilatory motions, voting tactics and whatnot, has been prevented from occurring.

• (1130)

For several days now the consideration of Routine Proceedings has been subverted by these type of tactics. Therefore the normal and orderly conduct of the disposition of Routine Proceedings has been interfered with. Of course, it seems well and good for members of the Opposition to do that, but when it is done by the Government they cry wolf. They cannot have it both ways.

We know that members of the Opposition are determined at all costs to prevent the Government from introducing a legitimate motion.

Mr. Murphy: Closure by any other name.

Mr. Mazankowski: The Hon. Member calls it closure.

Mr. Blackburn (Brant): You used it when you sat over here.

Mr. Mazankowski: There have been numerous discussions with the opposition Parties in an attempt to work our way out of this exercise, to try to provide sufficient time and debate on the issue. But I think the House should be reminded that something over 23 hours have been wasted on dilatory motions and procedural tactics. About 12 hours of debate have been held on second reading of this issue. The standing committee considered the matter for 82 hours at a total of 24 meetings. We have had four days of debate at report stage, as well as two days of waste in the consideration of dilatory motions and various votes. What we have to ask ourselves is the following. Does the Government have a right to introduce a motion?

Mr. Gauthier: Sure it does, in proper form.

Mr. Mazankowski: Absolutely. Why does the Opposition prevent us from doing that? We hear a great argument from members about the fact that they are being denied their right to present petitions. Standing Order 106(3) states that a petition can be presented orally or it can be tabled with the Clerk. There is no compelling reason which denies them the opportunity of presenting a petition. There is a method by which they can do it. It will be considered in the same way.

I think the fundamental point that has to be taken into consideration is this. If the consideration of Routine Proceedings is to be considered a sacred process, item by item, then we will have to go back and re-examine the dilatory motions and the procedural tactics, as well as the procedural acceptability of some of these dilatory motions.

When the House goes through the process of Routine Proceedings and does not go through it item by item, then the same thing should be held true when one moves to Orders of the Day. When one moves to Orders of the Day every item under Routine Proceedings is missed. That has been done in the past. Thus the sanctity of proceeding through Routine Proceedings item by item has been usurped and has not been applied. I think that is a fundamental principle. If that can be done in the one case, then surely there should be ample opportunity to go to a specific item of business.

I refer Your Honour to page 151 of Beauchesne's, Citation No. 417(2)(b)(ii) which states:

> *Dilatory* motions are designed to dispose of the original question either for the time being or permanently. They are usually of the following type:
>
> "That consideration of the question be postponed to ... ... (date)".
>
> "That the Orders of the Day be read."

The third one is the most important one. It is that the House proceed to another order of business. I think that is pretty fundamental because, in my view, it balances the opportunity to deal with a specific item, to skip items, or to skip all the items.

All we are asking for here is some fairness in the application of the rules. If on the one hand one can move to Orders of the Day and skip every item under Routine Proceedings, then surely there has to be some balance. If that were to apply then that could be done every day and, *ad infinitum*, the Government would be prevented from bringing forth a motion under the way the rules are set up. Surely that was never the intent of the rules.

The Government surely has a right to bring in a motion. Members have the right to bring in motions. But what is happening here, and what we have been experiencing over the last few days, is the denial of the Government to legitimately bring forth a motion. That cannot be, irrespective of the make-up of the House.

I am interested in the pleadings of the Hon. Member for Nickel Belt (Mr. Rodriguez) who suggests that the Opposition is being crushed. I think it is the tyranny of the minority that is usurping and subverting the orderly process of debate in the House. I would probably say that even if I were sitting on the opposite side of the House.

Some Hon. Members: Oh, oh!

Mr. Mazankowski: What we are really saying here, and this is the purpose of the motion, is that it is time to look at this issue in its true perspective. If this does not offer a way out of the log-jam that we are in, then I think we are ignoring some of the fundamental principles regarding the way the institution of Parliament should work, namely, the right of the Government to introduce a Bill and to introduce a motion. The Government is now being denied that opportunity. The motion put by the Parliamentary Secretary provides us a way out of that situation.

Hon. Herb Gray (Windsor West): Mr. Speaker, the issue before us is relatively simple. It is this. Can the Government move a motion which, if passed, will enable the Government to leap over individual headings of Routine Proceedings in order to reach a heading of Routine Proceedings that it wants to get to?

Before dealing with that point at some reasonable length, I have to take issue with what my hon. friend said about petitions. He seems to have said that because the Standing Orders give an option to a member presenting a petition, to either file it with the Clerk or read it out in the House, the two methods are necessarily of equal weight. He seems to state that that would be acceptable to the Hon. Member who wishes to present a petition or to a person signing it if the opportunity to present it orally in the House was not there. I do not think that is acceptable to Members of the House generally, or to individual Canadians who wish to use their right to petition Government and Parliament. There is surely something special about being able to present a petition in the House. I do not think that it should be swept aside so cavalierly.

With respect to what I have defined as the basic issue, that is, can the Government by the type of motion moved on its behalf today leap over the various portions of the Routine Proceedings to arrive at that particular portion of Routine Proceedings it wishes to make use of, the Government House Leader made a great deal of Standing Order 27 which states:

> A motion for reading the Orders of the Day shall have preference to any motion before the House.

First, I want to say that, rather than strengthening his argument, I think his use of this Standing Order as a point in making his case really weakens the argument he wants to make, because the Standing Order is silent on all the other motions that might have been listed there. It mentions only a motion to go to Orders of the Day.

• (1140)

There is a long-standing legal Latin maxim, which I will not attempt to quote here because I have a feeling I am going to get it wrong, the general thrust of which is that if a court judgment or a precedent is silent on a point, then that has some meaning. The meaning is, simply put, that it was intended for example in this case, in the Standing Order that only a motion for reading Orders of the Day shall have preference over any motion before the House.

I think it would be open to you to rule that the wording of this Standing Order does not support the point being made by the Government House Leader, but rather supports the point being made by the distinguished opposition Whip, that if the Government wants to move from one item under Routine Proceedings to another, it must make individual motions dealing with each item of Routine Proceedings. It is not authorized under the rules or the precedents of this House to move a motion leaping over all the items or portions of Routine Proceedings until it reaches the one it wants to get to.

The Government House Leader was good enough to refer you to page 151 of the Fifth Edition of Beauchesne's, paragraph 417. This seems to be a quotation from a ruling by a Speaker recorded in the *Journals* of the House on June 29, 1971, at page 759. It says motions may be divided into several categories. Subparagraph (1) deals with substantive motions, and I am not going to read that. Subparagraph (2) deals with privileged motions, and I am not going to read that. There is subparagraph (2)(a) which deals with amendments and says they are discussed in detail later. Then subparagraph (2)(b) deals with superseding motions. I want to read that because I think it is very relevant to what you are being asked to consider. It says:

> Superseding motions, though independent in form, are moved in the course of debate on questions which they seek to set aside. They may only be moved when a question is under debate, and cannot be moved by a Member rising on a point of order . . . Superseding motions cannot be applied to one another;

It then gives an example, and continues:

> Superseding motions are divided into two classes; namely, the previous question and dilatory motions.

Subparagraph (2)(b)(ii) says:

> Dilatory motions are designed to dispose of the original question either for the time being or permanently. They are usually of the following type:

One of the examples given is the one listed by the Government House Leader:

> That the House proceed to (name another Order).

I am reading all this because I want to make the point that a distinguished predecessor of yours ruled that a superseding motion, and this includes the dilatory motion of the kind my hon. friend says is acceptable, applies, first, only during debate and, second, when the House is being asked to move from one order of business to another.

I submit that when we are dealing with Routine Proceedings, at least at the stage the Deputy Government House Leader moved his motion, we are not in a stage of debate. In fact, a motion of the kind that my hon. friend has moved is not debatable in and of itself. He did not make the motion during a part of the proceedings of the House when something was being debated. He got the floor simply to table the Government's responses to petitions. there was nothing under debate at the time he moved his motion.

Second, the various items listed in the rules under Routine Proceedings, I submit, are not of themselves either Orders of the Day or orders in the sense that they are portions of the

whole range of things that are done during the day, so that you can move a motion, for example, and apply it in these circumstances to proceed to Orders of the Day. I repeat, the various portions or items listed under Routine Proceedings are not orders or stages of debate.

If that is the case, then the motion proposed by the Deputy Government House Leader is not in order. Or, putting it another way, you cannot move a superseding motion when there is no item before the House to be superseded. I repeat, a stage of Routine Proceedings is not an item of debate. One could not, for instance, move a motion to extend the sitting under Standing Order 9(4) to consider Routine Proceedings because that Standing Order refers to an item being debated, and I am saying that Routine Proceedings are not items being debated. So if an item is not debatable there cannot be a superseding motion because there is no debate to be superseded.

With respect to Routine Proceedings, that daily routine is very important to this House. I think, Sir, you ruled last fall that it was in order to move from one item of Routine Proceedings to the next by means of a motion which, if necessary, can be voted on by this House. However, if that is the case I think it follows that, as I have said, you cannot skip a whole lot of items by a motion supported by the majority of government Members in this House to go to another one further down the line which the Government wants to reach.

So I say with the utmost respect to the ingenious arguments offered by the Government House Leader that they still do not have a persuasive effect, such that you should rule that the motion of the Deputy Government House Leader is in order; but rather that you should, on the basis of the points I and others who have objected to the acceptability of the motion have made, rule that it is not in order. Instead, each item of Routine Proceedings must be reached, and if the Government does not want to have them dealt with it must move a motion as each item of Routine Proceedings is reached to go on to the next one. I think this reflects both what our Standing Orders say, what the precedents say, and also reflects the importance of Routine Proceedings in the operations of this House of Commons and, therefore, their importance in the operation of our parliamentary system.

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, I am pleased to rise to make a couple of remarks with respect to the motion now before the House.

As Your Honour will appreciate, the motion was moved by the Parliamentary Secretary to the Government House Leader immediately upon the calling of the item "Tabling of Documents". The item "Tabling of Documents" is there for a very specific purpose. It is an item which permits the tabling of documents. It is not an item which permits any form of debate on the tabling of those documents. That is an important point.

• (1150)

Had the Parliamentary Secretary risen and tabled a document, he would not have been in a position to move a motion or to debate anything. He would merely have been in a position of taking a document and presenting it to someone, and that would be the end of it. Surely the first point is that under the guise of "Tabling of Documents", the Parliamentary Secretary has moved a motion which is clearly not in order.

The second point is that the House is governed by precedent. In the absence of very clear direction from the Standing Orders, the House is governed by precedent. What the Parliamentary Secretary is attempting to do today has already been attempted on another occasion, and Your Honour has already made a ruling in respect of the matter.

I draw to Your Honour's attention the proceedings of the House on November 24, 1986. On that occasion, immediately following the presentation of petitions, the Deputy Prime Minister and President of the Privy Council (Mr. Mazankowski) rose in his place to move the following motion, as reported at page 1435 of *Hansard*:

> That the House proceed to Government Notices of Motions.

That is precisely what the Parliamentary Secretary is attempting to do once again today. Immediately members on this side rose to intervene in respect of the propriety of the matter, but Your Honour, without hearing any representations at that time, said the following:

> The motion is that the House proceed to Government Notices of Motions, which means that, if the Chair should rule that it is in order, a number of items that are in the usual order under Routine Proceedings would not be heard. It is the view of the Chair that that would be inappropriate and that we should proceed from item to item. Consequently, I regret to advise the Hon. Deputy Prime Minister that in the view of the Chair the motion is out of order.

The motion was out of order on November 24, 1986, and it remains just as out of order today. There has been no subsequent ruling by Your Honour in any way varying this previous ruling. There has been no change in the Standing Orders which would supersede this very learned ruling of the Chair. In view of the fact that this very important ruling has not been in any way overruled, either by Your Honour or by the House by way of changes to the Standing Orders, surely the long-standing practices and traditions of the House must govern. That would require that this precedent be observed in this case as well.

In response to the comments made by the President of the Privy Council, I want to note what he said. He was looking for a way out of a legislative log-jam. He says that he wants to get on to the debate of Bill C-22, the legislation which would have such a devastating impact upon the elderly, the poor, and the disabled in Canada. He accuses the Opposition of delaying. He accuses the Opposition of trying to avoid debate on Bill C-22. However, the item of business before the House today under Government Orders is listed as No. 22, which is:

> Resuming consideration of report stage of Bill C-22, an Act to amend the Patent Act—

The President of the Privy Council is sucking and blowing at the same time. If he really wants to get to the business of dealing with the Patent Act, let him proceed.

The President of the Privy Council is also saying that his hands are tied, that this tyranny of the minority is blocking the Government from proceeding. I suggest that the President of the Privy Council and his Parliamentary Secretary should have another look at the Standing Orders. Quite clearly there is provision, if the Government wants to accept the political responsibility, for it to ram through the legislation and introduce closure; calling it what it really is instead of trying to bring it in through the back door. They could proceed, if they dared to do so. Despite the overwhelming majority of the people of Canada, they could proceed under Standing Order 57. That is an option with which they have chosen—and I might say quite understandably—not to proceed.

Finally, if Your Honour should overrule the precedent which has been established in that very important ruling of November 24 of last year, what would be the impact upon the rights of Members of the House? Effectively it would mean that the Government could rise at the beginning of Routine Proceedings each day under the first item of Tabling of Documents and move that we effectively proceed to Government Notices of Motions. What that would mean is that the presentation of petitions would be denied.

An Hon. Member: They can table them.

Mr. Robinson: What more fundamental right is there of Members of Parliament than the presentation of petitions? The Government would deny that right and in the process would overrule the ruling of Your Honour of November 24.

Someone from the other side of the House said that we can always table petitions, that Canadians would not be denied the right to petition the House because they can still table them; they do not have to be presented in the House.

However, there is another important element of Routine Proceedings, that is, the Introduction of Bills. At this time I have three very important Bills on the Order Paper. If the Government's attempt to bulldoze its way through to Government Notices of Motions is accepted today, it effectively means that Your Honour would be accepting a proposal to deny Private Members any opportunity to introduce Bills.

Mr. Althouse: And the draw is coming.

Mr. Robinson: As the Hon. Member for Humboldt—Lake Centre (Mr. Althouse) has noted, the draw is coming this week for precedence in the Order Paper. Not only are Private Members thus denied the basic right to present Bills on matters of importance to their constituents and, indeed, to the country, they are denied the right to have the Bills included in the draw for precedence. Surely it is fundamentally unacceptable that this basic right of the presentation of Bills should be subverted in this way by the motion of the Parliamentary Secretary. One cannot introduce a Bill the way one can table a petition in the House with the Clerk or with the Speaker. The only possible way of presenting a Bill is by presenting it in the House. Should Your Honour rule that the Government can simply skip all this, effectively that basic right of each individual Member of the House on both the government side and the opposition side is being denied.

For example, if the Hon. Member for Edmonton—Strathcona (Mr. Kilgour) should find that his two-month deadline to the Government has expired and the Government has not moved forward with conflict of interest legislation, and if that Hon. Member wished to present a Bill on conflict of interest, calling upon the Government to move forward in that area, the Government could say to him: "Not only are we going to kick you out as a Parliamentary Secretary and throw you out of the caucus, we won't even let you introduce a Bill in the House". That is the effect of this Government's attempt to railroad Parliament.

• (1200)

I would call upon Your Honour to recognize the long-standing precedent that has been established in this regard, to recognize the attempt by the Government to override the rights of private Members of this House. I would hope that in doing so Your Honour would recognize that this motion is entirely out of order.

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, I have listened with considerable interest to the comments of my colleague from the New Democratic Party who was talking about getting thrown out of caucus, reprimands and what have you. I will leave it at that.

On the motion put forward by the Parliamentary Secretary to the Deputy Prime Minister (Mr. Lewis), I could not help but take note of some of the language used by the Deputy Prime Minister (Mr. Mazankowski) in trying to defend the indefensible. He talked about opposition Members usurping and subverting. Such language is pretty harsh even for the alleged mild-mannered Deputy Prime Minister.

From a procedural and a substantive point of view it is my contention that the motion put forward by the Parliamentary Secretary to the Deputy Prime Minister is flawed. Some of the reasons have already been echoed and I will not go into them in great detail. It must be remembered by members on both sides that when the Parliamentary Secretary took the floor he was under the auspices, if you will, of Tabling of Documents. The member was on his feet for no other purpose but to table documents. As has been said by other members there is no debate at that point in time.

Second, superseding motions are referred to in Beauchesne's at page 151. The precondition for a superseding motion is that there be debate on the floor. There is no debate on the floor, Mr. Speaker. Again, you have the motion of the Parliamentary Secretary to the Deputy Prime Minister pursuing a flawed procedural motion in my view.

Third, let me come to the procedural aspect and your ruling made on November 24, 1986. The individual who so willingly today refers to usurping and subverting was told he was out of order by yourself for trying to do something that he is attempting to weasel in today.

Finally, on the substance of the motion, the Deputy Prime Minister took great pains to tell Members of the House that we have had four days of debate at report stage. But the Deputy Prime Minister very conveniently, for his own purposes, for his own political agenda, to suit the multinational corporations which have written the provisions of Bill C-22, has forgotten to tell Members of this House that there are 47 amendments. The Deputy Prime Minister just brushes that aside. He also fails, on the substance of the motion we are obviously going to get to at some point in time, to indicate that the committee which studied this Bill was prohibited from calling certain witnesses. The committee was limited in the amount of time it had to deal with the witnesses and the committee was limited in its duration by the Government. Now the Deputy Prime Minister has the unmitigated gall to say on the floor of the House that the opposition Members are usurping—

Mr. Mazankowski: Subverting is the word.

Mr. Dingwall: —are subverting. Shame on the Deputy Prime Minister, with 47 amendments which Members of this Party and Members of the New Democratic Party have put forward and with four days of debate. Yet somehow on a major piece of legislation we are to accept the buffoonery of the Deputy Prime Minister.

Mr. Mazankowski: We have had 82 hours.

Mr. Dingwall: Let me come to petitions. The Deputy Prime Minister says that you can table them with the Clerk. I want to inform the Deputy Prime Minister through you, Mr. Speaker, that there are a great number of Canadians who want to have their Member of Parliament and other members address the issue of Bill C-22.

I say through you to the Deputy Prime Minister that the motion of his Parliamentary Secretary is flawed in three procedural areas. On the substance of the motion, it does not make any sense whatsoever. In view of the precedent which you laid down in the House on November 24, 1986, Mr. Speaker, I suggest respectfully that you have no other alternative but to rule out of order a motion put forward by the Parliamentary Secretary, the intent of which is to choke off meaningful debate on a very important piece of legislation affecting Canadians.

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, my intervention will be very brief and simple. I am not a lawyer. I do not want to talk about the procedures in that sense. I consider that your duty in this, Mr. Speaker, is to give all members equal treatment. My wishes are just as important in this House as the wishes of any member of the Government. The Government cannot, therefore, take any route which will force through this House of Parliament any of its wishes against those of any other Member in this House, particularly if they go against traditions and precedent and if they are against routines which, for hundreds of years, have been built up as being necessary for the good and the fair operation of this House. I think that is possibly the basis of my intervention.

What is good and fair as far as the operation of this House is concerned? This motion, if allowed to go through, eliminates part of the democratic process of which we are so proud. It is a denigration of the process of the House. Is that really what we want? Is that what you want, Sir? Is that what Members of this House want? Do we want a process that throws away hundreds of years of procedures just because the Government has a Bill which we in the Opposition and which many Canadians think is offensive and which we think requires much more debate than it has had in this House? What I wish, and what many people wish, is to go on debating the amendments that have been proposed to Bill C-22. We do not want to go into a closure procedure which will not allow us to be fully heard.

Mr. Keith Penner (Cochrane—Superior): Mr. Speaker, I find myself surprised and shocked that the Parliamentary Secretary would show such little regard or respect for Parliament as has been demonstrated today. I want to begin by saying quite clearly that what has been done today cannot be directly connected to Bill C-22. If you argue that somehow a particular Bill justifies what the Parliamentary Secretary has done, I would have to say that that in no way relates to the Routine Proceedings of the day, regardless of how the Government feels about the way in which the Opposition has dealt with a particular—

• (1210)

Mr. Speaker: The Hon. Member for Cochrane—Superior (Mr. Penner) has raised a point which is of interest. He is saying that the procedural point that is being debated ought to have nothing to do with the fact that there is behind it Bill C-22. I happen to agree with the Hon. Member for Cochrane—Superior, and I want it made very clear that, so far as the Chair is concerned, the Chair is not the least bit interested in what Bill is behind it. The Chair is interested in the point that is being argued, and that is whether or not it is appropriate for the Government, under these circumstances, to skip matters of Routine Proceedings.

I want that to be understood very clearly by all Hon. Members and the public. It is not the place of the Chair to move government business through the House, nor is it the place of the Chair to take into account the relative merits of any proposal of the Government.

Mr. Penner: Mr. Speaker, I thank you very much for that intervention. That was the point I wished to make and I will say no more about it. Very simply, my argument is that Bill C-

22, or any other Bill, is not relevant to the matter before us today. Your Honour has underlined that and I thank you for it.

The question before us is, is it possible for any Member of the House to short-circuit the routine business of the day? It is very clear in the *Projected Order of Business* that the daily routine of business is composed of matters which must be dealt with consequentially; one must follow the other. It is the routine way in which this House handles its affairs.

You can appreciate, Mr. Speaker, that a Minister may be present to make a very pressing statement and an Hon. Member may be present to present a report from the committee. There may be a report from an interparliamentary delegation to be presented. Certainly there are bound to be petitions of some import that Hon. Members want to present. For any Hon. Member to rise in his place to move from Tabling of Documents directly to Motions without the unanimous consent of the House is, I argue, quite clearly an abuse not only of the traditions of the House but of the way in which we conduct our business from day to day.

The Chair will know that it is impossible for the Parliament of Canada to conduct its affairs day by day in a haphazard way. There must be an anticipation of the next item. If that cannot be anticipated, then Hon. Members cannot be prepared to make their contributions to the House, regardless of whether it is a report, a petition or the introduction of a Bill.

I want to say to the Parliamentary Secretary, through you, Mr. Speaker, that what he has done today comes as a surprise and a shock. This is particularly so because members of the Party opposite said they would reform the Parliament of Canada and that they had respect for this institution. For the Parliamentary Secretary to attempt to short-circuit the routine business of the day by moving from one item to another way down the list flies in the face of the rhetoric and the views that have been expressed opposite about the need to reform Parliament. I can in no way see that such a motion can be justified or acceptable.

I call upon you, Sir, on the basis of what has been said by Hon. Members on this side of the House, to call this motion out of order and to have us go back to the next item following Tabling of Documents, the routine and regular way in which we do business in the House.

Mr. Lewis: Mr. Speaker, I shall not be too long because the argument on our side was covered very ably by the Hon. Deputy Prime Minister (Mr. Mazankowski).

As to the question of what the House can and cannot do, I hold the view that the rules of Parliament are designed to facilitate the business of the House. When the House makes a decision, it is the decision of the House based upon a motion made. I do not believe that the Canadian people sent us to Parliament to remain mired in routine proceedings and for that—

Mr. Axworthy: What? What?

Mr. Penner: Never heard such a thing.

Mr. Lewis: Mr. Speaker, I notice some amazement on the part of Hon. Members opposite. Why do they not try it out the next time they go home, try it out on the people who sent them here, the taxpayers. Ask them if they want Hon. Members to spend day after day mired in routine proceedings rather than dealing with the business of Government. Why do they not ask their constituents?

In any event, I wish to deal quickly with the matter of superseding motions. On page 151 of Beauchesne's in Citation 417, several motions are referred to as being superseding motions. All of these motions are designed to enable the House to move from one item of business to another. I suggest that that list is not exclusive.

My colleague, the Hon. Member for Burnaby (Mr. Robinson), referred to precedents. If one argues that the House is governed by precedent, one must also take into account how precedents occur. Precedents occur when things happen. If we follow the argument that the House deals only with precedents, we must ask when the first precedent was created. Obviously the first precedent was created when the House made a decision on a motion. We suggest, Mr. Speaker, that the House has the ability to decide on the motion before it and that the Chair should rule that motion in order.

In addition to the motions referred to on page 151 of Beauchesne's, I would like to add for the Chair's consideration a citation found in Beauchesne's Fourth Edition on page 383. It is referred to as "Forms and Formulae No. 45". The form there is "That the House do now revert to Routine Proceedings", or "to Government Orders", or "to Public Bills and Orders", or "to Private Bills" or "to Notices of Motions". Those are all items which are referred to as headings under Routine Proceedings. Obviously at some time in the past, that type of motion was in vogue. I suggest that we bring it into vogue now.

The question of how one submits petitions to Parliament has been referred to in the debate on this point of order. There is no question that under Standing Order 106(3), Hon. Members have the ability to submit petitions to the Table. Every day as Parliamentary Secretary to the government House Leader I rise to supply responses to those petitions which have been presented to the House. That is definitely in order. However, I would like to deal with something that came up in the course of debate.

There has been a suggestion by the Hon. Member for Burnaby that the Government is preventing the introduction of three very important Bills. For those who are perhaps not aware of this, I would point out that Hon. Members introduce Bills under the heading of Introduction of Bills. The three very important Bills the Hon. Member for Burnaby wishes to introduce on an urgent basis so that they make the next draw are all listed on the Order Paper under the date of February 2, 1987. For two and a half months these very urgent and

important Bills have been sitting on the Order Paper. Today we are preventing them from being introduced.

I am sure that if the Hon. Member for Kamloops—Shuswap (Mr. Riis) were here, he would tell us that he has several very important Bills on the Order Paper, but at least the Bills of the Hon. Member for Burnaby are from 1987. The Bills of the Hon. Member for Kamloops—Shuswap are from 1986. All of these Bills are so important and urgent? The definition of urgency according to members of the NDP is not the same as it is in the rest of the country.

• (1220)

Mr. Speaker: I am sure the argument this morning has been very effective and useful. I am sure Hon. Members would want to give the Parliamentary Secretary the courtesy of allowing him to complete his argument.

Mr. Lewis: Thank you very much, Mr. Speaker. In the interests of making this House work, I advise the House that when I am recognized to reply to questions on the Order Paper I will move the following motion:

> That the House do now revert to presenting petitions and continue with the balance of routine proceedings until they are completed, or 1 p.m., whichever comes first.

That would allow my hon. colleagues who have important petitions to present to present them. I will also give a Government undertaking that no government Bills will be introduced under Introduction of Bills, which will allow my colleague with urgent Bills to introduce them; and further, that no government notices of motions will be proceeded with; and that government members will move no concurrence motions.

If I were to move that motion under Questions on the Order Paper, upon which motion we certainly would not need a recorded division, my hon. colleagues would be able to present the petitions which they have all claimed they are ready to present. Therefore, I give notice that I am prepared to do that under Questions on the Order Paper.

Mr. Axworthy: Mr. Speaker, I think it would be of great assistance if the Parliamentary Secretary put his proposed offer in writing so that we could look very carefully at exactly what the Government is suggesting before we proceed.

In response to the comments of the Parliamentary Secretary, it is astounding that a person whom the Government has designated as responsible for handling its parliamentary affairs would express such total disdain for the rights of Parliament. It is incredible to hear a Parliamentary Secretary to the House Leader say that Parliament "gets mired down in routine proceedings". You know, Mr. Speaker, as do Members of this House, that those Routine Proceedings are built upon hundreds of years of tradition and precedent designed to protect the rights, not only of Members of Parliament, but of the constituents whom they represent. For a Parliamentary Secretary to say that we are "mired down" is probably the most extreme expression of an authoritarian attitude that I have heard in this House in all the years I have been here.

Some Hon. Members: Oh, oh!

Mr. Axworthy: That says to me that the Government, which has a large majority, has not been able to manage its affairs, is getting frustrated at its own incompetence, and is now lashing out, not only at the press, the Opposition and everyone else, but at Parliament itself. It wants to use the thunderbolt of its own majority to ram things through this House. This is incredible. We have witnessed today a further stage of deterioration in the capacity of the Government to represent any form of civility, any sense of proper behaviour in this House, and any sense of obligation or responsibility as far as Parliament is concerned.

A concession has now been offered. It is interesting that in the last three or four days as the Government has tried to push this Bill through with a large number of parliamentary devices it has only succeeded in seizing up Parliament. We have not been able to conduct the business of Parliament because of the Government's failure in parliamentary intrigue and device. If the Government had allowed matters to pursue their normal course, for debate to continue, amendments to be presented, and routine proceedings to carry forward, we would have made an awful lot more progress than we have until now. It would be unseemly to give any credence to this kind of behaviour and attitude.

It is important that we establish clearly, as Beauchesne's has clearly said, that "the proceedings of the House must be taken up in accordance with the order of business given in the Order Paper". Why does the Government, simply because it has a big majority, think it can overturn those well established rules and precedents? The Government seems to indicate that there is a growing frustration among the Canadian public to get this patent Bill passed. In fact, the representations we have received by way of petitions is so overwhelmingly against the Bill that the Government wants to deny the right of people to have that point of view expressed.

Mr. Speaker: In order to be sure that there is no misunderstanding, the Chair is not concerned with whether this is a drug Bill or any other Bill. It may be that there are differences of opinion among the Parties as to what motivates one side or the other. That is not the issue before the Chair. Before the Chair is the issue of whether or not the Government can, by one device or another, reach Motions in Routine Proceedings. Most Hon. Members have directed most of their comment in that direction. I know the Member for Winnipeg—Fort Garry (Mr. Axworthy), who knows this place well, would want to assist the Chair in that regard.

Mr. Axworthy: Thank you, Mr. Speaker. I certainly want to assist. I was only responding to the only argument put forward by the Parliamentary Secretary. The only justification he was able to offer for the motion which was introduced in the House this morning was this demand for some efficiency, from their point of view, in the way in which the system works. I was simply pointing out that in Parliament efficiency is not necessarily the primary objective; democracy and the right of

people to be heard is the primary value. That is what we believe is being frustrated by these kinds of motions.

My colleague, the Member for Cape Breton—East Richmond (Mr. Dingwall), our House Leader, our Whip, and others on this side have all said that we want to deal with this legislation, but that we want to deal with it as it should be dealt with, through the proper rules of Parliament, and that it should not be twisted and turned by the kind of devices which were presented this morning. It is important that we look at the text of what the Parliamentary Secretary said. That is the thrust of my argument.

We have heard the rules of Beauchesne's and others. However, the arguments put forward by the Government have shown clearly that the Government is frustrated and wants to use its majority to end its frustration. That is hardly a good reason for overturning the well-established wisdom of the ages which is incorporated in our orders of proceeding and the precedents of this House.

Mr. Speaker: I want to thank all Hon. Members; the Hon. Deputy Prime Minister (Mr. Mazankowski), the Parliamentary Secretary and all the others who have entered into this debate because it is a matter of some interest and some concern. I say to all Hon. Members and to the public which is watching that the Chair does not view this procedural debate lightly. The tradition of Parliament has been that procedural matters are always a legitimate means through which an Opposition can express its concern with any piece of legislation or a motion. There is, of course, the absolute tradition of the use of procedural matters as part of the cut and thrust of parliamentary affairs. I want Hon. Members to know that, because I respect that, I have listened with great attention to the comments which have been made.

I took down the comments of the Hon. Member for Winnipeg—Fort Garry. He said, "—efficiency is not necessarily the primary objective, democracy is—". I have certainly seldom heard it put better. It will fall to my obligation and duty to decide just how the particular matter before me is determined. Certainly in principle, I think the Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy) has put a long, vibrant and useful history of Parliament in very succinct terms. I thank him for it because that is very helpful.

• (1230)

I propose to defer my decision on this until eleven o'clock tomorrow morning. It would be my disposition, unless there is consent in the Chamber to do something else, to move directly to Questions on the Order Paper. However, I think that the Parliamentary Secretary was saying that if any members seem to be aggrieved at not having been able to go through the other items in the Routine Proceedings this morning, he would be prepared to move that we revert to Routine Proceedings. I think that was the intention of the Parliamentary Secretary.

I do want to say that the practice has been that a reversion back is done with consent. I am not saying, because that is the practice, that it may always necessarily be the law, but I am pointing out that that has been the practice in this place. The Hon. Parliamentary Secretary has made that suggestion and, of course, I am in the hands of the House. If the House decides to consent to that, then that would be perfectly appropriate.

I do not want to have to make a ruling at this time on whether or not that can be done with a vote and without consent. However, if there is consent the Chair would be happy to do that. If there is not consent, then the Chair will move to Questions on the Order Paper. Perhaps I could have some indication as to whether the other side would consent.

Mr. Gauthier: Mr. Speaker, of course, we would like to go back and complete Routine Proceedings but we cannot agree that the motion be put to the House, because you will understand that that would destroy the argument we have been making to you this morning, that there cannot be a motion that supersedes . . . This would be a superseding motion and I do not think that would be acceptable in terms of procedure. The House can do those things with unanimous consent, but I do not want it to be done by way of a motion because I believe it would destroy the arguments we have been putting this morning. However, by consent, I agree.

Mr. Murphy: Mr. Speaker, I will also give unanimous consent on the part of the New Democratic Party to begin with Petitions at this time. However, I suggest that it only be done with the caveat of all the preconditions listed by the Parliamentary Secretary to the Government House Leader.

Mr. Speaker: Perhaps the Parliamentary Secretary could help the Chair. There seems to be consent to go back to Petitions, if that is what the Parliamentary Secretary was suggesting.

Mr. Lewis: Mr. Speaker, while I am on my feet, I want to advise the House that we will be answering Questions Nos. 78 and 79 today. I would ask that the remaining questions be allowed to stand.

Mr. Gauthier: You have not got consent.

Mr. Lewis: I have not asked for it yet.

Mr. Speaker: Perhaps the Chair can help. The Parliamentary Secretary has suggested that that is what he would be doing. I think it is understood that we are not at that point yet. I am anxious to know what is the will of the House and perhaps the Parliamentary Secretary could help in that respect.

Mr. Lewis: Now that I have tabled the questions, I would be prepared to move, seconded by the Deputy Prime Minister (Mr. Mazankowski):

> That the House do now revert to Presenting Petitions and continue with the balance of Routine Proceedings until they are completed or 1 p.m., whichever comes first.

I suggest that the Government will undertake that no government Bills will be introduced under Introduction of

Bills, that no government Notices of Motions will be introduced under Government Notices of Motions, and no government Member of Parliament will proceed with a concurrence motion.

Mr. Speaker: The House has heard the suggestion. There are certainly caveats there by which the Chair would obviously be bound. Is that acceptable?

Mr. Murphy: Mr. Speaker, the caveat that myself and the Member for Ottawa—Vanier (Mr. Gauthier) put on unanimous consent is that there be no motion, but that we would automatically be on Petitions by unanimous consent. We do not want this motion adopted by the House because we believe that it sets a precedent for the very thing we have been arguing against for the last hour and a half.

Mr. Speaker: Perhaps the Chair can settle that. I am not prepared to get into a procedural argument over the motion.

Let us put it this way, if it is acceptable to the government side, a suggestion has been made to revert. That is all it is. If there is the consent the House can do anything. It does not bind anyone procedurally, and it certainly does not bind me.

If it is the will of the House to revert to presenting petitions, I will simply clean up the business of Questions on the Order Paper and we will revert.

I can assure you that under no circumstances will this be taken as a precedent which would create any of the difficulties suggested by the Hon. Member for Churchill (Mr. Murphy) and the Hon. Member for Ottawa—Vanier (Mr. Gauthier).

Mr. Penner: Mr. Speaker, I think the concern on this side is that the Parliamentary Secretary is seeking to move halfway back up the daily routine order of business from where he actually wanted to be. He is seeking to do that by way of motion. We are saying that if he is seeking unanimous consent of the House to do that, then such unanimous consent will be granted. The point is that we do not want the Hon. Parliamentary Secretary to proceed in this way by motion, because by moving halfway up the Order Paper by a motion he is doing exactly what he was trying to do by moving to the very bottom. That is what we object to.

Mr. Speaker: The Hon. Parliamentary Secretary has put the point and that is why the Chair is suggesting that if the House wishes to revert back, as a consequence of arrangements between both sides, the Chair is quite prepared to do that. If it is a question of having to argue whether or not a motion under these circumstances is appropriate at this time, the Chair is not prepared to enter into that because I already have a serious matter to decide.

Perhaps both sides can settle this, because we are running out of time anyway.

Mr. Lewis: Mr. Speaker, since there does not seem to be unanimous consent to what we thought was an honourable suggestion, I suggest that we proceed with Orders of the Day, which is the next item on the Order Paper.

Mr. Speaker: The Chair nearly worked out a solution. Perhaps that cannot always be done.

The Hon. Parliamentary Secretary, Questions on the Order Paper. He has tabled the questions.

Mr. Gauthier: He could not have done that. We are not there yet.

Mr. Lewis: Mr. Speaker, I believe I have delivered them to the Table already.

Mr. Speaker: It is true that they have been delivered to the Table but the Chair wanted to make the position clear. Strictly speaking, the Parliamentary Secretary was not at that stage. In order to make it easy for the Chair, perhaps the Parliamentary Secretary could just rise and go through it again.

Mr. Gauthier: Mr. Speaker, I, along with many of my colleagues, am just trying to follow exactly what is happening here. There was a motion which was debated for about an hour and a half. You have given us the undertaking that you will read the submissions and come tomorrow with a ruling. In my opinion, that motion was not put to the House. Therefore, I take it that it lapses at this time because nothing has happened to it. I submit that we cannot leave a motion to lapse like that, unless the Government wants to drop the motion that we proceed to Motions.

• (1240)

Mr. Speaker: I think I can clarify this. I am reserving on the motion of the Parliamentary Secretary this morning. We have heard argument and that argument is now over with. There has been some suggestion, which has not reached a point of consent, with respect to reverting back to Petitions. In the process there was perhaps some misunderstanding and no doubt it was the fault of the Chair. The Parliamentary Secretary did rise on the matter of Questions on the Order Paper, to which the Chair had indicated it would proceed after announcing it was reserving on the motion.

The position of the Chair is that we are at the point of Questions on the Order Paper. I want to ensure that matter is properly dealt with, and I invite the Parliamentary Secretary to rise on Questions on the Order Paper, and we will deal with that.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Doug Lewis (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I wish to advise the House that the following questions will be

answered today: Nos. 78 and 79. I ask that the remaining questions be allowed to stand.

[*Text*]

CANADA STUDENT LOANS PROGRAM

Question No. 78—**Ms. McDonald:**

1. In the last year, has the Canada Student Loans Program directorate received any complaints concerning Schedule 2 of the loans form and, if so, how many?

2. Are full-time post-secondary students being charged interest on their student loans because of errors in completing Schedule 2 and, if so, in how many instances?

3. Since September 4, 1984, has the Secretary of State used his ministerial discretion to forgive interest accumulating on a Canada student loan as a result of Schedule 2 not being completed when the debtor remains a full-time or part-time student and, if so, how many times?

Hon. David Crombie (Secretary of State of Canada): 1. The Canada Student Loans Program receives a great volume of telephone inquiries and correspondence on a daily basis, including complaints concerning Schedule 2. However, because records are not kept by subject matter, the number of complaints concerning Schedule 2 are not available.

2. No.

3. No.

VIA RAIL NON-SMOKING FACILITIES

Question No. 79—**Ms. McDonald:**

1. On VIA rail facilities are provisions for non-smoking passengers made for (*a*) completely smoke free air (*b*) designated but not separately ventilated non-smoking areas and, if so, what are they and (i) on which passenger train routes (ii) in which train stations do they apply?

2. Does VIA rail cancel its scheduled non-smoking train services and, if so, how frequently?

3. To the knowledge of the Government, have health and safety chairmen been appointed to promote smoking and to work against the establishment of a smoke free work environment and the protection of VIA rail passengers from side-stream smoke?

Hon. John C. Crosbie (Minister of Transport): 1. (*a*) Completely smoke free cars operate on all VIA trains serving the following routes: Montreal-Quebec City (South Shore), Montreal-Ottawa, Ottawa-Toronto (except the overnight train), Montreal-Toronto (except the overnight train), Toronto-Windsor, Toronto-Sarnia, Toronto-London and Toronto-Havelock.

(*b*) Designated but not separately ventilated non-smoking areas are provided: (i) on all other routes operated by VIA; (ii) in the following stations: Vancouver, Winnipeg, Windsor, Chatham, London, Woodstock, Stratford, Kitchener, Brantford, Toronto, Kingston, Belleville, Brampton, Guelph, Sudbury, Moncton, Sussex, Saint John, Campbellton, Bathurst, Sackville, Charlottetown, Truro, Sydney, Antigonish, Port Hawkesbury, North Sydney and Halifax.

2. VIA does not cancel non-smoking train services.

3. A health and safety committee has been established at VIA to work for, not against, the establishment of a smoke free environment. VIA is committeed to improving the protection against side stream smoke for VIA's passengers wherever possible.

[*English*]

Mr. Speaker: The questions as enumerated by the Parliamentary Secretary have been answered.

Miss Aideen Nicholson (Trinity): Mr. Speaker, I wonder if the Parliamentary Secretary would be kind enough to indicate when I may expect a reply to Question No. 63?

Mr. Lewis: Mr. Speaker, I shall take that under notice and get back to my colleague as soon as possible.

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

Some Hon. Members: Agreed.

Mr. Speaker: The Chair should advise Hon. Members that we are, therefore, now on the item of Orders of the Day.

GOVERNMENT ORDERS

[*English*]

THE BUDGET

FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The House resumed from Friday, April 3, consideration of the motion of Mr. Wilson (Etobicoke Centre) that this House approves in general the budgetary policy of the Government.

Mr. Speaker: Perhaps I should advise Hon. Members before we proceed with debate that because this is a Budget item there will be no Private Members' Hour or Adjournment Debate this evening.

Mr. Keith Penner (Cochrane—Superior): Mr. Speaker, the Budget which was presented to the House by the Minister of Finance (Mr. Wilson) on February 18, I would submit, is in many ways a most curious document. It is reported to have been said by some that it is an economic report card. If that is the case, it is certainly a report card which I would not want to take home to my parents, if I were a student.

The Minister said this Budget represents a breathing space prior to tax reform. Perhaps it gives the Minister of Finance and the Government a breathing space, and it certainly gives a breathing space to corporations which continue to enjoy tax benefits prior to tax reform, but it gives no breathing space to those who are required to pay more as a result of this Budget and the Minister's preceding Budgets. If one belongs to that class of persons called "the working poor", if one has no job at all, or if one lives in a region of Canada where economic disparity is its most apt description, there is no breathing space, because the tax burden is a little heavier and there is no relief in sight.

The Budget seems to say in places that the Government understands our problems, it is sympathetic, but there is nothing it can do to help. In fact, the Budget seems to say that the problems of the Government are bigger and more serious than those of the working poor, those without a job or those who live in one of the regions of economic disparity. The Government is saying it is sympathetic, it cares and understands, but it cannot help because its problems are bigger than our problems.

Members of Parliament might be able to get away with that in talking to each other in Parliament, but to those living in regions of economic disparity, those who are part of the group known as the working poor or those who are unemployed, it is not very convincing at all to say "My friend, you think you have problems. Do you not know that the problems of the Government are bigger than your problems? Do you not know that the Government is sympathetic and cares but there is nothing it can do to help?"

The Budget seems to say in places that the Government knows that what it is doing is not right, but it is going to do it anyway. I will give an example of that. One part of the Budget says that the federal sales tax is unfair and inefficient, that it is a silent killer of jobs. Few parliamentarians would argue with that. But having given this accurate analysis of an inappropriate tax, the Government goes on to impose further sales and excise taxes, digging a little deeper, to the tune of some $700 million, into the pockets of consumers.

It is true there are some consumers who can bear that burden, but I tell you, Mr. Speaker, that those who belong to that group called the working poor, those who are without jobs and depend either on unemployment insurance or provincial and local welfare, or persons who live in one of the disadvantaged regions, cannot bear this additional burden.

In his agenda for economic renewal the Minister states that Canada's prosperity depends upon drawing on the strength of all regions of this country. When the Minister wrote this, or when it was written for him, what was in mind was the nature of Canada, that all of the regions have their part to play in the total national well-being . We cannot depend on just a few regions which are bursting their seams with prosperity. The Minister says that Canada's prosperity depends upon the strengths of all regions, and he is right. What we are saying is that we want what he preaches put into practice.

The same Minister who used that marvellous text, that the strength of Canada depends on all of its regions, goes on to say that the renewed health of the national economy masks a number of regional problems, particularly in regions dependent upon primary resources. So the Minister recognizes that there is a problem.

I know from first-hand experience whereof the Minister speaks, because the region of northern Ontario which I represent, along with other regions, looks to its natural resources for its economic health. It looks, for example, to the forest industry and to the mining industry. It looks to agriculture and to tourism. Those are all sectors which depend upon natural resources for the health of those industries.

I want to report to the House and to you, Sir, that those four areas in the region I represent are not doing well at all. We have problems. Those problems are serious.

• (1250)

Again, the Minister of Finance is fair enough to recognize that. But, though he recognizes that there are problems, he offers no remedies. In fact, instead of offering some hope, even some token help, he compounds the problem. He makes it worse with his various budgetary measures and proposals. He writes in the document which I call his "agenda", "The development of resource industries demands our close attention, as does the challenge of enhancing regional development".

What is the nature of the challenge about which the Minister of Finance speaks? According to him, it is to help cushion the impacts of depressed prices and help producers adjust to market realities. That is very appealing to the people of northern Ontario, the people I represent who depend on the natural resource sector. It is a very appealing argument. All of the texts in this magnificent sermon are on target. They are all right. But then we have the practice which is so different from the texts.

In his Budget Speech the Minister notes, at least in passing, that the benefits of our current economic performance have not been equally shared across the country. Then we have this honest and forthright admission from the Minister, "Some regions are hurting". Yes, I can say to the Minister that some regions in the country are hurting, and they are hurting rather badly. I have already told Members of the House that northern Ontario is in this category, as is, most particularly, northeastern Ontario where unemployment is approaching the level of 15 per cent at the present time. Youth unemployment across northern Ontario is around 22 per cent.

In order for the forest products industry to remain competitive in a very tough world, and in order for it to stay in business, it has been forced to modernize, to introduce new technology. But that has meant a reduction in the workforce. Human labour has been replaced in many pulp and paper mills by machines. The need to introduce efficiency measures in order to remain competitive has also meant some additional lay-offs. Pollution control orders, as necessary and as important as they are, mean further expenditures and therefore cuts somewhere else in the industry. The cost of getting wood to where it can be transformed into a marketable product is in this region of Canada very, very high. In circumstances such as those the return on investment and the profit margins are not at all exorbitant. They are not high. In fact, in many cases they are minimal.

These are facts. They do not represent news to Members of this House, not at all. I think we understand that this particular sector is in some difficulty. We recognize that the steps it has taken, even though they have increased unemployment, are necessary so that towns do not close down completely.

I now want to ask the House what the Government has done to cushion the impacts. To use a phrase directly from the Minister's sermon, what has the Government done to cushion the impacts on this industry in a region which is hurting? As unbelievable as it may sound, it has imposed a 15 per cent federal export tax on the shipment of softwood lumber to the United States. For many operations this 15 per cent represents the margin of profit, and then some.

How did this come about? How is it that the industry suddenly finds itself with a 15 per cent export tax on softwood lumber which it ships to the United States? It happened as a very direct result of the bungling interference of the Minister for International Trade (Miss Carney). She bungled into a situation which was well in hand by the industry itself. It was dealing with the threat of a U.S. countervailing tariff. Its legal counsel were well briefed. The funds were in hand in order to deal with this situation through the judicial process in the United States of America. But the Minister for International Trade bungled into a realm in which she was totally at a loss.

The result is that we are now faced with a 15 per cent export tax on softwood lumber. As a result of this, millions of dollars are being extracted from regions such as northern Ontario. Some sawmills have been forced to close. Plans to open others have been shelved. Many small, independent sawmills are operating so close to their tolerable limit of costs that they too may be compelled to fold.

I ask Hon. Members, is that not a strange and unusual way to cushion the impacts in a region which is hurting? This is what the Minister said: "The Government recognizes that certain regions are hurting". The Minister has said that the Government recognizes that certain regions are hurting and that we must move to cushion the impacts. Yet what do we get? We get a 15 per cent export tax on softwood lumber.

If that is not enough, the Canadian National Railway is also there. Never a friend of developing regions, this Crown corporation, especially in northern Ontario where it has the reputation of being one of its worst corporate citizens, decided as of January 1, 1987, to add a further burden on softwood lumber by imposing an additional 3 per cent freight rate on all shipments.

I wish to report to you, Mr. Speaker, and to other Members of the House, that in northern Ontario we are hurting. Nothing has been done to cushion the impacts. I want to ask, where is the Minister of Finance now that we need him?

In 1984-85, which was the year the Conservative Party took office, the annual expenditures for economic and regional development amounted to nearly $15 billion. The very next year, one year after the Party opposite had been in power, in 1985-86, that sum was reduced to under $12 billion. Then, in 1986-87, it was at the same amount of about $12 billion. It is anticipated that in the current fiscal year it will fall to about $9 billion. Altogether that means that somewhere in the neighbourhood of $12 billion that would have been spent on economic and regional development has not been there. It is no wonder the regions are hurting. This is a sizeable amount of money that would have been invested in the regions. This is the money that would have cushioned the severity of the economic situation, but it is not there.

The Minister boasts in his Budget about the number of new jobs which have been created. But he did not tell us the nature of those jobs.

I would like to continue my remarks when you recognize me again, Mr. Speaker.

Mr. Deputy Speaker: It being 1 p.m., I do now leave the Chair until 2 p.m. this day.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S. O. 21

[*English*]

THE ADMINISTRATION

CRITICISM OF THE MEDIA

Mr. George Henderson (Egmont): Mr. Speaker, over the week-end the Deputy Prime Minister (Mr. Mazankowski) said the Government's poor performance is due to its failure to get its message out. I disagree. The Government's problem is the fact that Canadians do not like the message going out. The Government cannot even sell the message to its own caucus members.

There is growing dissent in Tory ranks. The Hon. Member for Calgary East (Mr. Kindy) is even quoted as saying, "The Prime Minister hears but doesn't listen". In the past the Prime Minister (Mr. Mulroney) has blamed the Ottawa-based media for his problems. Last year he said he was going to bypass them altogether and go directly to the regional press. Like his other plans, that one also backfired.

Members of the press deemed unfriendly are either gagged by head office or shipped to points unknown. No doubt a new program is in the making, aptly called "Critics in Exile".

Maybe I can end with this short verse:

The Prime Minister is filled with joy to see the last of Claire Hoy. For other scribes, especially those at the *Sun*, keep in mind what is happening to Hodgson.

S. O. 21

THE MEDIA

COALITION FOR FAMILY VALUES—CHILD CARE RELEASE IGNORED

Mr. Ross Belsher (Fraser Valley East): Mr. Speaker, I think media people would describe themselves as objective and fair in reporting news. Yet a news release put out by the Coalition for Family Values was greeted by the media with silence.

This release supports the *Report of the Special Committee on Child Care*. Since it has not received any media attention I would like to put their comments on record. They complimented the committee for bringing "a refreshing perspective and common sense to the child care debate". They went on to say that "no one apart from federal Health and Welfare Minister Jake Epp, and a few others, has bothered to ask what is in the best interest of the children themselves or who is best equipped to meet their needs".

What the Coalition for Family Values likes about the report is that, "unlike the universalists, the special committee recognizes the diversity of Canadian families and that the primary responsibility for raising children is with the parents". I congratulate the Coalition for Family Values for their insight. I know the news media would not want this one to slip by.

* * *

HOUSING

NEEDS OF FAMILIES HEADED BY SINGLE WOMEN PARENTS

Mr. Neil Young (Beaches): Mr. Speaker, a report released last week by the Canadian Advisory Council for the Status of Women points out how poorly Canadian housing policy is serving single women, especially mothers.

Although households led by women are the largest group living in public housing, project plans rarely take into adequate account needs for child care, public transport, shopping centres, or even a safe environment.

Owning a home means security, but if you are a woman heading a family you are far more likely to be a renter. That means insecurity, fluctuating rental markets, low vacancy rates, the changing winds of government policy, and the loss of inexpensive housing to gentrification. Some 62 per cent of female-headed households are tenants, compared with only 30 per cent of households headed by men.

The report also looks at the special problems of native, immigrant, and disabled women as well as teenaged mothers and battered women, and finds government policy wanting. I urge the Government to listen to the concerns raised in this report and take concrete action to correct them.

[*Translation*]

NATIONAL SOIL CONSERVATION WEEK

NEED TO USE CHEMICAL PRODUCTS PRUDENTLY

Mrs. Lise Bourgault (Argenteuil—Papineau): Mr. Speaker, I want to take this opportunity today to say a few words about National Soil Conservation Week, being held from April 13 to April 17.

Mr. Speaker, soil erosion is a problem that ought to be a concern not just of our farmers but of all Canadians who want to ensure that their children and grandchildren will be able to depend on our land for food.

Mr. Speaker, although most Canadians will find this hard to believe, because of soil deterioration, Canada's ability to feed its population will decline unless we start making more prudent use of chemicals and other products that are largely responsible for the deterioration of about 20 per cent of the arable land in this country.

I would urge all Canadians to participate in this week's activities and, above all, to consider conservation when they start getting their garden plots ready this year. Soil conservation must become a priority with us all, and in concluding, I wish to commend Agriculture Canada for this initiative, and I hope that with the provinces, the Department will find a way to maintain the quality of our soil, that great national resource.

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[*English*]

CANADIAN JOBS STRATEGY

EMPLOYMENT TRAINING BY PROFIT-MAKING ENTERPRISES

Miss Aideen Nicholson (Trinity): Mr. Speaker, organizations such as the Toronto-based Community Coalition on the Canadian Jobs Strategy are directly involved in delivering federal job training programs and are knowledgeable about how the programs are working. A major concern is that the Canadian Jobs Strategy is increasingly geared to training by profit-making enterprises, although the not-for-profit sector has an established track record in providing effective training for those identified as employment disadvantaged.

• (1405)

A second concern is that eligibility requirements are rigidly applied and more restrictive than in the past, with the result that people in need of job training—immigrant women and sole-support mothers in particular—are shut out of the programs which could help them.

We all want to see more Canadians participating fully in the job market, with more of the skills Canada needs for a strong economy.

The Government should accept that improvement is always possible and consider implementing some of the recommendations it has received from those directly involved in delivering programs under the Canadian Jobs Strategy.

* * *

TOURISM

CAPE BRETON ATTRACTIONS PROGRAM

Mr. Lawrence I. O'Neil (Cape Breton Highlands—Canso): Mr. Speaker, economic renewal in Cape Breton and eastern Nova Scotia remains my top priority. I have worked with members of the Cabinet and my constituents to put in place an economic strategy which requires the enhancement of our indigenous resources and the attraction of investment in the manufacturing sector.

Cape Breton is world famous as one of Canada's most beautiful areas. It is also the home of Canada's richest cultural milieu, boasting a wealthy Acadian, Scottish, and native heritage. Such cultural and physical beauty represent an opportunity for tourism development.

Last week a $14 million amendment to the Canada-Nova Scotia Tourism Agreement was signed. This agreement was signed at Cheticamp, a picturesque Acadian community in my riding. The amendment introduces the Cape Breton Attractions Program, a program to identify and develop major top quality tourism attractions on the island.

This program underscores the commitment of two Governments to developing a strong Cape Breton economy, and recognizes the significant role tourism must play in the process.

I congratulate the Minister of State for Small Businesses and Tourism (Mr. Valcourt) and the Minister of Regional Industrial Expansion (Mr. Côté) for their continuing commitment to enhancing the economic opportunities of the people of Cape Breton and eastern Nova Scotia.

* * *

AGRICULTURE

FARM DEBT—DANGER TO YOUNG FARMERS

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, debt servicing is the number one input cost for agricultural producers in Canada today. This debt crisis, tied to the desperately low commodity prices farmers are receiving for their crops, will result in the bankruptcy of thousands of our younger, more progressive farm families. These farmers are being driven off their land, not because they do not know how to farm, but because they expanded their operations or entered farming at what now turns out to be the wrong time.

S. O. 21

Recent government farm income assistance programs have been welcomed by farmers and have helped somewhat. Unfortunately, however, the Government has not been doing much to address the very basic problem of farm debt.

New Democrats call upon the federal Government to take up its responsibilities to find a solution to the problems of farm debt and inter-generational farm transfers. Swift action is necessary to save as many of these farmers as possible.

* * *

[*Translation*]

MEN

DISCRIMINATION IN GRANTING LEAVE FOR BIRTH OF CHILDREN

Mrs. Lucie Pépin (Outremont): Mr. Speaker, some time ago, an employee with the Customs and Excise Branch of the Department of National Revenue was denied a request for paid leave upon the birth of his child. He had asked for 17 weeks' leave with pay in July, 1986, but his request was denied, and he was allowed only the usual one day's leave with pay granted fathers at the birth of a child. The employee filed a complaint with the Public Service Staff Relations Board and the Human Rights Commission.

Mr. Speaker, by denying a father parental leave, this Government seems to be suggesting that only the mother should take care of children at birth. Mr. Douglas and his wife are both parents, but according to the Government, the mother bears full responsibility for her children. This policy discriminates against both men and women, because it suggests only the woman should leave her job to take care of the child at the time of birth. Since this Government has repeated many times that it believes in equality between men and women, I think this is an opportunity for the Government to act accordingly.

I would therefore ask the President of the Treasury Board (Mr. de Cotret) to evaluate the general policy of parental leave and I would also ask the Minister of National Revenue (Mr. MacKay) to review this case and to let the father take the parental leave to which he is entitled.

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[*English*]

CITIZENSHIP

CANADIAN CITIZENSHIP ACT—FORTIETH ANNIVERSARY OF ENACTMENT

Mr. Ted Schellenberg (Nanaimo—Alberni): Mr. Speaker, 1987 marks the fortieth anniversary of Canadian citizenship, and the week of April 12 to April 18 has been declared the first ever National Citizenship Week by the Prime Minister (Mr. Mulroney).

S. O. 21

Prior to the enactment of the Canadian Citizenship Act in 1947 there was no such thing as Canadian citizenship; there were no such persons as Canadian citizens. As you may recall, Mr. Speaker, we were all British subjects in those days. With the passage of that Act of Parliament we took a great leap forward in affirming our uniqueness and independence among world nations.

• (1410)

I remember very well when the value of that citizenship was shown to me. I was much younger and backpacking my way through France. One day, as I sat by the side of the road in Calais, I was approached by a middle-aged Frenchman. He asked me if I had a place to stay, if I was hungry, and if everything was all right. I asked him why he showed so much interest in a traveller. He then pointed to the red maple leaf on my packsack, Mr. Speaker, and said: "During the war, I had a Canadian friend".

Our soldiers fought for Canadian citizenship and all that it represents. We have much to be thankful for. This week, during National Citizenship Week, we have much to celebrate.

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FINANCE

HOUSING TAX DEDUCTION APPLICABLE TO ISOLATED POSTS

Mr. Geoff Wilson (Swift Current—Maple Creek): Mr. Speaker, the February, 1986, Budget extended to all permanent residents of isolated posts an additional tax deduction in respect of housing costs. According to a December, 1986, release the Finance Department considers Treasury Board guidelines, which have been used for many years for providing northern benefits to federal employees, to be the appropriate criteria for ascertaining which locations qualify for the new benefits.

The December list of isolated posts included several prairie towns in populated areas within a few miles of the U.S. border. Area farmers and residents of other nearby towns are asking why they would not also qualify, while residents in the designated posts remain uncertain as to whether they really are eligible. Everyone wonders why federal government employees should have a special deduction not enjoyed by other residents.

Clearly, the intent of the February, 1986, proposals is good but the criteria for designating what is an isolated post need a thorough overhaul. I call on the Minister of Finance (Mr. Wilson) to issue clarification at an early date.

FINANCE

DOME PETROLEUM TAKEOVER—REQUEST FOR ADVANCE TAX RULING

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, in July, 1984, the former Liberal Government approved a special $1 billion tax remission for Dome Petroleum which was confirmed by the Conservative Government in February, 1985.

The Auditor General said that he was disturbed by this remission because the House of Commons was neither informed nor given the opportunity to debate the matter. He said: "There is something very wrong with a system that allows a $1 billion policy decision to be made by way of a tax expenditure with Parliament having so little information on the transaction".

We have now learned that Dome Petroleum has received a takeover bid from TransCanada PipeLines which will be worth between $4 billion and $5 billion and which is likely to involve new and major concessions from the Canadian taxpayer.

I call on the Government to turn its back on past practices, to heed the advice of the Auditor General, and to ensure that all the details of any proposed multimillion dollar corporate tax ruling be laid before Parliament and the people of Canada. We must not give billions of dollars for this particular takeover without Parliament being informed and having a chance to give its consent.

* * *

HARBOURFRONT

MORATORIUM ON TORONTO WATERFRONT CONSTRUCTION PROJECTS

Mr. Alan Redway (York East): Mr. Speaker, Toronto Harbourfront Park property is an exciting public resource, treasured by all of the people of the Metropolitan Toronto area. Although Harbourfront is federally owned, the City of Toronto through its official plan, its zoning and building by-laws, controls construction, density, heights, and building permits on the property.

For many months now residents have been extremely concerned about the city's planning and development process. Forty-storey buildings are proposed where 10-storey buildings were planned, densities are shifted from one site to another, minor variance approvals increase building sizes by as much as 15 per cent, and construction has been proceeding on some sites without building permits. Because of this, residents welcome the Government's announced construction moratorium pending a federal review. Hopefully this means a total freeze and a review, with full public input and participation.

DISASTERS

NEW BRUNSWICK FLOODS—ASSISTANCE PROVIDED BY UNITED STATES SERVICEMEN AND WOMEN

Mr. Fernand Robichaud (Westmorland—Kent): Mr. Speaker, shortly before dawn on Saturday, April 11, 1987, 200 volunteer American servicemen and servicewomen boarded trucks and jeeps at Loring Air Force base in northern Maine and made an historic 20-kilometre journey to help flood victims in Perth-Andover, New Brunswick.

Volunteering their off-duty time, the servicemen and servicewomen put in an unmeasurable effort in assisting residents of this small New Brunswick community ravaged by the floodwaters of the Saint John River some 11 days ago.

• (1415)

On behalf of the 1,900 residents of Perth—Andover and all the people of the Province of New Brunswick, I would like to extend my deepest appreciation as well as my sincere thanks to all of the American servicemen and sevicewomen who not only offered a most needed helping hand but also valuable moral support and a shining ray of hope to a community victimized by this destructive natural tragedy.

It is this kind of international co-operation that touches deeply the hearts of all Canadians while leaving a fond memory that will never be erased in the hearts of the people of Perth—Andover.

* * *

THE ECONOMY

RISE IN EXCHANGE VALUE OF DOLLAR

Mr. John Oostrom (Willowdale): Mr. Speaker, on March 1, 1986, in attacking the Budget, the Liberal finance critic stated that he certainly would not be surprised to see the dollar at 68 cents. That prediction, along with all predictions made by the Liberal Party on financial matters, is wrong. On Friday the dollar closed at 76.7 cents U.S. and at one point it was trading at 76.92 cents U.S.

Bryan Griffiths, Vice-President of Trading and Treasury Services with the Royal Bank stated on April 11, 1987, that the firmness of the dollar indicates that capital is leaving other jurisdictions and flowing into Canada and that it is a question of confidence building confidence.

The building of confidence is exactly what the Minister of Finance (Mr. Wilson) has accomplished. His policies have given Canadians the lowest interest rate in the past 10 years. The deficit has been reduced for the third year in a row. The inflation rate has been at 4 per cent over the past two and a half years. Over 700,000 jobs have been created.

The Minister of Finance deserves our congratulations for giving Canada sound economic management which has resulted in international confidence in the Canadian economy.

ORAL QUESTION PERIOD

[*English*]

THE ECONOMY

WESTERN ECONOMIC STRATEGY—GOVERNMENT POLICY

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, on July 5, 1984, in Prince Albert, the Prime Minister promised a western economic strategy. On February 18, 1987, in the House of Commons in Ottawa, the Deputy Prime Minister promised a western economic strategy. Three years after the Prime Minister's promise there is a growing political crisis in western Canada.

I would ask the Deputy Prime Minister why there have been no public hearings leading to a western economic strategy. Where is the action the Prime Minister promised three years ago?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I would be very happy to respond to that question. Prior to the federal election of September, 1984, the Prince Albert declaration was unveiled containing some 52 specific commitments to western Canada, ranging from agriculture to energy, to mining, to forestry, to transportation. Forty-two of those specific commitments have been fulfilled already.

Some Hon. Members: Hear, hear!

Mr. Mazankowski: Action on the others is currently being undertaken.

The Hon. Member knows very well that there has been a dramatic decline in oil prices, agricultural commodity prices and prices in the resource sector. Those declines were actions taken outside the influence and bounds of the Government.

The Government is responding in the best possible manner. For example, we undertook to dismantle the NEP and FIRA and to bring in a $500,000 exemption on capital gains. Those are just a few examples. We have acknowledged that more needs to be done, and the second chapter is due to be unveiled very soon.

WESTERN PROPOSAL TO REFORM SENATE

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, we would be glad to take a look at those commitments and responses. If there had been more than a patchwork response in the provinces of western Canada, the Deputy Prime Minister would not have felt it necessary to announce again a month or so ago, three years after the fact, that there would be a western economic strategy.

In that announcement, the Deputy Prime Minister said, and I will use his words, that it will contain a framework for federal decisions affecting western Canada.

• (1420)

Last weekend the Minister of Transport was in western Canada, with the knowledge of the Deputy Prime Minister I am sure. He rejected out of hand the proposal for an elected Senate. Will proposals for an elected Senate be included in the Deputy Prime Minister's plan for a western economic strategy, or was the Minister of Transport speaking on behalf of the Government when he rejected that proposal?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I can tell the Hon. Member and other Hon. Members that we have done more for western Canada than was proposed by the Member for Winnipeg—Fort Garry when he announced a $4 billion package for western Canada which disappeared rather quickly. The Hon. Leader of the Opposition was not very involved in the Liberal Party at that particular time. He was speaking very harshly against the policies of the Liberal Government. I suspect he has not changed now.

With regard to the Liberals' suggestion for improving the western economy, the Member for Winnipeg—Fort Garry unveiled a policy the other day which suggested that, to bring the west back into Confederation and restore the economy, they were going to hold a federal-provincial conference. That is really earth-shattering. I would have thought that after the disaster and fallout from the WEOC conference they would not engage in that sort of titillating stuff.

Mr. Turner (Vancouver Quadra): Mr. Speaker, the Deputy Prime Minister is a little agitated this afternoon. I can understand that. He was in western Canada this weekend. It is too bad he could not have kept his eye on the Minister of Transport who was also out there. The Minister of Agriculture has been or is going out there. The Minister of the Environment has been out there, as has the Minister of International Trade. Everyone is a little disturbed about what is happening to the Government in western Canada.

Mr. Hnatyshyn: At least we get bigger crowds than you do, John.

Mr. Turner (Vancouver Quadra): Oh yeah? I'll help you make a crowd any time, Ray.

INITIAL PRICES FOR GRAIN

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my supplementary question is for the Deputy Prime Minister. While westerners are cooling their heels and farmers are going bankrupt waiting for the Prime Minister to fulfil that three-year promise, will the Government give a commitment today that the 1987-1988 initial prices for grain will be announced immediately? Will the Government guarantee that those prices will at least equal the prices of last year?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, that question has been answered in the House before. As is the custom, the Minister responsible for the Canadian Wheat Board will announce those prices on the appropriate occasion at a time which will be appropriate for the producers.

In response to the Hon. Leader of the Opposition's condemnation of what we have done, I would like to remind you of what he said about some of the things which were put in place by the former Government which we have undone.

He had the following to say about the National Energy Program:

> This policy has curtailed production, savaged investment, killed mega-projects, ruined investor confidence, profoundly damaged relationships with the United States and spawned even further federal-provincial tension.

We have reversed that, Mr. Speaker.

Mr. Turner (Vancouver Quadra): Table that.

Mr. Mazankowski: I would be very glad to table that, Mr. Speaker, with your permission and the permission of the House.

Some Hon. Members: Hear, hear!

ANNOUNCED CLOSURE OF MANITOBA SUGAR COMPANY PLANT

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, I have a question for the Deputy Prime Minister as well. With regard to public consultation, the only initiative we have seen from the Government has been that taken by the Member for Edmonton—Strathcona. It is too bad the Government has not listened more carefully to some of its back-bench members with regard to western Canada.

I will ask a specific question of the Deputy Prime Minister. The NDP Government in Manitoba and the Conservative Government in Ottawa have been at total loggerheads with regard to developing a support program for the sugar farmers in the Province of Manitoba. As a result, the Manitoba Sugar Company has announced the closing of its plant, which will put a $90 million industry out of business and will wipe out 300 or 400 farmers and 400 or 500 jobs.

In light of these very serious circumstances, can the Deputy Prime Minister instruct the Minister of Agriculture or the Minister responsible for the Wheat Board to undertake immediate negotiations with the Province of Manitoba to resolve the stalemate within the week in order that those farmers can seed their crops and we can preserve that industry in Manitoba?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I believe I am correct in saying that the Hon. Minister responsible for the Canadian Wheat Board responded to that question. I think he indicated at the time that Manitoba was offered an opportunity to participate in a program to be shared by the federal and provincial Governments. The Province of Alberta undertook to

become a party to it and I believe the Province of Quebec did as well. I think the problem lies not with the federal Government but with the Government of Manitoba in this respect.

• (1425)

REQUEST THAT GOVERNMENT SEEK AGREEMENT WITH MANITOBA

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, in 1985 the Minister responsible for the Canadian Wheat Board indicated to the Province of Manitoba that as a condition of agreement there would be a sugar policy announced and that the federal Government would cover debts going beyond 1987. Neither of those commitments have been met or been offered.

Unless an agreement is made within this week, the sugar-beet industry of Manitoba will be wiped out. Would it not be appropriate for the Government to take the initiative with the Government of Manitoba to see if some agreement could be found before those dire consequences are met and a $90 million industry is wiped out in a very important western province?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I know the Hon. Member would share the view that the Minister in charge of the Canadian Wheat Board, who has taken a leadership role in this area, is always interested in resolving an issue of this serious magnitude.

I repeat that on the basis of my information there has been an attempt to negotiate a deal with the Manitoba Government. Given the Hon. Member's representation, I will speak to the Minister in charge of the Canadian Wheat Board again. I want to assure him as well that an offer was placed on the table and, for some reason, the Manitoba Government refused to become party to an arrangement that was agreed to by other provinces.

* * *

FINANCE

DOME PETROLEUM TAKEOVER—REQUEST FOR ADVANCE TAX RULING

Mr. Simon de Jong (Regina East): Mr. Speaker, my question is directed to the Minister of Finance. Dome Petroleum has charged that a takeover by TransCanada PipeLines would lead to a loss of hundreds of millions of dollars of tax revenue. This is likely true of any takeover since Dome had a loss of some $2 billion last year, a loss that can be carried forward for seven years. According to one study, it also has tax credits of some $2.4 billion.

Press reports indicate that TransCanada PipeLines has asked for an advance tax ruling. Will the Minister confirm that Dome's losses are transferable and will cost Canadian taxpayers a billion dollars or more?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, at this point I am not in a position to comment on that question. The specific offer by TransCanada is just in the course of being made. We do not have the details of all the elements of the proposal. Once they are made available we will be able to determine what the position of the federal Government should be in connection with that particular aspect of the proposal.

TAX REMISSION ORDER—REQUEST FOR REPORT TO PARLIAMENT

Mr. Simon de Jong (Regina East): Mr. Speaker, when the Minister's Government carried through the Liberal Government's decision to give Dome Petroleum a $1 billion tax remission in February, 1985, the Auditor General commented: "There is something very wrong with a system that allows a $1 billion policy decision to be made by way of a tax expenditure with Parliament having so little information on the transaction". Given the staggering scale of Dome's unused tax losses and deductions, and given the Auditor General's comments regarding the Dome tax remission order, will the Government bring all the details of the tax implications of any takeover before Parliament?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, as I indicated in my previous answer, when the information is available to us I will be in a better position to respond to the question. These matters are of some urgency when there is a takeover offer on the table, so I am not sure I would be able to fulfil the requirement the Hon. Member has put to me. However, we will review the position that TransCanada puts before us if a tax ruling is involved, and will make the decisions known according to the rules set out in the Income Tax Act.

Mr. de Jong: Mr. Speaker, we understand that in certain situations there might be some urgency. I give the Minister our assurance that we will help facilitate in any way possible the Government's introduction of any proposed package so that at least Parliament can have an opportunity to pursue a matter that will potentially cost taxpayers billions of dollars.

• (1430)

POSSIBILITY OF FOREIGN TAKEOVER

Mr. Simon de Jong (Regina East): My final supplementary question again concerns Dome. There is no question that Dome remains one of the major energy players in this country. Apparently, foreign offers are being considered by Dome and a green light to a foreign takeover has been given by the Government. In view of the strategic importance of the Dome reserves and in view of the massive taxpayer subsidies paid to Dome in the past, will the Government give its assurance that the company will remain in Canadian hands?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, what we have to do is allow this process to run its course. We have said all along there should be a private sector solution and we are looking to see whether there are other bids which might in fact materialize. If that is the case, we will review them under the terms of Investment Canada, and if there are other elements of the offers which do require a Government response, we will be in a position to do that. However, these questions at this point are hypothetical. We have to allow the process to work.

* * *

PHARMACEUTICAL INDUSTRY

AMENDMENT OF PATENT ACT—ROLES PLAYED BY MR. PRATT AND MR. HADDAD

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, my question is directed to the Minister of Consumer and Corporate Affairs. The lobbying activities of a Mr. Pratt, President Reagan's chairman of the Trade Advisory Committee and chairman of the Pfizer Inc., one of the largest multinational drug manufacturing companies in the world, coupled with an affidavit submitted by Mr. Bill Haddad describing a conflict of interest and, in particular, the pressure the Canadian Government has come under from the United States, have now resulted in the United States Congress initiating an investigation of Mr. Pratt and his activities, particularly his discussions with our Canadian Ambassador in Washington.

Can the Minister explain why he said Mr. Haddad's affidavit was patently false? And if he so believes in his statement of some weeks ago, would he not do the honourable thing, drop the parliamentary immunity he now has, step outside the Chamber and repeat those allegations?

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, I do not know why the Opposition is so preoccupied with what happens in the United States.

Some Hon. Members: Oh, Oh!

Mr. Andre: I have just come from Montreal where I participated in announcements by Burroughs Wellcome, a United Kingdom multinational, and Rhône-Poulenc, a French multinational, of $39 million worth of research and development in this important area in Montreal.

Some Hon. Members: Hear, hear!

Mr. Andre: However, that is conditional upon the passage of Bill C-22, because, like anyone with common sense, they recognize that one does not make investments in research if the law provides that someone can come along and copy the results as soon as they are discovered.

I would put to the Hon. Member that instead of being preoccupied with what Mr. Haddad or Mr. Pratt has to say, why does he not think about Canadians, particularly those Canadian researchers who want to get to work in Montreal and other parts of this country?

Mr. Dingwall: I say to the Minister that the reason we are preoccupied with what happens in the United States is because the multinational corporations in the United States have drafted Bill C-22. That is why we are concerned.

REQUEST THAT MINISTER MEET MR. HADDAD

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, does the Minister not have the intestinal fortitude to step outside into the foyer to begin some sort of discussions with Mr. Haddad, who is in the Chamber today? Does he not have the intestinal fortitude?

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, apparently, after some weeks and months of examining Bill C-22, the Hon. Member is not aware that 25 of the 63 companies of PMAC are in fact European. In fact he is apparently not aware that every single one of our industrial partners has been after Canada since 1969 to get in step with the rest of the world and provide the same kind of patent protection provided by the rest of the world.

The Hon. Member may think there is some merit in participation in a debate with an American generic manufacturer. I do not. I think we should get along and do what is right for Canada, in Canada's interest. I wish the Opposition would take the same point of view.

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AGRICULTURE

MANITOBA SUGAR BEET INDUSTRY

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, I would like to pursue the question of the future of the sugar-beet industry in Manitoba with the Deputy Prime Minister. In an earlier answer the Deputy Prime Minister went on at great length about the commitment of the Government to western Canada. However, many western Canadians know, Winnipegers in particular, that many promises to western Canada have been broken. Why was the promise of the Government to Manitoba and, in particular, to the Government of Manitoba, that no more provincial moneys would be required for the support of the sugar-beet industry, why was that promise to Manitoba, among others, broken?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, perhaps the Hon. Member would like to outline some of the so-called broken promises because I think this Government has a very distinguished record. I alluded a little earlier to the fact that, out of 52 specific commitments, 43 have been fulfilled and the others are being acted upon.

I remind the Hon. Member that we inherited a legacy of high interest, high debt, and high unemployment. We are acting on all three fronts and making progress, I might say, on all three fronts, which is very important to western Canadians—without, I might add, the support of the New Democratic Party.

I can only add, further to my response to the Hon. Member for Winnipeg—Fort Garry, I tried to respond as best I could and I think I gave an undertaking that, as soon as the Minister in charge of the Canadian Wheat Board returns, I will take it up with him and see what can be done. However, I repeat that there was a proposal, as I understand it, put before the Manitoba Government. The Manitoba Government was not prepared to be a party to an agreement, and the Province of Alberta and the Province of Quebec were.

Mr. Blaikie: Mr. Speaker, I do not have the time under the Standing Orders of the House to go into all the promises made to Winnipeg and to Western Canada which have been broken.

An Hon. Member: Name one.

Mr. Blaikie: The VIA Rail shop in Winnipeg, the Manufacturing Technology Centre. I could go on for some time, Mr. Speaker, but you would not let me.

Mr. de Jong: Where is the CF-18?

Mr. Blaikie: We won't even get into the CF-18.

Mr. Speaker: The Hon. Member will put his question.

PROPOSAL MADE IN 1985

Mr. Bill Blaikie (Winnipeg—Birds Hill): Yes, Mr. Speaker. A proposal was made to the Government of Manitoba, a proposal which involved breaking the promise of the Government that no more provincial moneys would be required. That was a promise made in 1985. When will the Government live up to its promise made in 1985? Never mind what the Government of Alberta does. It lets itself be pushed around by the Government, but not the Government of Manitoba. The Government of Manitoba wants the Government to live up to its promises.

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I certainly would not want the Hon. Member to get the New Democratic Party promises mixed with Progressive Conservative promises because there is no question we have no intention of fulfilling some of the foolish promises put forward by the New Democratic Party before this House or during the election campaign, either.

INDIAN AFFAIRS

SETTLEMENT OF NATIVE CLAIMS IN YUKON—MEMORANDUM OF UNDERSTANDING

Mr. Keith Penner (Cochrane—Superior): Mr. Speaker, my question is directed to the Minister of Indian Affairs and Northern Development. I would like to direct his attention to Yukon. He will know that in November of 1985, three parties, namely, the Council for Yukon Indians, the Government of Canada and the Government of the Yukon reached something which is known as the "Memorandum of Understanding". This Memorandum of Understanding sets out the guidelines for negotiating and settling native claims in the Yukon.

Why is it that the Council for the Yukon Indians has signed, the Government of the Yukon has signed, but so far the place for the signature of the Government of Canada remains blank? I ask that question because in June of 1986 the all-party Committee on Aboriginal Affairs recommended that this Memorandum of Understanding be signed.

Hon. Bill McKnight (Minister of Indian Affairs and Northern Development): Mr. Speaker, it was not *carte blanche* from the Standing Committee that that be signed. There were some provisions which were made by the Standing Committee so that the memorandum could be signed. Those provisions, as the Hon. Member well knows, have not been met.

Mr. Penner: Well, the Minister knows that the main provision, as outlined in the Minister's response, was that the Coolican Task Force report be responded to by the Government, and that has been done.

INSTRUCTIONS TO FEDERAL NEGOTIATOR

Mr. Keith Penner (Cochrane—Superior): Why does the Minister leave the federal negotiator standing waiting in the Yukon without his instructions? When will the Minister get busy and issue the marching orders to that negotiator, incorporate this Memorandum of Understanding in the mandate, and allow him to get down to work in this important matter in the Yukon Territory?

• (1440)

Hon. Bill McKnight (Minister of Indian Affairs and Northern Development): Mr. Speaker, I also recognize, as the Hon. Member does, that the settlement of land claims in Yukon not just for Indian people but for all Yukoners is a very important matter. The mandate is proceeding through Cabinet with respect to the Dene-Métis claim. The CYI claim will proceed. I have already had discussions and will be having further discussions with the Council of Yukon Indians. In due course the mandate will be put forward.

I remind the Hon. Member that there was a mandate in place for over a dozen years. I ask the Hon. Member to allow the Government, which has had from December, to come forward with a mandate sometime this spring, a mandate which we hope will provide settlement of the Yukon claims.

Oral Questions

THE ADMINISTRATION

CODE OF CONDUCT—MORTGAGE ON OTTAWA PROPERTIES—MINISTER'S ALLEGED ROLE

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, my question is for the Deputy Prime Minister regarding the Code of Conduct and conflict of interest guidelines for Ministers of the Crown. Is the Deputy Prime Minister aware that on February 18 of this year the Minister of State for Fitness and Amateur Sport gave a $354,000 subordinated mortgage loan on two investment properties in downtown Ottawa at 494 and 504 Albert Street which are currently the subject of a controversial redevelopment application now before City Hall, and that on the same day he filed a statement with the official responsible for the Code of Conduct which makes no reference to this $354,000 mortgage and gives no indication that it was handled through a blind trust?

In view of the risky nature of this investment can the Deputy Prime Minister tell the House whether speculative commercial mortgage lending is a permitted activity under the Government's Code of Conduct for Ministers of the Crown?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I have had an opportunity to look into this issue briefly. I am advised, and I would like to inform the House, that the Minister had a 50 per cent interest in this building. It was sold. An interim mortgage has been arranged until August. However, the transaction for the sale has been completed. When the full payment is made in August the Minister will have no further interest in the building in question.

I do not think that this is a matter of hiding anything. Everything has been revealed to the ADRG. My understanding is that this particular transaction is fully consistent with the rules that have been outlined and that the Minister has complied with the spirit of the letter of the rules.

COMMERCIAL ACTIVITY QUERY

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, I would remind the Deputy Prime Minister of the section of the code that specifically tells cabinet Ministers that outside of their official duties they must not actively manage or operate a business or commercial activity. While I appreciate the Minister's answer he must also be aware—and perhaps he is not—that the properties in question appear to be grossly overmortgaged, except in light of a speculative effort by the new owners to redevelop them.

When a cabinet Minister makes a $354,000 second or third mortgage loan, is that not a commercial activity which is in fact prohibited by the code? What action does the Government intend to take to enforce the code with respect to the Minister of State for Fitness and Amateur Sport?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, the Hon. Minister declared his interest. He has turned around and sold the property. The corresponding notification has been put in place. As I said, I have looked into this matter in a preliminary way. I am advised that he is complying. But I will check further again and get back to the Hon. Member. I think that the Minister himself may wish to comment on the matter and raise it in the House himself when he returns.

MINISTER'S COMPLIANCE WITH CONFLICT OF INTEREST GUIDELINES

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, my question is for the Deputy Prime Minister. It concerns the two loans about which we are speaking. One thing that is important to know in order to ascertain whether the Minister complied with the conflict of interest guidelines or not is whether these two loans were entered into by a blind trust on behalf of the Minister, or whether the Minister himself lent the money directly with respect to these two buildings on Albert Street.

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I think I have indicated that I would attempt to ascertain all the facts. I also indicated that I am sure the Hon. Minister would be in the House to make any comment that he may wish to clarify the issue.

I only hope that the Hon. Member who has posed the question will abide by the guidelines and the code of conduct that have been suggested by his Leader, that is, before one starts suggesting wrongdoing and allegations—

Mr. Gauthier: Just asking questions. If you can't answer them, sit down.

Mr. Mazankowski: —Members should try to determine the facts.

Mr. McDermid: Nothing but innuendo!

Mr. Blackburn (Brant): You really should not have to go on the defensive.

Mr. Mazankowski: Is it not funny, Mr. Speaker, these people ask questions but are not prepared to listen to the facts? They are not even patient enough to find out the facts. I have undertaken to find out the facts—

Mr. Rossi: You are not giving any facts.

POWER OF ATTORNEY ALLEGEDLY GRANTED TO MINISTER'S WIFE

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, in view of the good intentions of the Deputy Prime Minister to obtain more information and to come back to the House with details, I would ask him while he is at it to check whether it is right that on February 18, 1987, the Hon. Minister of State for Fitness and Amateur Sport granted a power of attorney to his wife, a certain Leata Jelinek, to act on his behalf in some of these matters, and whether she used this power of attorney to

enter into an agreement-postponing mortgage whereby the Canadian Imperial Bank of Commerce mortgage would have precedence over the Minister's mortgage? Could he check that, too, while he is at it?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I am not sure what the Hon. Member is implying. It is obvious that Members opposite are leading up to another series of accusations based on suspicion, innuendo, and unfounded rumour. I might say that they are obviously doing this with the full blessing of their Leader.

Mr. Speaker: The Hon. Member for Willowdale.

Mr. Crosbie: Sleazebag Incorporated!

Mr. Oostrom: Mr. Speaker, my question is for the Secretary of State for External Affairs—

Mr. Turner (Vancouver Quadra): That is why we had to put the Mounties on the last one, John.

Mr. Crosbie: He's apparently at it again.

Mr. Blaikie: It's your own guy who is going to ask a question.

Mr. Speaker: I would like to point out that on Friday, in an attempt to give every opportunity to members to ask questions, Question Period was extended for some minutes. We cannot do that every day. I know that Hon. Members will respect the fact that there are other Hon. Members who will want to be heard today. The Hon. Member for Willowdale.

* * *

WAR CRIMINALS

UNITED NATIONS FILES—ACCESS BY STATE OF ISRAEL

Mr. John Oostrom (Willowdale): Mr. Speaker, my question is for the Secretary of State for External Affairs. Members of the Congregation B'nai Torah and myself are very concerned that the United Nations is currently holding some 38,000 closed files on World War II war criminals. Has the State of Israel approached Canada for its support in being able to examine these files? If so, will Canada give its permission?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, as I understand the situation, this was the subject of questions in the House two or three weeks ago. The State of Israel and other Governments and, indeed, judicial and quasi-judicial bodies of other Governments, have the right of access to those files. The right of access by individuals is denied. I think the House will understand that that makes sense, given the fact that those files contain many allegations that are not in a position to be verified. Thus we have not been approached by the State of Israel. But I do believe that there would not be any need for an approach to occur since Israel, under a decision by the Secretary General, has as a state that right of access.

* * *

VIA RAIL

ACQUISITION OF ROLLING STOCK

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, my question is for the Minister of Transport concerning VIA Rail. On Thursday when I questioned the Deputy Prime Minister he was unable to give me a specific answer with respect to whether or not the Government has decided not to purchase new Canadian-built rolling stock for VIA Rail. Will the Minister please advise the House and the people of Canada whether the Government is planning to go ahead with this project or not?

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, I cannot advise the Minister because we have not made any final decision yet. But a final decision will be made certainly in a few days or in the next several weeks as to whether or not the Government can provide the additional funds that are needed in order to acquire this equipment, or just what other steps will be taken. I hope to get back to the Hon. Member shortly on that.

Mr. Angus: Mr. Speaker, I thank the Minister for the promotion.

PROPOSAL TO BUILD AND LEASE CARS TO VIA RAIL

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, my supplementary question is the following. Is the Government prepared, if it decides it does not have the capital money to do this project, to consider seriously and accept the proposal of Transconsortium, Bombardier and UTDC, that it will finance and produce the cars and lease them to VIA Rail for 20 years?

• (1450)

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, I am certainly prepared to consider any proposal that the consortium makes. If the proposal does not involve any expenditure of money by the Government or VIA Rail, it will of course be even that more much attractive. As you know, the cars still have to be paid for and leasing is just another method of financing. However, I would look at any proposal they wish to make.

Oral Questions

HARBOURFRONT

MORATORIUM ON CONSTRUCTION PROJECTS AT TORONTO WATERFRONT

Miss Aideen Nicholson (Trinity): Mr. Speaker, my question is directed to the Acting Minister of Public Works and concerns the Government's conflicting statements about how it intends to deal with Toronto's Harbourfront. On Friday the Secretary of State announced a total freeze on all new development. On the same day the Minister of Public Works announced some projects would be allowed to proceed. Would the Minister please clarify which Harbourfront developments are affected by the moratorium and why?

[*Translation*]

Hon. Monique Vézina (Minister of Supply and Services): Mr. Speaker, I have taken note of the question and I will ensure that my colleague, the Minister of Public Works, is able to follow up the matter.

[*English*]

TYPES OF PROJECTS INVOLVED

Miss Aideen Nicholson (Trinity): Mr. Speaker, at the same time she gets that information would the Minister please confirm specifically, since there are different types of projects involved, whether the luxury condominiums are being allowed to go ahead and whether the co-op and senior citizens units are being allowed to go ahead?

[*Translation*]

Hon. Monique Vézina (Minister of Supply and Services): Mr. Speaker, I am sure that whatever the information turns out to be, it will be comprehensive.

* * *

[*English*]

CANADIAN PACIFIC RAILWAYS

ORDER FOR STEEL TIE PLATES

Mr. Rod Murphy (Churchill): Mr. Speaker, my question is directed to the Deputy Prime Minister. Much of the rail rehabilitation work being done by CP is the result of federal Government initiatives. Given that, does the Government not believe that the orders for steel tie plates should be done by Canadian firms? In other words, why was an order which has traditionally gone to Stelco now gone to Japan? Why are Canadian jobs being lost?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I wonder if the Hon. Member might provide me with more detail on this particular issue and perhaps I can get a complete response to it.

GOVERNMENT POSITION

Mr. Rod Murphy (Churchill): Certainly, Mr. Speaker, I will give the Deputy Prime Minister the information. I would hope someone on the government benches, perhaps a Conservative MP from the Hamilton area, has given this information to the Government already.

The problem is that the order has traditionally gone to Stelco. CP is getting money from the federal Government. What is the federal Government going to do to make sure those orders are placed in Canada so that Canadians have jobs?

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, as I understand it, Canadian Pacific is privately owned. I believe even the Opposition would certainly be able to testify to that fact. I will have to check, just as the Deputy Prime Minister would have to check, to see whether they called tenders or just what the circumstances were or what the reason was. Canadian Pacific is a shareholder-owned private company and we are not responsible for it. We are prepared to answer for CN or other government Crown corporations.

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CORRECTIONAL SERVICE CANADA

CONSTRUCTION OF PRISON IN PORT-CARTIER—CANCELLATION OF PROJECTS IN ATLANTIC PROVINCES

Mr. John Nunziata (York South—Weston): Mr. Speaker, my question is directed to the Solicitor General and concerns the Prime Minister's pet prison in his riding which is costing Canadians $68 million. The Solicitor General knows that the Auditor General states unequivocally that there was no need for that prison in Port-Cartier. To add insult to injury, 25 other Correctional Service projects throughout the country have been cancelled.

Will the Minister stand up and explain to Atlantic Canadians why the $28 million prison in Newfoundland, the $18 million capital project in Westmorland, New Brunswick, and the $6 million capital project in Springhill, Nova Scotia, were cancelled? Can he explain to Atlantic Canadians where the fairness is when the Prime Minister gets a $68 million prison and those projects are cancelled?

Hon. James Kelleher (Solicitor General of Canada): Mr. Speaker, I can advise the Hon. Member that there is absolutely no connection whatsoever between the construction of the prison in Port-Cartier and the construction or non-construction of other projects in Canada, whether it be western Canada or eastern Canada. Correctional Service Canada is attending to the needs of all Canadians in all parts of the country.

AUDITOR GENERAL'S COMMENT

Mr. John Nunziata (York South—Weston): Mr. Speaker, with the greatest of respect, the Solicitor General is not

answering the question. The question is why is the Prime Minister permitted to have a $68 million prison built in his riding when the Auditor General says it is not needed, while at the same time 25 other capital projects in Correctional Service have been cancelled? Answer the question. How can you justify the Prime Minister's prison while at the same time cancelling the other projects?

Hon. James Kelleher (Solicitor General of Canada): Mr. Speaker, as usual the Hon. Member does not have his facts straight. What the Auditor General was saying was that he was concerned about the location. He never at any point said there was not a need for a new prison in Quebec. As a matter of fact, it was that Hon. Member's Government which decided there should be a new prison in Quebec, at Drummondville. What we did was to build it in Port-Cartier to alleviate a socio-economic problem in that area which required attending to.

* * *

AGRICULTURE

GOVERNMENT PAYMENTS TO GRAIN FARMERS

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, my question is directed to the Deputy Prime Minister. He knows about the cash flow problems most farmers are having. Canadian grain farmers are expecting to receive the final deficiency payment, and western grain farmers expect to receive the western grain stabilization interim payment this spring. Can the Deputy Prime Minister tell us if the Government will be making these payments before seeding begins so that farmers can pay for their essential supplies?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I can only tell the Hon. Member and the House that these payments will be made soon.

LOW PRICES—GOVERNMENT ASSISTANCE

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, if those payments are not too late they will help with the seeding. However, future cash flow depends on the return from grain generally. Will the Government give western farmers some commitment that there will be some special assistance to counter the low prices for grains being suggested for the next crop year?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, the Minister of Agriculture said in this House on many occasions that he is meeting with the leaders of the farm organizations, has been meeting with them, and the method by which the payment under the $1 billion Special Grains Program is being distributed was arrived at during the course of those discussions and consultations. I think there is a recognition that there will be a serious shortfall and to that end the Minister and leaders of the farm communities are going to be looking at various ways and means to determine how that might be offset.

I am pleased that the Hon. Member and his Party have finally come around to supporting the $1 billion special grain initiative. When it was announced they certainly did not seem to be very much onside and it is nice to know that we have their support now.

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FINANCE

PROPOSED BUSINESS TRANSFER TAX—TAX REFORM WHITE PAPER

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, in the February, 1986, Budget the Minister of Finance promised to table at an early date what he called a concrete proposal on the business transfer tax. That promise was not fulfilled in 1986. In the February, 1987, Budget he repeated this promise and said that it would be included in the comprehensive tax reform proposals.

Will the Minister of State for Finance advise the House of a date he will table his long-promised White Paper on tax reform, and will it include his proposal for a business transfer tax?

• (1500)

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, I cannot announce that on behalf of the Minister of Finance. He will announce it in due course, but he has indicated that he hopes to do that before the House rises in June.

[*Translation*]

REQUEST FOR EXPLANATION OF BUSINESS TRANSFER TAX

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, many people are concerned about the Government's lack of policy in this respect. Furthermore, the delay is creating all kinds of problems. Could the Minister inform the House whether the new business transfer tax will include goods such as food and essential commodities? In other words, will the business transfer tax announced by the Minister apply, as some people have said it will, to bread, milk and doctors' fees?

[*English*]

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, the Hon. Member is rehearsing his arguments against this tax before it has even been introduced. Those arguments can be put when the tax is suggested, if it ever will be.

Mr. Gauthier: "If it ever will be", oh!

FINANCE

HOUSING TAX DEDUCTION APPLICABLE TO ISOLATED POSTS

Mr. Geoff Wilson (Swift Current—Maple Creek): Mr. Speaker, my question is also for the Minister of State for Finance. It concerns the criteria for designation of isolated posts which qualify for the new tax deduction in respect of housing.

The Minister will know that there are some problems with the present list which includes some prairie towns but excludes other towns some six miles down the highway.

Since it is clear that the existing, old Treasury Board guidelines are inappropriate, will the Minister re-examine the criteria for determining exactly what is an isolated post, and make an announcement of clarification at an early date?

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, I am happy to tell the Hon. Member that the criteria are being re-examined. I thank him for his interest, because there are problems with the criteria and the way in which they are being applied. I am very glad that he has brought the matter before the House.

Mr. Speaker: I must advise Hon. Members that the time for Question Period has expired.

GOVERNMENT ORDERS

[*English*]

THE BUDGET

FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

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

Mr. Speaker: When the House rose at one o'clock, the Hon. Member for Cochrane—Superior (Mr. Penner) had the floor.

Mr. Keith Penner (Cochrane—Superior): Mr. Speaker, at one o'clock I was reminding the House that in his budget address the Minister of Finance (Mr. Wilson) stressed that all regions in the country were important to national prosperity, and I agree. He said that those regions which depended upon the resource sector were in some difficulty. The words he used were that "some regions are hurting". Then the Minister of Finance added that action must be taken to cushion the blow.

I was telling the House at one o'clock that we in northern Ontario, particularly northeastern Ontario where the unemployment rate is approaching 15 per cent—and across northern Ontario the youth unemployment rate is 22 per cent—were still awaiting some cushion against the economic blows we have been receiving. So far there have been no cushions at all. In fact, the Government has been introducing some additional blows. I was reminding the House about the 15 per cent export tax on softwood lumber and about CNRs 3 per cent hike on the shipment of lumber into the American market. All these things were blows, not to mention additional sales and excise taxes. We are still awaiting the cushion, as promised by the Minister of Finance, for the economic blows we have been receiving.

There are regions which are hurting, and those regions are still awaiting some good news from the Minister. In his Budget address the Minister bragged about the number of new jobs which have been created. It is true that new jobs are always being created, but the Minister failed to tell us about the number of jobs which have been lost, which no longer exist.

For example, in a vigorous endeavour to remain competitive we in northern Ontario in the forest products industry have had to introduce major and very expensive new technology. However, we have lost jobs in the process.

Also, the Minister did not tell the House what kind of jobs were being created. He did not tell the House that a very large percentage of jobs, especially those for women, are now simply part-time jobs at the lowest possible wages and without all the usual benefits.

We in northern Ontario have long depended upon government assistance for job creation. We had the program under the previous administration called Canada Works. Under this Government it has been renamed the Canadian Jobs Strategy Program.

Mr. Blenkarn: That is a good program.

Mr. Penner: Yes, Canada Works and the Canadian Jobs Strategy are good. They help the region. However, we are noticing that the number of dollars which the Government is allocating for the program is regularly declining and decreasing, so that fewer and fewer dollars are available while unemployment remains unacceptably high and well above the national average.

I should like to remind the House once again about a program for native people, an area of the economy where unemployment is particularly high. In 1984 the Native Economic Development Program was announced. It was to spend $345 million over four years in order to assist native people to cease being the recipients of social assistance and be able to have economic development programs which would make them self-sufficient.

Since that time only a fraction of the amount of money approved by Parliament has been consistently spent year by year. For example, in 1984-85, the first year of the present administration, Parliament approved $110 million for that program. Out of that $110 million, $102 million was allowed to lapse and only $8 million was spent. Obviously the Government is not even carrying out the will of the House in respect of where unemployment is highest, where people are suffering the most, where people are relying upon social assistance, hand-outs, and welfare, and where there is an opportunity for economic development. The Government allows a substantial

amount of money to lapse, and the people continue to be in the same state as they were before.

The point I want to emphasize in conclusion is that we agree with what the Minister of Finance said, that all regions of the country are important to our prosperity, that some regions are hurting, and that this blow needs to be cushioned. However, so far we in northern Ontario have been waiting patiently for a cushioning of those blows. We have been promised a northern Ontario recovery package, and nowhere do we get the details. There has been no action at all to date on what constitutes the northern Ontario recovery package.

Coming out of a meeting in Sudbury, the Hon. Member for Timiskaming (Mr. MacDougall) once said to the news media, or is reported to have said, "This statement had better be something more than philosophical in nature; it better have substance". I have urged the Deputy Prime Minister and President of the Privy Council (Mr. Mazankowski) who announced the program to give us the details. Week after week I have asked, and so far I have received nothing, only silence. I want to know when we will get what the Minister of Finance promised—a cushioning of the economic blows in regions like northern Ontario, which is hurting very badly.

Mr. Gauthier: Mr. Speaker, I congratulate the Hon. Member for Cochrane—Superior (Mr. Penner) for his excellent speech. To us he is always the person with heart, the man who puts his region or constituency in first place and knows best how to present problems in a very concise and understandable way. I have a question for the Hon. Member on regional development, to which he alluded.

• (1510)

The regional development envelope has decreased by $3 billion since the Government took over in 1984. That is alarming, Mr. Speaker. The concept of Canada from the east to the west and the development of our regions requires very careful and considerate attention. It also has a north-south dimension which is very important. And I know the member agrees with me, that when we talk about Canada we also talk about a mix of the private and public sectors. The Liberal fiscal approach, of encouraging a mix of the private and Government sectors, in certain regions is the only solution.

I know the member alluded at the end of his speech to the importance of Government participation in regional programs. The privatization program favours high employment centres, mostly in the golden horseshoe and the other highly industrialized sections of our country. When I refer to industrialized sections, we have areas which are not as industrialized as they would wish, areas which are possibly underdeveloped as far as industrial capacity is concerned. Does the Member for Cochrane—Superior not feel that this reduction of the envelope by $3 billion in less than three years has had a very direct serious impact on his area of northern Ontario?

Mr. Penner: Mr. Speaker, I detected that there were actually two questions posed by the Hon. Member for Ottawa—Vanier (Mr. Gauthier). Before one o'clock I had talked about the decline in actual dollars in the regional development envelope. The decline is very serious. If you look at the Estimates you will find about a $3 billion decline which has been consistent since 1984-85.

As well, there is a cumulative effect. We have noticed in northern Ontario that for initiatives of various kinds, and we used to look to the regional development program for assistance, those dollars are no longer available. Some economists looking at our region have said that we really have to forget about having so much emphasis on big industry, on our forest sector, which is in some difficulty, to which I alluded, and on mining, which is in some difficulty because of depressed base metal prices throughout the world. The only exception is gold. I am grateful that we do have the Hemlo gold fields in the constituency of Cochrane—Superior, which is the one bright aspect, economically speaking. Economists have said that we are not looking at the existing possibilities for tourism in our magnificent region. We should be promoting tourism.

I am glad my whip asked me the question because I am going to extend an invitation to him in the next several weeks to join me on a fishing trip. If the Hon. Member for Mississauga South (Mr. Blenkarn) behaves himself, I may even let him come along as well. I am inviting the Whip on a fishing trip and I will show him how great is the potential for tourism.

Here was a chance for the Minister of Finance in his Budget to have done something to encourage tourism in a region like northern Ontario. He could have said, "Yes, we want to encourage it". But what did he do? The Finance Minister added another 1 cent a litre to the price of gasoline; in addition to the previous 3 cents a litre we had in the last Budget. We have had a total of an extra 4 cents a litre or an extra 18 cents a gallon put on the price of gas when we already had the highest gasoline prices of any of the provinces of Canada. It is true that prices are higher in the far north. So, how is that an incentive for people who want to have a Canadian holiday somewhere in the great Canadian Shield? It is a disincentive.

If you want to fly on one of the charters at one of the main airports to a remote area for fishing—on a scheduled flight—you are stuck with another $4 on top of the ticket price. That is the contribution of the Minister of Finance to the encouragement of tourism in northern Ontario.

I repeat my theme once again. It is a simple one. We agree entirely with the Minister that some regions of this country are hurting, that the blow ought to be cushioned, but he gave us nothing at all to cushion the blow except a lot of sympathy, a lot of understanding, a lot of goodwill and many promises. But so far, Mr. Speaker, nothing in the way of action.

Mr. Gauthier: Mr. Speaker, I am more than happy to have heard the invitation to go fishing in northern Ontario. I accept publicly. I will do my best when I come back to tell Canadians across this country how great the area is. I hope that my colleague and my friend, the Hon. Member for Mississauga

South (Mr. Blenkarn), can accompany us and get to know Canada better, as well as what Canadians are all about.

Mr. Penner: Mr. Speaker, I just want to conclude by saying that the Minister of Finance did brag in his speech that we should all take satisfaction from the fact that the rate of inflation at least is down to 4 per cent, and isn't that something we can all be happy with because now we have more money to spend? But what he did not tell us is that the rate of inflation was the highest of any of the G-7 countries. He did not tell us that of that 4 per cent increase in the inflation rate, two to three points are directly due to the tax burden he has imposed on the citizens of Canada.

He argues in his speech that Canadians now have more disposable income. He does not say that Canadians, since he became the Minister of Finance, have been faced with a 52 per cent increase in their taxes. I am talking about the average Canadian family. The argument about the inflation rate being to the benefit of Canadians is also hollow.

Mr. Deputy Speaker: Resuming debate. The Hon. Member for Mississauga South (Mr. Blenkarn).

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, I enjoy hearing from the Opposition with respect to this rather good Budget of February 18. Indeed, comments right across the country have been about the quality of the Budget and the competent administration of our Minister of Finance (Mr. Wilson) and President of the Treasury Board (Mr. de Cotret). I can only say that while the Opposition may not see any good news in the Budget, it was a Budget of a responsible Government.

The Budget indicated that our deficit in relation to the Gross National Product is down 39 per cent, our borrowing requirements in relation to the Gross National Product are down 42 per cent. *The Fiscal Monitor* issued March, 1987, followed up on the Budget, and I will read from three paragraphs:

> For the first nine months of fiscal year 1986-87, (April to December), the budgetary deficit stood at $20.6 billion, down $3.5 billion from the level registered in the first three-quarters of fiscal year 1985-86. The year-over-year improvement in deficit continues to reflect the growth in the economy, restraint on spending and the impact and timing of past budget measures—financial requirements, excluding foreign exchange transactions, were down $8.8 billion compared to the same period a year ago—total financial requirements, including foreign exchange requirements, stood at $18.2 billion, down $6.4 billion from that registered in the first three-quarters of 1985-86.

That is remarkable management, and it ought to be acknowledged by the other side as remarkable. The harping we have heard is not proper or fair.

We have not had an easy time in Canada during the last year or year and a half. We have seen oil prices decline from $32 a barrel down as low as $10 a barrel, at one point, and I am talking of American dollars. That resulted in a loss of some $1.5 billion in tax revenue from oil companies. It also resulted in a great retraction in the drilling activities of the oil industry.

• (1520)

It has not been easy in the oil fields, and it has not been easy in the mines. Copper prices are lower than they have been since the Great Depression. Lead, nickel and zinc prices are down to almost unbelievably low levels. The grain trade, not only in wheat but in other grains, is faced with massive competition throughout the world. The effect has been that we have had to sell grains at a world price far below that which should reasonably be expected for the products. As a result, things have not been easy.

I remind you, Mr. Speaker, that Canadians have always been described as hewers of wood and drawers of water. Our wood and our water—our raw resources, our soil, timber lands and mines—have not been producing the returns they should have produced, the returns we could normally have expected. Despite that terrible performance in the resource sector and the commodity sector, the GNP has managed to increase over 3 per cent. Indeed, the growth rate was in excess of that of any other country in the OECD, and that is a remarkable performance. That remarkable performance ought to be congratulated by Hon. Members on the other side.

Our remarkable performance has been recognized by the exchange rate. The value of the Canadian dollar has increased significantly since the first of the year. Our remarkable performance can be demonstrated by the interest rates which are down to 1972 and 1973 levels. Over 200,000 homes will be built this year alone. That is remarkable. Yet we hear Hon. Members from the other side grouse, put Canada down and say how terrible things are.

It has been tough in parts of the country. It has been hard in parts of the country that rely on resources and there is a significant unemployment rate in some of those areas. That is a problem we will have to address, but we recognize the problem and we are getting at it. That is why the Government just recently committed $350 million to Alberta's oil industry. That is why the Government spent $1 billion of its funds trying to reinvigorate and help farmers in the production of grains. We are not doing nothing about the situation; we are in fact acting to try to ameliorate the problem in the commodity market and in those parts of the country where growth has not been up to snuff.

Hopefully international markets will improve. It is not the fault of the Government, however, that international markets are soft. The Government is doing what it can to ameliorate the problems of soft markets, but that is all it can do. We will try to do what we can to improve conditions, but conditions cannot be improved by government action alone. We need new international agreements on resources so that countries do not continue to compete with each other by giving away their heritages.

I would like to speak for a moment about the reforms of the House of Commons because I think those reforms are important to Parliament and I think the Budget debate should emphasize those important reforms. I am particularly

impressed with the way the committee system has operated. It has given Parliamentarians a better handle on how Ministries are operated.

It is important that we as Members of Parliament exercise our review function and exercise it more diligently. It is important that we examine and cross-examine Ministers and their officials on how they are performing their jobs. Surely when a Government is the size that it is, and represents the invasion into the lives of individuals that it does, it is imperative that we as representatives of the people cross-examine those officials to ensure that the programs they are supposed to be delivering are giving us full value for the money expended. Where those programs are not giving full value, we must as sensible Members of Parliament suggest the removal of, or change in those programs so that Canadians get full value for their tax dollars.

In that respect, may I commend the Hon. Member for Trinity (Miss Nicholson) for the way she has conducted the Public Accounts Committee, and members of other committees that have tried to find out how programs are carried out and administered.

I think it is also important that the Government continue to do the things it has been doing in terms of asking directly and indirectly that committees exercise their powers under Standing Order 96(2) to make inquiries into programs and anticipated programs of Government so Members of Parliament will have input before those programs are put into legislation. It is that first look at an idea that gives us as Members of Parliament an advantage. We can have our say in how the country should be governed and how the new activities and thrusts of Government should be put forward.

The Prime Minister (Mr. Mulroney) has made an effort to ensure that we as Members of Parliament have the freedom to express ourselves, through the committee system in particular. However, we ought to take a look at the other rules of the House. For the last week the House has been stalemated by one procedural motion after another. In Great Britain, a debate on a complicated piece of legislation can be finished in one day's sitting. There is no reason for delaying and delaying pieces of legislation that are brought before the House, particularly when there is provision for a committee system to allow in-depth analysis of the problems envisaged in Bills and procedures.

The House must reform its rules on debate. We cannot allow important pieces of legislation to be held up while a war takes place across the aisle over whether or not a piece of legislation demanded by the Government is essential. Surely to goodness the voters will eventually decide that; surely to goodness the whole country should not be held for ransom because of procedural delays.

From the point of view of the Finance Committee, it is essential that the Government get ahead with Bill C-42. That Bill deals with combining the Inspector General's office and the office of the Superintendent of Insurance. That recommendation was made by the Committee on Finance and Economic Affairs a year and a half ago, and it is essential that it be implemented.

Included in that Bill are powers to be given to the new office of the Superintendent of Insurance so that he may discipline and keep in line the trust companies, banks and insurance companies under the aegis of his powers. With some of the things that are happening in the real estate market, particularly in the greater Toronto area, I think it is essential that the Superintendent of Insurance have those powers contained in that Bill. Yet while the House debates Bill C-22 and holds it back, we cannot get at that important piece of legislation.

It is important that before the end of June the House come to the realization that we require rules of procedure that will enable matters to come to a vote, and come to a vote quickly. We cannot be held up any longer by delays and delays. It is bad for Parliament and it is bad for the democratic process, and in a country that is supposed to be progressive and able to come to grips with problems quickly, the causing of one procedural delay after another makes a mockery of democracy.

• (1530)

I would like to deal with the very important matter of tax reform. Our Income Tax Act is unbelievably complex. It is so complex that even leading chartered accountants have indicated that they themselves cannot understand the provisions and ramifications of it. Mr. Don Hugget appeared before the Finance Committee and, addressing me as chairman said, "I cannot understand the Act myself". He indicated that he had to have someone else help him with his own income tax return.

Tax returns are complicated so badly that despite every effort by Revenue Canada to produce a simplified and easily read form, Dian Cohen indicated the other day on *Canada AM* that before people even attempt to fill in their income tax returns they ought to buy one of several books which she recommended on how to fill out tax forms.

The Income Tax Act, which contains at least 100 separate allowances, deductions and provisions of benefit in one form or another, creates such complexity that the fairness in allowing these various deductions and allowances is lost. When average people read on their tax forms, "deductions, other", they wonder whether they are getting the benefit to which they are entitled in the tax system. When people believe a tax system is unfair, it is unfair. Because it is unfair it must be simplified to the point where reasonable people with reasonable intelligence can file their tax returns.

To that extent you may recall that last June the Finance Committee filed a substantial report on tax simplification. It is our hope and indeed our requirement that the tax reform package contain provisions of simplification to make the filing of a tax return far easier than it is today. It should be simple

enough that ordinary people can complete their tax return without any professional assistance. That is not the case today and it must be one of the prime requirements of tax reform.

Not only does the present system seem unfair to individuals, but indeed it may well be unfair in itself. The New Democratic Members of Parliament have suggested that certain companies do not pay tax. To some extent they are right. Companies do not pay tax if they are not taxable. When the insurance industry was before the Finance Committee we asked why it did not pay tax. When the trust companies were before the committee we asked why they did not pay tax. When the banks were before us we asked why they did not pay tax. We asked the big real estate developers why they did not pay tax.

They do not pay tax because the present rules are such that they are not taxable. If they are not taxable, they ought to be taxable. The tax reform package ought to make them taxable. I expect that the reform package as presented by the Government will in fact make them taxable so that the unfairness complained of by the other side will no longer exist and Canadians will no longer believe that they are not being treated with the elementary justice to which they are entitled.

Through tax reform, provision should be made for married couples to file joint returns. I believe that all of the attribution rules presently in the system which allow for the transfer of deductions and income from one to another ought to be disposed of. Those are an exceptionally complicated series of provisions. A provision for joint returns would greatly simplify this.

The most important element of tax reform is to ensure that those people who live in poverty, who earn less than the minimum required to put bread and salt on the table, do not pay income tax. That, surely, must be one of the principal thrusts of tax reform. The tax system must reduce tax rates for the poor and lower income people while reducing the over-all personal rate. The over-all personal rate in itself discourages legitimate investment activity. In the current income tax system we have high rates and a whole series of fool deductions. If you take advantage of the deductions you can wind up with a very low rate. Surely we can get rid of the deductions and have a median rate ensuring that everyone pays a fair share. We can have two or three gradations to simplify matters rather than having 14 or 16 different levels. Such a method of taxation would ensure that people are not forever trying to find loopholes or hideaways in the Income Tax Act in order to pay less tax.

I think it is essential that we have a new sales tax system. We cannot continue with the present system which deliberately bonuses importers and deliberately penalizes exporters. If a business transfer tax can be organized to do that, I believe that would be the best form of taxation to have. I hope that when the Government presents its tax reform it will deal with a business transfer tax on goods in order to get rid of the horrendously complicated and unfair sales tax system we presently have to ensure that we come to grips with the problem of imports and exports.

Finally, I think it is important that we deal with capital gains tax. I think all capital gains ought to be tax free, but very few things ought to be considered as capital gains. A capital gain is a long-term gain made by a farmer on his farm over a lifetime, made by a homeowner over a long period of time, or made by someone who started a business, ran it for most of his life, and then sold it. It is not a short-term trade in commodity futures.

That is the kind of thing which is considered a capital gain today and that ought to be fully taxable. A capital gain is not the profit on a strip bond. That is income and ought to be taxed at full rates. We should have capital gains relief for true capital gains and taxation for true income. Activities in the nature of trade are true income, not capital gains, and ought to be taxed at full rates.

I note that my time is up. I would like to speak longer. However, I would like to say that this is a good Budget, and the tax reform promises to be a good tax reform.

Mr. Garneau: Mr. Speaker, I came back from my office to listen to the speech of the Hon. Member. As you know, he chaired the very interesting Standing Committee on Finance and Economic Affairs where he and I have discussed many of the issues concerning tax reform.

• (1540)

I want to make sure that I understood what the Hon. Member just said about capital gains. It seemed rather new, coming from the Hon. Member who fought for total exemption of capital gains. I am very interested in what he said from a technical point of view. How is it possible to distinguish the true capital gain from the one he just mentioned? The Hon. Member gave, as an example of true capital gain, the farmer who inherited a farm from his father 25 or 30 years ago and sells it to his son or another individual. What happens if that same person kept the farm for five years? Is capital gains determined by time or another mechanism? I would be interested to hear more of what the Hon. Member had in mind.

Mr. Blenkarn: Mr. Speaker, I hope that the Income Tax Act could have a series of rules built in that would indicate what is a capital gain and what is income. It seems to me that the prejudice ought to be in favour of income as opposed to gain. It would seem, then, that a gain made in less than five years ought to be presumed an income gain, unless the taxpayer can prove to the contrary. It would seem to me that a gain made in over five years ought to be a capital transaction, unless the Government can prove to the contrary.

It would seem, though, that with certain transactions involving the market, such as the strip bond where the built-in gain already exists, that clearly is a situation where money was put up to buy a defined fixed return. That is a designed return on a particular asset over a particular period of time. Transactions such as that which now pass as capital gain ought to be treated as income.

However, the general theory is that there ought to be a reverse burden of proof on a period of time. Determining what period is fair or unfair is another matter, but surely that ought to be the theory behind what I am talking about.

Mr. Garneau: Mr. Speaker, it may be possible to design a mechanism in that respect. After listening to the Hon. Member for Mississauga South (Mr. Blenkarn), I feel that he is increasingly becoming a red Tory. We are not used to that.

I am very interested in his proposal to eliminate from the tax roll all those who are under the poverty line, although he has not defined what the poverty line is. Would he accept the definition of the poverty line given by Statistics Canada, or does he have another definition of the poverty line?

Mr. Blenkarn: Mr. Speaker, the Member for Laval-des-Rapides (Mr. Garneau) is absolutely right. It is difficult to determine what is the poverty line. A number of people have indicated the poverty line as being $8,000 on a single basis and $12,000 for those who are married without children. It is difficult in a country like Canada to define poverty. What is a poverty situation in some parts of Ontario, for example, is affluence in other parts. For example, the poverty line in Mississauga would be very much higher than those figures, whereas the poverty line near my cottage might be substantially less, simply because it is a trading economy with such things as farm products and so on where cash income is perhaps not as important as income from land and trading.

It is always difficult to determine a poverty line in a country like Canada. I believe we ought to be considering it as something like $8,000 on a single basis, $12,000 for married people without children, and an additional amount for families with children. That is always subject to change and what is fiscally possible.

Mr. Ravis: Mr. Speaker, I want to comment on the suggestion that my colleague, the Member for Mississauga South (Mr. Blenkarn), is a red Tory. I am beginning to wonder if the Hon. Member for Laval-des-Rapides (Mr. Garneau) is a blue Liberal.

I want to compliment the Hon. Member for Mississauga South because I believe he told the story as it is. He gave credit where credit is due in the Budget while admitting that there are some inequities which must be addressed, hopefully in the upcoming tax reform.

That leads me to my question. In his capacity as Chairman of the Standing Committee on Finance and Economic Affairs, will he comment on what time frame is required for a Government which came to office in 1984 to deal with all that is happening, especially with respect to something as complex as the tax system? The Liberal Party seems to be very impatient for our tax reform package. The New Democratic Party is also impatient, and I notice that the Leader of the New Democratic Party has been sending requests for financial assistance to his Party so that it can try to bring on this tax reform sooner than it can be done by the Government.

Mr. Keeper: Make a donation.

Mr. Ravis: I will not make a donation, but I will ask the Chairman of the Finance Committee to give us a realistic time frame. One would think that it is not a matter one would jump into without knowing all the answers or fully understanding the questions.

Mr. Blenkarn: Mr. Speaker, the tax reform problems are much more difficult in Canada than perhaps in most other countries. We have an income tax system federally and provincially in which the federal Government collects income taxes on a personal basis from nine of the provinces and on a corporate basis from seven of the provinces. Our tax system is generally integrated with the provinces in terms of transfer and so on, which means that it requires a great deal of consultation and effort to work out an equitable system that will return to junior levels of government their appropriate share of revenue while not causing any undue displacement of investment in one part of the country compared to another.

The Government has been working very diligently on this problem. I am sure it would like to have been able to present the full tax reform package in the February Budget. I suppose the work is far more complicated than one would realize at the outset, but I am reasonably convinced that the Government will be able to come forward with an equitable package before the end of the spring. That package will have to be examined by Canadians, and it is essential that Canadians from across the country have their input in that package. To the extent that what the Government suggests will not wash with Canadians, I would think that the Committee on Finance ought to listen to Canadians and be able to come up with recommendations for perhaps even further change.

• (1550)

Tax reform clearly must be a matter of consensus. It must be a matter where no one part of society is unfairly injured. I say "unfairly injured" because some people are perhaps not paying the taxes they should. Some organizations perhaps are not carrying the tax burden they should. However, we must ensure that in asking them to carry a larger tax burden, we do not so upset their activities in the country as to injure the country over-all. It is not an easy matter but it is a matter the Government is dedicated to complete. I am sure the Government will be calling upon all Hon. Members of the House for their co-operation, efforts and energies.

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, I welcome the opportunity to enter into this debate. I must say I have just about forgotten what this Budget is all about. It has been a while since the Budget came before the House and the time of the House has been taken up with other matters. I welcome the fact that we are back on the Budget debate. It needs to be completed. The Budget needs to have the debate that it deserves.

I am also glad that the legislation with regard to generic drugs is not before the House today, because that is an unjust

project the Government has undertaken and to which it has committed itself and the Government should have time to reflect. I hope the Government uses the opportunity today to take another look at its attempt to give a sweetheart deal to the pharmaceutical drug companies, thereby taking money out of the pockets of ordinary Canadian consumers, particularly elderly people who have a hard enough time to make their dollars meet their expenses. I hope the Government will use this time to reflect and will find its heart when it has an opportunity to take a look at what it is doing.

As I said, it has been a while since this Budget was presented in this House, and I had to go back and reflect on just what it is all about. After having looked at some of its provisions, I have come to the conclusion that this Budget is a do-nothing Budget. It has no major initiatives. It takes very little action. Therefore, it is very understandable why I had forgotten the contents of the Budget. It is a Budget that shows the Government cares very little about the average Canadian family, about the hardest hit regions and the poor, whether those poor are here in Canada or in the Third World.

I want to elaborate on my conclusions. I want to comment about what I see as the impact of the Budget. What could the Government have done instead of doing nothing? Can we afford to act? Do we have the money to do some of the things that I would like to suggest we should have done? To begin with, I say the Budget is a do-nothing Budget because it does very little or nothing for the average Canadian family. I think we should take note of the fact that over the last couple of years under a Conservative Government, taxes on the ordinary Canadian family have been growing. In fact, over the last couple of years, taxes have risen by some $1,350, so that the average family is now paying $1,350 more a year in taxes than it did two years ago before this Government was elected. Obviously, the majority of Canadians who elected this Government, hoped for much better. They hoped their condition would improve. They hoped to be able to face their financial responsibilities a little better today than a couple of years ago. Canadians are not unrealistic. They do not expect miracles overnight. However, they did expect some improvement in their condition. What in fact they received was a whopping increase in taxes. We might say this was fair if we were able to conclude that everyone had to pay more taxes because we were trying to dig ourselves out of a massive debt hole created by the previous Liberal Government. Obviously, there is a massive debt created by that Government. The argument could be made that it is fair for everyone to pay more taxes because we have to get rid of this debt. But is it fair?

At the same time that the average Canadian family is paying $1,350 a year more in taxes, wealthy Canadians have been given a tax break through changes in the lifetime capital gains exemption. If one owns property, and if that property rises in value to the extent of $.5 million, one would not have to pay taxes on that. Therefore, if one is wealthy, there is a tax break. At the same time, average Canadian families had their taxes increased. So I contend that it is unfair. I suggest that the average Canadian would consider that an unfair approach to raising revenue. Canadians recognize that in order to have services, they must pay, but they want these services to be paid for in a fair manner, but when they have to pay vastly increased taxes at the same time that wealthy Canadians get a tax write-off, they must conclude that it is unfair.

Another aspect of fairness with regard to taxation in this Budget has to do with those Canadians who live in poverty, which is fully a fifth of the Canadian population. Obviously, we could have some debate about just exactly how many people are poor or how many are not poor, but I think there is a general consensus that at least a fifth of the population could be considered poor, to put the estimates in modest terms. What we note about taxes is that Canada's poorest individuals and families have to pay taxes on incomes of less than half the poverty line. So not only can one be poor living below the poverty line, having less income than it takes to provide for one's own basic human needs, but at the same time one can be asked to pay taxes. Individuals who are really in difficult circumstances are still being asked to pay taxes. It strikes me as unfair to ask people, who are earning less than half of what an income would be if they were at the poverty line, to pay taxes, at the same time that wealthy Canadians who have large capital gains are being told their taxes are forgiven. That is unfair. When a Budget does nothing about that kind of situation, it can justly be called a do-nothing Budget.

Canadians are not only concerned about the poor in Canada. We are concerned about all the poor because we have a sense of justice and compassion. In fact, the present Prime Minister (Mr. Mulroney) when he was campaigning referred to Canadians' compassion and really sought to gain support from Canadians by indicating that he shared that value. But what have the Conservatives done in the Budget? They have reduced the amount of official development assistance by $150 million this year. They have reduced the amount of aid which goes to the poorer countries in this world. That is unfair. We can all remember the terrible famine that took place in Ethiopia. We can remember the graphic pictures of starving children that we saw on television. Canadians responded to the need. They gave from their own pockets. To give the Government credit, it also responded in those moments. But it is to these types of situations that we have to respond on an ongoing basis. This means that we need to place a higher priority on the assistance we give to the Third World rather than a lower priority. I say "priority" because I think it is possible for Canada to raise the revenue to do the things it needs to do and at the same time to have enough revenue to help globally, to help bring about greater justice in the world.

• (1600)

In fact, what the Government has done through this Budget is to reduce the amount of money that we spend on development assistance. I call that doing nothing since there are changes in policy with regard to development aid that the Government could have undertaken. It could have accepted

some of the long-standing recommendations from the development community which calls for aid to be on time. In other words, when we undertake an aid program in a given country, the resources should respond to the priorities of the country rather than to our own priorities in terms of our economic development or in terms of the types of goods our companies sell. It has been well documented that giving aid to another country while tying it to that country's purchasing goods from Canada can distort the aid. Thus we end up not helping the country. While on paper we are claiming to help, in reality we are not helping at all. In fact, we are wasting our own money. If we want to spend money on development aid then we want it to be spent effectively. We want it to result in development. While the Government could have done something in this area in fact it has done nothing.

The Budget has postponed the whole question of tax reform. There is a growing consensus in the country that the tax system is unjust, that it is too complicated, that there are too many loopholes in it and that we have to find a more fair way to raise the revenue we need in order to deliver the services which the Government has the responsibility to deliver. However, the Government has postponed any efforts at tax reform. Rather than bringing forward something with respect to tax reform in this Budget, which was an opportunity for the Government to take action, it chose to do nothing. It chose to put off the day when we will see tax reform. One can speculate as to why it did that. Perhaps it hopes that it can have a tax reform package prepared for the next election and announce it just before it in an attempt to curry public favour, in an attempt to seek to improve its own political fortunes. If I wanted to be cynical about the whole matter I would say that it would announce such proposals at a time approaching the next election but too late to give Canadians an opportunity to experience the impact of such a measure. In this way the average Canadian would have no real way of evaluating the impacts of such measures and whether they really lived up to the promises made. Instead of acting on tax reform, the Budget has further increased taxes on the average Canadian family by $65 to $100 per year.

So taxes have been increased in the Budget, inclusive of taxes on gasoline, airline tickets, cigarettes and snack food. We have all heard of heartless Governments before. However, a Government that increases taxes on children's candy, on granola bars and chocolate bars, is truly heartless. I must say that I try to discourage my children from eating chocolate bars because I know that they are not good for their teeth. I know that sugar can decay teeth. However, I am not always successful in this end and, of course, a child can buy a granola bar rather than a chocolate bar.

Why has the Government chosen to pick on little children while giving tax breaks to wealthy Canadians? It has chosen to impose taxes on snack foods, thus taking candy out of the mouths of babes. That is heartless. While it imposes taxes on children's candy it does nothing in terms of child care. The Government postponed action on child care. This is a key area in which there is a growing consensus with respect to the need for action. It is one of the most important areas of public policy in which Governments will be constantly pressured for action until we arrive at a point at which there is adequate child care. Because of demographic changes and because of changes in work habits we need day care in a way that we have yet to face up to. The Government has chosen to tax children's candy and do nothing about child care—

Some Hon. Members: Oh, oh!

Mr. Keeper: I hear laughter from members of the Government. I understand that they do not like having the shortcomings of this Budget pointed out. I am sure their laughter is a result of their embarrassment. Perhaps they have failed to read the Budget which was presented to the House.

The Budget is not only unfair to the poor and the children but it is also unfair to the regions of Canada, to the Atlantic region, to British Columbia, parts of the Prairies, and parts of Quebec and Ontario which have unemployment rates of 15 per cent to 20 per cent.

An Hon. Member: Not on the Prairies!

Mr. Keeper: My Conservative colleague says: "Not on the Prairies". I know that in Manitoba we have a very low unemployment rate. In part that is due to the initiatives of the New Democratic Government which is in office in that province. However, it is also important to know that it is time the Government woke up to the fact that Manitoba needs respect as a region, that Manitoba needs industrial economic development. It is not enough for the Prime Minister (Mr. Mulroney) to quote our low unemployment rate since it does not reflect the whole of the province. It does not reflect the fact of the need for development in Manitoba. We are still not at an equal level with Toronto, which is the impression the Government seeks to put forward.

What I really wish to say about the Budget is that it is a lost opportunity. It is a do-nothing Budget. It is a Budget that did nothing for the poor, nothing for the hardest hit regions of the country, and nothing for average Canadian families.

[*Translation*]

Mr. Speaker, this is an unfair Budget. It is a Budget that does nothing for the average Canadian, for the regions or for the poor. Mr. Speaker, it is time this Government took action and did something for Canadians. It is not enough to increase taxes. Canadians need services such as daycare and regional development programs.

This Budget, however, does nothing for anyone.

• (1610)

[*English*]

Mr. Deputy Speaker: Questions and comments.

Mr. Blenkarn: Mr. Speaker, I think my friend made a remarkable speech. I was really impressed. I was also wondering if he had even bothered to read the Budget, let alone the Estimates.

At the outset he talked about foreign aid, but forgot the fact that we have increased aid to underdeveloped countries by $450 million. He does not even give us credit for that. He talked as if it were cut back. Then he went on to the question of chocolate bars. Chocolate bars have been taxed all along. Did he not know that? Did he not know that we felt that if we are going to tax chocolate bars, then peanuts and potato chips ought to be taxed as well? After all, they are snack foods. Why, in the interest of fairness, would he not want chocolate bars to be taxed when peanuts and granola bars are taxed? Why would he not want the tax to be spread equally?

In his remarks he went further and talked about child care. He ought to know, if he has been around this House at all, that a very important committee report was tabled concerning this issue. He ought to know that the Minister of National Health and Welfare (Mr. Epp) is negotiating with his provincial counterparts to create a Canadian child care program. Yet according to him this should be included in the Budget even before there is any federal-provincial conference on the issue. Most unbelievable of all, he talks about tax reform as if it were never going to happen. He knows the Minister has undertaken to produce the report as soon as he can this spring.

I just want to know from the Hon. Member if he bothered to read the Budget or the Estimates.

Mr. Keeper: Mr. Speaker, I want to assure my friend that I read the Budget. I remember sitting here in this House listening to the Minister of Finance (Mr. Wilson) deliver the Budget. I appreciate the rhetorical flourish of the Hon. Member. He has a nice turn of phrase and, being a man of experience, knows how to do it.

The point I was making with regard to foreign aid is the same point I made about the Budget. It is a do-nothing Budget.

Mr. Blenkarn: A $450 million increase is to do nothing?

Mr. Keeper: To illustrate that I made the point that official development assistance will be adjusted to save $150 million this year. The Government reduced planned spending by $150 million this year for official development assistance. I was not saying that the absolute level of development assistance had dropped, but the money to be spent had been taken out of the Estimates. That means a reduced commitment to development assistance. This comes at a time when we could be increasing our commitment and making our policies more effective. At present development assistance is tied to other things, and if we untied it then we could make it more effective and responsive.

The Hon. Member mentioned chocolate bars. He says we taxed snack foods because we already taxed chocolate bars. That is an interesting notion of fairness. It is kind of like saying if I kick you once, maybe I should kick you twice. I can understand that this might be the Tory definition of fairness. However, I was simply pointing out that to tax children's candy at the same time that the Government fails to take any concrete action to provide the services children need is what I consider to be a do-nothing and unfair approach. The Hon. Member says we have to wait for the committee report on child care. We have to wait for the federal-provincial conference. Why bring in a Budget if it contains no plan of action? Why not take some action in the Budget? You do not have to develop the program fully in one Budget, but you could take a few steps forward, or maybe even one step forward. Why not put in this Budget some start-up funds for daycare? Why not take that first symbolic step to show good faith on child care?

The Hon. Member says I talked about tax reform as if it would never happen. Maybe it never will. We have heard about tax reform time and time again and so far there has been no action. How do we know there will be action? The Government has continued to raise taxes in an unfair way on ordinary Canadian families. Over the last couple of years it has raised taxes by more than $1,350 per family, and this Budget does it again. How can we accept the Government's promises of tax reform as being credible when it is raising taxes on ordinary Canadians while reducing taxes for the wealthy and promising reform in the future?

Mr. Winegard: Mr. Speaker, I would like to ask my colleague two specific questions.

Mr. Oberle: Keep them simple.

Mr. Winegard: By what percentage did official Canadian development assistance increase in the Budget? As well, does he not agree that, all other things being equal, we should use Canadian goods and services in our official development assistance?

Mr. Keeper: I will deal with those questions in reverse order. Yes, all other things being equal, we should use Canadian goods and services. Why not? The problem is that the Government has failed to deal with the problem, indeed it is being exacerbated, because it has introduced into development assistance a commercial motive. It has even advertised this in the annual reports and booklets it sends to the business community. It tells them that this is their chance to get a contract involving development aid. The Government is emphasizing the economic benefit to Canadian firms of development assistance. The problem with that approach is that we have allocated that money to help the poor areas of the world. That is why Canadians support the expenditure. When you tie that aid to the requirement that it be spent in Canada, you distort the development process and priorities in the Third World country you are trying to assist. The aid has to be untied in order to be effective. Of course, if we preserve the priorities of development in the Third World countries so that our help is effective and the money well spent and at the same time we use Canadian products, great, we will celebrate that.

However, we need to have a change in policy so the emphasis is more on how the aid can be effective rather than on the commercial advantage to Canadian firms.

What I find disturbing about the Budget and the Government's action on development aid is that it continues to put off reaching the target of .5 per cent of GNP for development aid. In other words, the Government continues to put off an internationally agreed upon goal for development assistance at the same time that it reduced the amount of planned spending on official development assistance by $150 million. I think that shows a lack of priority for official development assistance.

• (1620)

Mr. W. Paul McCrossan (York-Scarborough): Mr. Speaker, it is a pleasure to join in the debate on the Budget. Of course, this is the third complete Budget presented by the Minister of Finance (Mr. Wilson) and really the fourth major economic statement if we count the one in the fall of 1984.

It is quite clear that the Minister of Finance has undertaken a major restructuring of the economy, a major restructuring of social systems, including pension systems, and has now embarked upon a major restructuring of the tax system, the details of which are just hinted at in the Budget.

I should like to start by reviewing the success which the Minister of Finance has had over his term, because I believe he will go down in history as one of the great, or possibly the greatest, Finance Minister our country has had. Given the situation which he took over, and given the disaster and chaos in the Canadian economy in 1982, 1983, and 1984, the turnaround has been truly remarkable.

Since the Minister of Finance was appointed in September, 1984, employment growth in Canada has averaged 2.5 per cent. It is a little difficult for people to recognize just what that represents. It represents being first in the world in terms of employment growth among all major OECD countries. Some 700,000 jobs have been created in Canada since the Government took power.

To give an idea of the magnitude of that figure, in 1986 alone more jobs were created in Canada than in all western Europe combined, which of course has many times our population base. However, I will admit that those jobs have not been created uniformly across the country. My particular riding is one which has benefited, but I remember well in 1982, constituents coming to me who had lost their jobs or were losing their houses because of high interest rates. There was a tremendous sense of despair and depression as people were laid off or forced to meet rapidly increasing interest rates.

Now York-Scarborough is booming. We believe that we have the lowest unemployment rate in the country. We have the fastest rates of job expansion, housing expansion, and population growth. It is obvious that these policies are now working in the rest of the country as the employment picture continues to improve. For example, in the first two months of this calendar year, some 30,000 jobs were created in Quebec, principally in Montreal. Montreal is beginning to see the benefits of the policies brought in by the Minister of Finance.

I mentioned mortgage interest rates. Interest rates in general have fallen faster in Canada than in any other part of the world since September, 1984. It is important to recognize that the prime rate of interest is close to a 10-year low. It is now possible to obtain mortgages with single digit interest rates.

I remember when I bought my own house in 1970. I was paying 10.25 per cent on a five-year mortgage at that time. Interest rates are below that now. They are down into single digits. In fact, for those who want short-term mortgages, they can now obtain them for 8 per cent and change.

Let us compare that with the chaos caused under the policies of the previous Government where mortgage interest rates hit 22 per cent. I remember being invited by an entire condominium association to visit their houses, to advise them on what to do with their mortgages, and to develop personal financial plans because they were afraid of losing them.

However, things have changed dramatically in five years. Obviously 90-day commercial deposit rates are down at 10-year lows. Credit card interest rates have started to fall. If the Minister of Finance had not created an environment in which the cost of money was falling, credit card interest rates would not be falling as well. Certainly in the last two weeks to three weeks we have seen every major bank fall in line and reduce credit card interest rates by almost 3 per cent. It is an enormous drop and is credit to what is happening in the economy.

We could look at all kinds of economic indices, but let us look at the dollar. It started declining shortly after 1976 when it was well above par. It declined in a ratchet manner to a low of 71.5 cents just before the last election. There is no doubt that we have had a considerable problem turning around the dollar, but it is now sitting on the verge of 77 cents. This means an enormous increase in the purchasing power of Canadians when they buy food from the United States or take U.S. vacations. It certainly represents a very important step for people such as my mother who, because of her health condition, finds it very difficult to live through our cold winters. These are important economic developments for Canadians.

The growth in Canadian output in 1986 at 3.3 per cent topped that of all major countries. If we measure the growth in real output since September, 1984, we see that Canada is second only to Japan. Most of us would agree that Japan is the economic miracle of the world and has been through the 1980s. However, how many of us stop to think that since the election we are running neck and neck with Japan, and last year we actually passed Japan and were first among all countries in the world?

The employment growth we have seen has led to a steady fall in unemployment as the last 2.5 years have gone by. Unemployment rates are now down by almost 2 per cent. The

effects are being felt across the country with the majority of jobs being created being full-time ones.

The last Government had a cost of living plan. Somehow it hoped to get down to as low as 6 per cent and 5 per cent. I guess they were nice objectives for the day, but through the actions of the Minister of Finance we have seen the cost of living in Canada settle down in the 3 per cent to 4 per cent range, almost half what the previous Government thought was achievable.

The deficit, another important measure of international economic activity, has shown a dramatic fall. It is important to recognize this not only in national terms but in international terms as well. In national terms there was a steady and dramatic increase in the deficit between 1980 and fiscal 1984-85. The deficit rose from around $10 billion to $11 billion up into the high thirties, through just plain economic mismanagement. We have seen a steady decrease in each of the first three years covered by the first three Budgets of the Minister of Finance. This year it will be down to the same level as that in the United States in terms of the deficit as a proportion of the Gross National Product.

Let us put that in perspective in international terms. When we took office in September, 1984, our deficit was almost twice as large, as a percentage of the Gross National Product, as that of the United States. It is quite clear that next year or the year after that we will be below the U.S. deficit as the economic plan comes into full fruition. This has been done primarily through program expenditure reductions. This fiscal year represents the first year in which there are actual reductions in program expenditures since the Korean War. No other Government has had the courage to do what the Minister of Finance has done in his three Budgets.

As I said, we have had a major turn-around. For example, the reduction in interest rates has prompted a boom in housing construction across the country. I remember when the predecessor member for my riding was the Minister responsible for housing and talked about maybe constructing up to 120,000 housing units per year. We will have 200,000 new houses constructed in Canada this year. That is primarily a tribute to the improving economic environment and to the very low rates of interests available for people to finance their houses.

• (1630)

To listen to the Opposition, you would think that all this was an accident, that we were exceptionally lucky or that somehow we were catching up with the rest of the world. I know one thing, Mr. Speaker, it is possible now and then to fluke in to a lucky gain in one area. Look at the areas that I have enumerated. We are number one in the world in so many different areas that it cannot conceivably be argued and dismissed, as the Opposition seems to, as being some sort of accident or some sort of blind luck. I am reminded of the Canadian humorist Stephen Leacock who once said: "The harder I work, the luckier I get". That really is the true explanation for sustained luck. Sustained luck may appear as luck to those who do not work hard. It may appear as luck to those who do not have a plan, who do not understand how to produce good fortune, but sustained good luck is the result of planning and hard work.

I mentioned in my introductory remarks that in his Budget the Minister of Finance has had a record of continuously improving the environment for pensions and annuities, particularly in the private sector. That trend has continued in this Budget. Important restrictions were removed in this Budget that were introduced in the 1981 MacEachen Budget. In 1981 Mr. MacEachen introduced severe tax penalties for those people who were trying to save for their retirement through the use of single premium deferred annuities. He said, in effect, that if you retire before age 60, you would pay the full tax immediately upon seeking retirement or you would pay the full tax at the end of six years and you could not build up money for retirement. The Minister of Finance in this Budget has changed the rules to provide a fair system of taxation for the single premium deferred annuities so that people can elect to retire before age 60. This is a follow-through on the changes that the Minister brought in with Bill C-90. He provided in his May 1985 Budget that pension plans must provide for early retirement within 10 years before normal retirement. The Minister has eliminated the nonsense introduced by Finance Minister MacEachen that you cannot retire before age 60, and if you do you will have tax penalties. That is not in line with current thinking. The measure in this Budget is an important one for tens of thousands of Canadian savers.

Also the Minister of Finance has introduced rules for splitting CPP pensions. As you know, Mr. Speaker, in the Canada Pension Plan Bill passed last June there were provisions so that a husband and wife could decide to rearrange their Canada Pension Plan payments. If the husband's payment happened to be higher or if the husband happened to have the only CPP pension, the couple could split the pension between the husband and the wife. Under the old income tax attribution rules, while people could physically transfer payments, one could not transfer the tax effect of the payments. Our Finance Minister has brought in progressive measures in this Budget so that now families can rearrange their CPP payments between the two spouses so that they can not only split the payments but also share the tax advantages of re-arranging the payments. Similarly, in the Minister's pension reform legislation, he has been very conscious of the fact that women, spouses, have been hard done by in the past. In the legislation following from this Budget we will see special provisions for the next seven years to allow the roll-over of pensions into spousal RRSPs of up to $6,000 a year, so that those spouses who were not adequately provided for through retirement pension plans and through having participated in the workforce can have money built up in their own names. It is important that these tax measures will primarily benefit single women—single not in the sense that they are single now but in the sense that as women outlive men they are widowed—and the major poverty problem in Canada over the last

10 years has been the plight of the widow. By setting up these income tax incentives, the Minister is taking direct steps to attack poverty.

We also have a number of measures in the Budget with respect to tax avoidance and tax reform. Revenue Canada now has a new service orientation, which includes opening up offices in new areas of the country, such as in my riding. In addition to providing better service, we are tending to provide a fairer service. Fairer service means not only ensuring that people get good advice but that we can track down people attempting to avoid tax. This Budget provides for an increase in the Revenue Canada staff allocations as well.

In the Budget general rules for tax reform are set out. It is important to recognize that tax reform will be presented this year, before the summer recess. It will be studied by the House of Commons Finance Committee and brought back to the House in the form of concrete legislation toward the end of the year or in next year's Budget. It will result in a dramatic change in the fairness and the progressivity of the tax system in Canada, for example, personal income tax. It is obvious that we have all read the stories of the many high-income Canadians who have avoided paying tax. At the same time many financial commentators have mentioned that you virtually cannot prepare a tax form now without reading three or four books to prepare yourself for it. Things are getting more and more complicated. We need a simpler tax system which has lower rates of taxation so that people do not have the same incentives for tax avoidance. We need one which ensures that the personal tax base is as broad as possible so that people cannot avoid tax. Last year we introduced temporary measures with the special minimum tax provisions. It is obvious these were temporary measures and that the real solution is to recast the whole income tax system. The alternative minimum tax will not be needed because the tax system itself will ensure that the proper rates of tax are collected from those high-income Canadians.

Another thing dealt with through tax reform is the tendency over the last 30 years for the proportion of government revenues provided by personal income tax to increase. In 1960, during the days of the Diefenbaker Conservative Government, only one-third of total tax collections came from personal taxes. That level has risen just about each and every year on a fairly steady basis. By 1986, personal income taxes accounted for something like 50 per cent of total tax collections, which is too high. We want to see the reliance on the personal tax base reduced. It has to be reduced because middle and low-income Canadians deserve a better tax system.

Some Hon. Members: Hear, hear!

Mr. McCrossan: At the same time as we are bringing these new taxes to bear on the high-income Canadians who have been avoiding them, we want to ensure that low-income Canadians, particularly those below the poverty line, are largely removed from the tax rolls.

Mr. Keeper: You must be a red Tory.

Mr. McCrossan: I am a Progressive Conservative.

Mr. Rodriguez: There is no such thing.

Mr. McCrossan: We also have to look at the other main sources of tax revenue. The manufacturer's sales tax used to provide, if we go back to 1960, one-third of our total tax revenue. The base has been narrowing substantially, both as a result of the exemptions given and as a result of the fact that the growth in the economy has been in the non-manufacturing sector. That means the revenues from sales taxes have dropped from one-third of revenue to one-fifth of revenue. We need to look at a broader based tax. Not only are we not collecting tax from the economy as a whole in proportion to its ability to bear the tax, but the current sales tax as it has been allowed to deteriorate over the years provides an incentive for imports, a disincentive for home production, and a disincentive for exports. It is obvious that if we have a tax system that significantly deters the incentives for exports in an international trading world, we are crazy. We have to change that.

• (1640)

I would like to deal finally with corporate tax reform. We have all heard the stories of the very profitable corporations which have made profits through the late 1970s and the 1980s but have not paid corporate taxes. As the Minister has clearly stated, any meaningful tax reform must result in these profitable corporations paying taxes so the Canadian taxpayer can once again have confidence that the tax system is fair and the right people are paying their taxes.

In conclusion, it is obvious that in his four Budgets, the Minister of Finance did a superb job in restoring the Canadian economy and introducing in the tax system a fairness that we all felt existed 30 years ago but had disappeared in the intervening years. It is for these reasons that the Minister of Finance will be regarded as the most important Finance Minister in Canada's history.

Mr. Rodriguez: Mr. Speaker, I would like to put a question to the Hon. Member who just spoke. When he began, he went on at some length about what a fantastic job the Government had done by bringing down interest rates. He attributed the drop in inflation to the great job the Government had done.

When the Government was first elected in 1984 and interest rates and inflation were still high, answers to questions put by the Opposition were repeatedly answered by Government Members using the same line the Liberals had used when they were in office. They said that there was nothing the Government could do about lowering interest rates or about bringing inflation down because our economy was so closely tied to the American economy. They were not prepared to take the responsibility for bringing those rates down.

American interest rates and American inflation rates have come down and we followed them downward. Why is the Hon.

Member so hypocritical as to rise in the House to take credit for the drops when he was not prepared to take the responsibility for the high rates? One cannot suck and blow at the same time, or is that synonymous with Conservatives? They talk through both sides of their mouths at the same time.

Mr. McCrossan: Mr. Speaker, I would not have phrased the question that way but if I had planted it, I could not have done a better job. The question gives me a chance to talk about something that was happening during the early 1980s but has changed now.

As we built up very large deficits through the 1970s and the 1980s, the dollar was under tremendous downward pressure. The only choice the Government had in the face of these runs that occurred on the dollar was to maintain wider interest rate spreads than those that had been traditional between Canada and the United States. Traditionally, those spreads had been at the .5 per cent to 1 per cent level. Gradually those spreads grew to several percentage points. The important change that occurred and the reason the Minister of Finance can take credit for this is that he took the pressure off the dollar.

By reducing the deficit, indicating to the world that we are determined to have a stable currency and a solidly expanding economy and taking the pressure off the dollar, Canada has become the preferred place in which to invest and create jobs. The deficit is falling. The last run on the dollar was a year and a half ago. We are now facing a steady increase in the dollar and as a result of the economic policies we brought in, the Minister of Finance and the Governor of the Bank of Canada have been able to allow interest rates to fall very abruptly. These interest rates have fallen as a direct result of the Government's approach. I see nothing wrong whatsoever with taking credit for it because we got ourselves out of a problem the Liberal Government had built up for us over the last 15 years.

Mr. Len Hopkins (Renfrew—Nipissing—Pembroke): Mr. Speaker, I listened with great interest to the speech of the Hon. Member for York—Scarborough (Mr. McCrossan). I could not help but wonder why, if the Minister of Finance (Mr. Wilson) and the Government is doing such a fantastic job, no one in Canada knows about it. As we travel around Canada, we certainly do not hear that message from the taxpayers.

At the beginning of his speech, the Hon. Member for York—Scarborough did say that interest rates have changed drastically in five years. I would remind the Hon. Member that five years ago, the mandate of the Liberal Government had more than two years to go. I think the Hon. Member should have thanked the previous Government rather than criticizing it in the way he did because it was obviously the Liberal Government that laid the foundation for this Government to move on the good things that are happening today in the area of interest rates.

I recognize the fact that Conservative Members do not wish to believe the truth when they hear it, but the Hon. Member did say that interest rates have changed in five years. I cannot help but agree with him. The severe depression of the early 1980s was handled superbly by the Liberal Government compared to the way the Conservative Government handled the worst depression ever before that, the depression of the 1930s. We know what happened to many people then. Government Members had better keep remembering that.

I think every Canadian across the nation realizes what the Liberal Government did in the early 1980s. It supported people on old age pensions without any cuts, it supported low and middle-income people, it supported unemployment insurance programs because it was a tough time for the unemployed, it supported people on family allowances, and it supported hospitalization. All these programs were brought into Parliament by Liberal Governments over the years.

There have been some fantastic Ministers of Finance in Parliament in past years. I would like to tell the Hon. Member for York—Scarborough that I certainly would not want to compare the present Minister of Finance with the Ilsleys and Abbotts of this world. They were truly Ministers of Finance at a time when Parliament faced tremendous challenges, not only nationally but internationally through the war years.

When the Government is praising itself for what a tremendous job it has done and at the same time it is condemning the Government of past days, I think the statement that was made earlier about not sucking and blowing at the same time is appropriate. By the way, that is an old Ottawa Valley saying. It originated in the Ottawa Valley, as did many other famous sayings. If the Government is going to take credit for the positives, it had better take the blame for the negatives.

The Hon. Member for York—Scarborough said that Scarborough is booming. That is great. There is nothing wrong with that at all. However, it is too bad that some of that has not spread across to other parts of the country. Rural Canada is not booming these days. This is the Government that said it would have all the problems of rural Canada solved in no time at all.

The Budget the Government brought in a few weeks ago is a perfect example, and indeed a perfect reflection, of the policies of a Government that has no original ideas and no perception of how it should attack the difficult problems of our time. It is quite obvious that the back-benchers in the Conservative Party had no say in this Budget, or did they? The man from Bay Street—the Finance Minister—had everything his own way. He knew of only one way to go and that was to increase taxes on the lower-income and middle-income people in the country while ensuring that he protected his wealthy friends and the large corporations. One need only look at the figures in the Budget to prove that.

• (1650)

I want to say a word this afternoon about defence measures. In a National Defence Committee meeting on March 17 the Associate Minister of National Defence (Mr. Dick) replied, in answer to a question I put to him about where the 6 per cent increase in defence that they had promised throughout the election campaign was, "We have no record of having made that promise. If you can find anything, I wish you would let me know".

Well, I found it, Mr. Speaker, and put it on record in this House by way of a statement under Standing Order 21 on March 27. I told my research person at the time that I would wait a few days until the Government had one of its members reply to that because it could not allow that to stand unanswered. Sure enough, last Wednesday the Hon. Member for Northumberland—Miramichi (Mr. Jardine) got up in the House. I was surprised that that member got up and made the statement that he did, because I know him as a man of integrity. He is a retired member of the Canadian Armed Forces. In reference to me, the Hon. Member for Northumberland—Miramichi said:

> When he referred to three newspaper articles, the Hon. Member implied that they contained mention of, to use his words, promises and commitments. These words are nowhere to be found in direct connection to anyone involved with the Government.

I will begin by referring to *The Toronto Star* of July 31, 1984, which was about five weeks before election day. There is an excellent picture here of the Hon. Member for Calgary Centre (Mr. Andre). The article reads:

> Under a Tory government, defence spending growth "should be 6 per cent for the next few years," Andre said.

Further on the article says:

> The national defence budget is estimated at $8.78 billion for 1984-85—

The article goes on to list the other budgets. I will now refer to the London *Free Press* of August 6 in which an article reads:

> Last July, Conservative defence critic Harvie Andre suggested that not even four per cent would suffice. Annual increases after inflation of up to 6 per cent would be required, in his judgment, to bring existing level of armed forces up to a reasonable degree of combat readiness.

Surely these reporters in Toronto and London are not making all this up. The article continues:

> In last February's federal budget, defence expenditures were projected to total $11.15 billion in 1987-88, up 27 per cent over last year.

That did not happen, Mr. Speaker.

In the *Chronicle-Herald* from Halifax the following statement is to be found:

> Dartmouth Tory MP Michael Forrestall said that if a federal Liberal government needs cash, one of the first places it will look to get that cash is its defence budget, adding a Progressive Conservative government would look lastly at its defence budget for funding of other programs.

The article continues:

> Mr. Forrestall said in an interview Friday that defence spending is an important priority of the Tories, and the PCs would look at a defence budget increase of 6 per cent.

There is nothing wrong with that. He was only repeating what the defence critic of the day said.

After reading these quotes from the Hon. Member for Calgary Centre who was the defence critic during the last election, from the Member for Dartmouth—Halifax East (Mr. Forrestall), and from the Associate Minister of National Defence, how can the Hon. Member for Northumberland Miramichi get up in this House and say that "these words are nowhere to be found in direct connection to anyone involved with the Government"? Is the Hon. Member for Calgary Centre not involved with the Government? I thought he was in the Cabinet. I believe I have made my point on that issue very clearly. Why are Hon. Members spending their time denying election promises which they did in fact make? It is on the record.

The Hon. Member for Northumberland—Miramichi must have been embarrassed to be asked to stand up in the House and defend his Party's pathetic record on defence policy. I know it must be difficult for such an honest man to tell Canadians that the great rhetoric of the Tory Party in the 1984 election campaign with regard to national defence and many other items has remained that, just plain rhetoric. After listening to the Hon. Member for York Scarborough I know it is still going on.

Let us look at the actual record of the defence budget because I want to make it very clear in the record. In 1980-81, the real growth in the defence budget was 3.2 per cent after inflation. In 1981-82, the real growth was 3.1 per cent. In 1982-83, the real growth was 5.3 per cent. In 1983-84, it was 6.4 per cent. That is what the Tories promised, but that was done under the Liberal Government which was castigated by the Tories for it.

In 1984-85, the real growth was over 8 per cent. In 1985-86, the first fiscal year for which the Tory Government was responsible, the real increase in national defence fell to minus .2 per cent. In their first year in office they had a decrease of .2 per cent after having run all over the country the year before promising members of the Armed Forces, veterans, Canadian business people, and Canadians at large that there would be a 6 per cent real increase after inflation.

In 1986-87, there was about a 2.75 per cent increase. In the present year, the increase will be no more than zero per cent and may even end up being a negative increase. There is a great possibility that there will be negative growth in the defence budget for two out of three years the Government has been in power and only a 2.7 per cent increase in the other year. Yet, throughout the summer of 1984 the Government duped Canadians by telling them that it would provide a real increase of 6 per cent. Every Canadian, and certainly those in the Armed Forces, will remember that promise.

• (1700)

In case people do not want to believe newspapers, let me read some history that has been written about the Government. It is from an excellent book entitled "Canada and Collective Security: Odd Man Out". It is written by Joseph T. Jockel and Joel J. Sokolsky. Mr. Sokolsky was one of the researchers and advisers a year ago when the then Standing Committee on External Affairs and National Defence was preparing its study on NORAD. He is an excellent student. This work was published with the Centre for Strategic and International Studies at Georgetown University, and is extremely credible.

On page 11 of the book, Mr. Jockel and Mr. Sokolsky say regarding the campaign of 1984:

> —the Conservative spokesperson on defence issues, Harvie Andre, a Member of Parliament from Calgary, called for the party to commit itself to real increases in the defence budget on the order of 6 per cent a year for five years—

Not one, but five years:

> —thus doubling the rate of increase of the past several years.

One can only imagine what the increase will be in the next two years when we consider that in the first three years there has been a real increase of less than 2.75 per cent in total. The Government will have quite a challenge in meeting that budget, and the reality is that it cannot do so. I simply want to put to rest all the rhetoric about what the Government is doing for national defence in this country.

The House will note that the Liberal Party that was defeated in 1984 not only met the NATO commitment of 3 per cent every year until it left office as well as in the fiscal Budget for which it was responsible after it left office, but in two of those years it more than met the Conservative promise, and almost met that promise in the third year because the increase was 5.3 per cent.

Let us consider what the Government has done for our Canadian Armed Forces and people in the private sector in terms of pension income and severance pay. The Minister of Employment and Immigration (Mr. Bouchard) recently made a statement in the House simply because of the tremendous pressure that has been brought to bear on him by the Liberal Opposition, as well as Armed Forces organizations, pension organizations, the RCMP, public servants, Crown corporation retirees and others.

In 1985, the Government began a procedure whereby it announced that pension income and severance pay would be considered as income for the purpose of paying unemployment insurance. It did not matter whether members of the RCMP or the Armed Forces had paid from its inception in 1970 until they retired in 1985. They suddenly discovered that they were unable to collect unemployment insurance. In some cases some got as much as $5 a week and others had their premium payments cut simply because the Government had brought in a policy which considered their pension income and severance pay as income. When we questioned the Hon. Member for Kingston and the Islands (Miss MacDonald), who is now in another portfolio, she rose in the House to defend it with great fervour, saying that it was a tremendous policy. The former Minister of Employment and Immigration was shifted to what is supposed to be a quieter Department but one that I suspect will become more controversial soon.

The new Minister was appointed and realized something had to change. The other day he rose in the House to withdraw some of these measures. We must recognize the Hon. Member for Notre-Dame-de-Grace—Lachine East (Mr. Allmand) who rose in the House on March 18 to say, as reported at page 4306 of *Hansard*:

> After a year and a half of questions in this House, demonstrations outside the House, Opposition Days, Statements Pursuant to Standing Order 21, and visits to the Minister's office, in short, an onslaught of attack on the Government, it has finally seen the light. The Minister has been dragged kicking and screaming to recognize that the policy which his predecessor introduced a year and a half ago is wrong with regard to those who applied for unemployment insurance after being preretired before January 5, 1986.

He went on to give credit to all those groups who fought that battle. The Government has been insensitive to those pensioners, the retirees of the Canadian Armed Forces, RCMP retirees and others, for the duties they have performed. The Government is nickel and diming them when they retire and when they need the money the most in order to prepare for a new way of life.

I only wish that I had enough time today to tell the Minister of State for Science and Technology (Mr. Oberle) exactly what I think of his policies and the Government's policy on transferring first-class technology.

Mr. Deputy Speaker: The Hon. Member's time has expired. I am sure the House would not mind giving the Hon. Member an extra minute to conclude his speech.

Mr. Hopkins: Thank you, Mr. Speaker. I simply want to say that it is a sad day for Canada when the Government closes down a $50 million telescope and observatory situated in the quiet land of eastern Ontario. The Government does not know how to mothball it because no country has ever had the audacity to mothball a telescope. People will have to remain there to look after it or it will be destroyed in many ways.

The worst insult to the science community of Canada was the Government's announcement that it will buy a 25 per cent share in a foreign telescope situated on a mountain peak in Hawaii, where Canadian scientists will have to travel to do the same things they would have done here on our own doorstep if the Government had spent a few million dollars to upgrade the telescope and observatory. Indeed, such upgrading was planned through Treasury Board but was cancelled. Now our scientists are being sent offshore while these excellent facilities in our own country, which could have attracted many international scientists, are being destroyed. I thank the House for its consideration in extending my time.

Mr. Hawkes: Mr. Speaker, I heard the Hon. Member indicate that it was a sad day for Canada when we could not

spend $50 million on a telescope. How sad does the member find it that the taxpayers of this country are paying some $27 billion—that is twenty-seven thousand million dollars in interest—on a public debt which he helped create by supporting previous Ministers of Finance, including the current Leader of his Party? How sad does he find it? Can he do the mathematics and tell us how many telescopes we could buy if we did not have to pay that interest on the public debt? Can he do the mathematics on that and still feel sad about the enormous amount of $27 billion to pay interest? That is why we do not have $50 million for a telescope.

• (1710)

Mr. Hopkins: Mr. Speaker, we have heard those statements in the House before. I could come back to the Hon. Member and simply say that we all know that the national debt has increased considerably under this Government. What is it, $100 billion more or $75 billion more? What will it be by the time we get that Party out of power? Who is going to pay the interest rate for its blunders? People in this country realize the Government has made blunders. Who is going to pay the interest on the millions of dollars which was spent on the prison in the Prime Minister's own riding? That must be borrowed money if the Government is still in debt and is still deficit budgeting. The Government is not balancing the Budget in this country, and it should not try to tell Canadians that it is.

The Hon. Member says we cannot find $50 million for a telescope. It just goes to show that he does not know what he is talking about. We were not looking for $50 million for any telescope. What we were looking for was $12 million to upgrade the observatory and the total complex we already have. We were not going to go offshore and spend another $10 million or $12 million buying into a foreign-owned telescope which is not even on Canadian soil. What is wrong with the Government? Is it not happy with science and technology and the way Canadians have developed it in this country? I think the Hon. Member should be ashamed of himself for creating this kind of debt and scandal by going offshore to participate with someone else. We do not even have the observatory in this country now to invite our scientists back.

I want to repeat before I sit down again, because I do not think the Hon. Member was listening, that during the early years of the 1980s in this country and in the western world we saw the worst depression in 50 years.

Mr. Lanthier: Provoked by you.

Mr. Hopkins: Listen to the Hon. Member. He has opinions of grandeur if he thinks we created unemployment and recession in the United States, in Great Britain, West Germany and Japan. How silly can the Hon. Member be to think that. He will then stand up and say that Canada has no influence. He stands up in this House—I am sorry he does not, he speaks from the seat of his pants. He is saying Canadians are causing all this destruction. Come on.

Mr. Lanthier: You created the situation.

Mr. Hopkins: It was an international problem. If the Hon. Member wanted to be honest, he would admit it was an international problem. If the Hon. Member for York—Scarborough wanted to be honest, he would say it was an international problem with which we had to contend. The Liberal Government did contend with it, but it did not do so by riding on the backs of the poor and middle-income earners and the unemployed of this country. We looked after those people and that is why we are paying part of that interest today.

An Hon. Member: $200 million worth.

Mr. Deputy Speaker: Let us have some order.

Mr. Hawkes: Mr. Speaker, I rise on a point of order. We have 10 minutes for questions and comments and there is a deliberate filibuster by the original speaker to stop us from asking very pertinent and relevant questions. The Hon. Member brings up the prison in the Prime Minister's riding. That prison is being built for two-thirds the cost per cell of the last prison built by the Hon. Member's Government in the Province of New Brunswick. He does not want that fact laid on the Table. He does not want to give us an opportunity to stand up and say that the Auditor General spoke about his sense of panic that the previous Government had created a situation where spending was out of control. Those are the things the Hon. Member is trying to filibuster about, and I think, on a point of order, he should be cut off and not be allowed to do that.

Mr. Deputy Speaker: We are going to pursue the question and comment period with the Hon. Member for Ottawa West (Mr. Daubney).

Mr. Daubney: Mr. Speaker, there are many matters on which I could comment in the Hon. Member's address. However, I would just like the record to be clear on the last point he made during the extended minute given to him with respect to the telescope.

He certainly left the House with the impression that it was a decision of this Government to participate in the Hawaiian telescope. That is not the case at all. I can tell him as a member of the Standing Committee on Science and Technology that that was a decision taken by the Government of which he was a supporter for many years, that of the Right Hon. Pierre Elliott Trudeau.

I think it was in 1978 or 1979 that the then Government decided that Canada would participate in this very state of the art telescope high on a mountain top in the Hawaiian Islands. It is an excellent location from which to observe the stars, and I am not questioning the decision made by the Government of the day. However, I just want to point out to the Hon. Member that this was not an initiative of our Government. It was an initiative of the Government which he supported, and if he had concerns about it, he should have raised them at that time.

Mr. Hopkins: Mr. Speaker, the Hon. Member accused me of going on for too long, but I would point out to him that the indecency of his own colleagues speaking from their seats, shouting and putting comments on the record, was not going to go unnoticed. Perhaps if he had some rapport on his side of the House my speech would not have taken so long.

I say to the Hon. Member for Ottawa West (Mr. Daubney) that plans were in fact under way to upgrade the Algonquin Radio Observatory, and he knows that. He knows that this proposal was before Treasury Board. But the Government was not going to cancel one and do the other. Was the Government going to cancel its own Canadian technology and go offshore besides? The Hon. Member knows very well that we can buy into another telescope or take an interest in another telescope, but that does not mean we have to destroy our own technology at home in order to do so.

If the Hon. Member wanted to be square on what he said, he would have said that the Government made a choice. It made a choice to cancel the Algonquin Radio Observatory to go offshore. That is what the Minister told us. If the Hon. Member refutes that, he is refuting his own Minister. Here we are destroying our own technology at home, but we are quite willing to put our bucks into a foreign country, have a share in something on foreign land, yet at the same time the Government talks about mothballing an observatory here at home which is in an area which needs the employment and does business with many businesses throughout the area and is known world-wide for its excellence. But the Hon. Members' Government not only refused to upgrade the observatory but decided it was going to close it down and go offshore and say no to Canadian-born technology.

Mr. Garneau: Mr. Speaker, I listen very carefully to the speech of my colleague, the Hon. Member for Renfrew—Nipissing—Pembroke (Mr. Hopkins). Even though I am finance critic, I have not had the opportunity to look into all aspects of the Budget, so I would like the Hon. Member to comment on the percentage of increase in defence spending. I understand that the Tories promised during the election campaign to have a real increase of 6 per cent, and the Hon. Member gave us a figure of an increase of only 2.75 per cent in the second Budget, .2 per cent in 1985-86, and zero in 1987-88. Can the Hon. Member for Renfrew—Nipissing—Pembroke tell us how it would affect our defence? Could he give us a concrete example of how such a decision by the Tory Government, in contradiction of its promises, will affect people in the Hon. Member's riding or in any other place in Canada?

Mr. Hopkins: Mr. Speaker, I thank the Hon. Member for his question. Perhaps it will be more realistic if we did not only talk in percentages. I said that in the first year the Government was in power, it had negative growth in real defence spending in its Budget. In the second year, it went up by 2.75 per cent, but this year it may well again have negative growth in the defence budget. So that will be deducted from the 2.75 per cent in the second year. It is a pretty dismal showing.

• (1720)

With respect to the long-term and, indeed, the short-term effects that this will have on the defence community of Canada, the Armed Forces, if we will be increasing the reserves, as the Minister of National Defence (Mr. Beatty) says we will be doing, then why did he say it would be done over a period of 15 years? It is because there will not be enough money to do it beforehand. Why is the Government putting off the purchase of submarines for such a long time? Because it does not have the money to purchase them. Why are military bases in the country going without maintenance funds for buildings and the simple things they need? It is because there is no money to do the job. This means that we will have continued deterioration where there is no money to upgrade military bases across Canada and those outside Canada. It will cost more in the long run to fix up these buildings and carry out the maintenance work that needs to be done.

In terms of the Budget I spoke only about personnel. The Government promised that it would greatly increase the personnel of the Armed Forces. The present numbers differ little from the number of three years ago when the Conservatives came to power. That is another promise that has not been kept.

In answer to the Hon. Member's question, it simply means that everything will be put off for down the road. I hope that we do not have any wars or rumours of wars taking place before then, because if there are it will involve an awfully fast step-up job to get anything done.

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, I want to add my two cents' worth to the debate on the Budget of February 18.

One thing I can recall vividly is the feeling in the country after Pierre Elliott Trudeau ascended to the Prime Ministership of Canada in 1968. One of the hallmarks of his first four years in office was to do with how divided the country was and the fact that the regions of the country were split. He destroyed the fabric which held Canada together. In looking at the election results of the 1974 election we see that the representation in the House of Commons reflected that division. It reflected the disunity in the country. For example, by and large, western Canadians supported the Conservative Party. Every Member of Parliament Alberta sent back was a Conservative Member of Parliament. Ontario was split. Quebec sent back a preponderance of Liberals. The Atlantic region was split. There was an accepted belief that the Liberals had split Canada. They did not have a consensus. They did not reflect equal representation. Indeed, between 1980 and 1984 the Liberals were shut out of western Canada, not only federally but oftentimes provincially. At that time one could not give a Liberal away. They had split the country.

Then, in 1984, the present Prime Minister (Mr. Mulroney) returned here with 211 seats. Everyone said: "Look at that. This is a broadly representative Government. We now have

representation from coast to coast. Look at the unity that we have created". During the first few months in office the polls reflected the Government's popularity. The honeymoon was on. In terms of popularity the polls showed the Conservatives at 55 per cent and then 50 per cent. In just two and a half short years where has it gone? Where is the unity in the country? The Conservative Government is wracked by dissension. The Hon. Member for Edmonton—Strathcona (Mr. Kilgour) pointed out that the Government is not paying attention to the problems of the west. As one travels across the country one senses the feeling that the country is as divided now as it was in the time of Pierre Elliott Trudeau.

I wish to point out that in the rhetoric contained in the Budget when the Minister of Finance (Mr. Wilson) brought it down he said that some regions are hurting. He then went on to say: "We intend to ensure that our program of economic renewal works for all Canadians". He promised and offered to work with the provincial Governments and industry to find ways to develop a sound base for improved sustained growth in all regions of the country. Let us take a look at that.

He did not say where the growth was taking place. In fact, I would like to offer one statistic to the House which gives a little insight into where the growth has taken place. Between January of 1986 and January of 1987 the total number of jobs in the country rose by 137,000. However, only 5,000 of those jobs were created outside of Ontario.

Mr. Blaikie: Shame!

Mr. Rodriguez: The Hon. Member says: "Shame". I want to point out that very few of those 137,000 jobs were created in the northern part of the province. The vast majority of those jobs were created in the Golden Horseshoe, specifically in Toronto. I recall in the mid-1970s when young people who were experiencing high rates of unemployment approached the then Prime Minister when he was speaking at a university. They asked Prime Minister Trudeau what he intended to do about job creation and jobs for young people. Do you know what he said to them, Mr. Speaker? He said: "You have to be prepared to leave Canada and go to find a job somewhere else". He was roundly and correctly criticized for having said that. What is the Government now saying to young people? What it is saying is that people have to go to Toronto to find jobs. That is what it is saying.

In spite of that the Government persists. The Minister talks about more growth, more jobs and more opportunities in his Budget. How can he say that when, in fact, that growth is very narrow and limited to Toronto and a small geographic area of southern Ontario? There is a saying that one can go to the east or to the west and immediately form a connection with other people by hating Toronto. Is this the unity the Government has created? Is this the unity that the Minister of Finance and the Government talks about? This is the Government of Toronto.

The Minister of Finance appeared before the Finance Committee soon after his Budget was tabled. He pointed out that 675,000 jobs had been created across the country. He admitted that 356,000 of them were created in Ontario. That is over 50 per cent. It seems to me that the common belief is that the Government is low in the polls because of scandals. I suggest that we have to look again. I do not think that being low in the polls is attributable totally to scandals. I think it has to do with the fact the Government has abandoned the regions of Canada.

• (1730)

Mr. Keeper: That is a scandal.

Mr. Rodriguez: That is scandalous. The Government talked about jobs, jobs, jobs. As I pointed out, when we look to the regions we see 5,000 jobs created outside of Toronto from January to January. What about the other Canada? What about the regions forgotten by the Government? Between 1981 and 1986, unemployment in Atlantic Canada increased from 11.5 per cent to 15.3 per cent. The difference in the unemployment rate between Ontario and Atlantic Canada increased from 6.3 per cent in 1981 to 8.2 per cent in 1986. Today we have 125,000 unemployed in four Atlantic provinces alone. The unemployment rate ranges between a low of 13.5 per cent in New Brunswick to 20.1 per cent in Newfoundland. That does not even count the thousands who have given up looking for non-existent jobs. Average family income in Ontario is 40 per cent higher than in Atlantic Canada. Some 25 per cent to 30 per cent of the region's income is dependent on social payments. That is the other Canada. That is the Canada forgotten in the Budget of the Minister of Finance. It would have been better had the Minister not brought that Budget down. Someone in my riding called it the "budgie Budget" because one of the tax increases applied to pet food.

What is the Conservative Government's record on the question of job creation and regional development? As I pointed out, 90 per cent of all the new jobs were created in southern Ontario. Spending on regional economic development has fallen almost $3 billion since the Tories took power in 1984. Some 70 per cent of DRIE funds are spent in Ontario and Quebec. The private sector in the Atlantic region has said it will reduce investment. Tory tax credits and tax reforms are a total failure. For example, we have the Cape Breton tax credit. It is being used by investors to invest in fly-by-night operations in the same way as the SRTC scam. What have the Tories done about the Moncton shops and the Trenton car works? Jobs have disappeared. The Atlantic Canada Opportunities Agency and the Atlantic Enterprise Program are caught up in red tape. Do the Budgets do anything about the fishery in Atlantic Canada? We all know about the fishery deal that France and Canada signed. We know the way that deal was fixed. What is the Government doing about the offshore? What about development programs? Are there any increases in transfer payments? On the contrary, there are cut-backs. Are there any increases in equalization payments? On the contrary, there are cut-backs.

Keeping in mind that three out of four of the Atlantic Governments are Conservative, how have they reacted to the third Budget of the Tory Government? Premier Buchanan of Nova Scotia said:

> I was quite frankly very, very disappointed that the Budget didn't address what I thought was going to be one of the major items, and that was the Atlantic provinces agency . . . There is very little in the Budget for the Atlantic region at a time when we needed (something) very badly . . . Ontario is doing very well, thank you, but the Atlantic Provinces are not doing that well, and it's most unfortunate that the Budget didn't address that.

He went on to say:

> Unfortunately—restraint is having a rather devastating effect on the Atlantic Provinces . . . The remedy they're using to cure a problem in Ontario is causing pneumonia down here.

Mr. Keeper: We need a new doctor.

Mr. Rodriguez: We need to fire the doctor. No one can accuse *The Telegraph-Journal* of being a socialist paper, yet it had this to say in its February 20 editorial:

> "There's nothing there for Atlantic Canada," said Normand Corno, president of the New Brunswick Chamber of Commerce.
>
> "Something of a non-event" said Donald Hackett, president of the Saint John Board of Trade.
>
> Tim McCarthy, president of the New Brunswick Federation of Labour, said: "I think the minister ignored regional disparities."
>
> Even Yvon Poitras, chairman of the New Brunswick government's Board of Management—and a politician of the same PC stripe as Mr. Wilson—was openly critical. He agreed with business and labour that the Wilson budget "does nothing" for New Brunswick.

The Halifax *Chronicle-Herald* said, in its editorial of February 20, 1987, that:

> —Mr. Wilson did not even reaffirm the government's commitment to the agency in the budget speech.
>
> So far, the AEP has been bogged down by bureaucratic red tape and unworkable guidelines, according to both the business community and independent economists.
>
> The AEP has generated publicity, but only because Millie's Chips became frustrated with its dealings with the AEP bureaucracy, and decided to locate a new plant in Ontario instead of Port Hawkesbury.

What does the editorial of the St. John's evening *Telegram* say? It says:

> Two areas of concern for this province, the fishery and the offshore, were not addressed. There were no announcements on prospects of reducing regional disparity nor was there anything to indicate the province's horrendous jobless rate would be reduced.
>
> Mr. Wilson describes his budget as a breathing space budget prior to proposals for major tax reform later this year.

It sounds to me not like breathing space but like strangulation. It is strangling the Atlantic region. The headline on the St. John's evening *Telegram* editorial was: "Atlantic area must wait". The editorial goes on to point out:

> Help is on the way, he said, but he considers Atlantic Canadians to be unreasonable for having expectations that it would come in time for the budget.
>
> It is central Canada which is booming and the finance minister insists Atlantic Canada will benefit from that boom.
>
> In other words, what's good for central Canada is good for all Canadians.

It is called the trickle down theory. Remember, this Government was supposed to bring unity. The Government has representation in the House. It has 211 seats from coast to coast.

• (1740)

Mr. Nunziata: And what has it brought?

Mr. Rodriguez: It has brought nothing but division and disunity to the country in 2.5 short years. The Conservatives wonder why they are low in the polls. I want to reiterate that it is not the scandals. It is their ignoring of regional disparities and their willingness to focus only on where there is already economic development, which is basically in southern Ontario.

Northern Ontario remains a source of raw materials, as do Atlantic Canada and the West. The trickle down theory of stimulating southern Ontario and hopefully some crumbs will fall to the east, the west, and the north is not acceptable.

At some point the revolution is coming. We in Atlantic Canada, we in northern Ontario, and we in the west will say that we are not satisfied with the crumbs. We want to share in the meal. We will take our chairs and draw ourselves closer to the table so that we can participate in the meal, not accept the crumbs.

I am not here to convert the Tories. I am here to preach the word that unless the Government repents, the day of judgment is at hand. They should pay close attention to what Canadians are telling them.

I have quoted the reactions in Atlantic Canada. They are not from New Democrat oriented editorials and leadership in Atlantic Canada. They are from people of their own stripe.

I say to the Government that the time has come. It must put aside its concept which sees southern Ontario, particularly Toronto, as the hallelujah for all Canada. I say right now that the Government must pay attention to regional disparities which exist in Canada and do something about them now before it is too late.

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

Is the House ready for the question?

Some Hon. Members: Question.

Mr. Deputy Speaker: Accordingly, the question is the following one.

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

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

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

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five Members having risen:

Mr. Deputy Speaker: Call in the members.

The House divided on the motion (Mr. Wilson, Etobicoke Centre), which was agreed to on the following division:

(*Division No. 90*)

YEAS

Members

Andre
Belsher
Bertrand
Blenkarn
Bourgault
Brightwell
Brisco
Cadieux
Champagne (Champlain)
Chartrand
Clark (Yellowhead)
Clark (Brandon—Souris)
Clinch
Cochrane
Comeau
Cook
Corbett
Crofton
Crosbie (St. John's West)
Darling
Daubney
Desjardins
Duplessis
Edwards
Ellis
Epp (Provencher)
Fennell
Ferland
Forrestall
Gass
Girard
Gray (Bonaventure—Îles-de-la-Madeleine)
Grisé
Gustafson
Hamilton
Hardey
Hawkes
Hnatyshyn
Holtmann
Horner
Hudon
James
Kelleher
Lanthier
Layton
Lesick
Lewis
MacKay
Mailly
Malone
Mantha
Marin
McCrossan
McDermid
McDougall (St. Paul's)
McKenzie
McKinnon
McKnight
Merrithew
Moore
Nickerson
Nowlan
Oberle
Oostrom
Paproski
Porter
Ravis
Redway
Reimer
Ricard
Schellenberg (Nanaimo—Alberni)
Schellenberger (Wetaskiwin)
Scowen
Shields
Stewart
Tardif (Charlesbourg)
Taylor
Thacker
Towers
Tremblay (Lotbinière)
Tupper
Van De Walle
Vankoughnet
Vézina
Wenman
Wilson (Swift Current—Maple Creek)
Winegard—87

NAYS

Members

Althouse
Angus
Axworthy
Benjamin
Blaikie
Boudria
Cassidy
Copps
de Corneille
de Jong
Dingwall
Frith
Garneau
Gauthier
Guilbault (Saint-Jacques)
Henderson
Hopkins
Hovdebo
Keeper
MacLellan
Murphy
Nicholson (Trinity)
Nunziata
Nystrom
Orlikow
Ouellet
Parry
Penner
Prud'homme
Robichaud
Robinson
Rodriguez
Rompkey
Young —34

• (1800)

Mr. Deputy Speaker: I declare the motion carried.

[*Translation*]

It being 6.10 p.m., this House stands adjourned until tomorrow at 11 a.m., pursuant to Standing Order 3(1).

The House adjourned at 6.10 p.m.

HOUSE OF COMMONS

Tuesday, April 14, 1987

The House met at 11 a.m.

Prayers

[*English*]

HOUSE OF COMMONS

PROCEDURE—MOTIONS DURING ROUTINE PROCEEDINGS—MR. SPEAKER'S RULING

Mr. Speaker: I indicated to the House yesterday that I would be prepared to rule at eleven o'clock this morning on the matter which was raised yesterday by the Hon. Parliamentary Secretary to the President of the Privy Council (Mr. Lewis) who moved under Tabling of Documents that the House should now proceed to Motions. It was evident that the effect of this motion, if carried, would be to supersede all intervening routine proceedings. I invited argument on the admissibility of the motion and reserved my decision.

[*Translation*]

The contributions made by all Hon. Members who participated in the discussion were very forthright. A number of valid points were raised and the Chair appreciated the force of the arguments which were made.

[*English*]

The Hon. Member for Burnaby (Mr. Robinson) referred to my ruling of November 24, 1986, in which I stated that a motion having the effect of superseding a number of items under Routine Proceedings would be inappropriate and that we should proceed from item to item. In reserving my decision yesterday, I was very conscious that I had made that ruling and that the motion moved yesterday by the Hon. Parliamentary Secretary to the President of the Privy Council was without precedent. The two motions are indeed similar but the circumstances are considerably different. However, the concerns of the Chair remain the same.

The Hon. Member for Churchill (Mr. Murphy) suggested that the only motion which could be moved during Routine Proceedings was one to proceed to the Orders of the Day. However much I may be inclined to agree with him, the fact remains that we have a number of precedents to the contrary. The Hon. Deputy Prime Minister (Mr. Mazankowski) stated:

> If the consideration of Routine Proceedings is to be considered a sacred process, item by item, then we will have to go back and re-examine the dilatory motions and the procedural tactics, as well as the procedural acceptability of some of these dilatory motions.

The Chair fully agrees with this statement. The Hon. Deputy Prime Minister also stated that there surely has to be some balance, and with this comment the Chair also agrees.

[*Translation*]

The Hon. Member for Windsor West claimed that a superseding motion can only be accepted when there is something before the House to be superseded. The Hon. Member for Cape Breton—East Richmond (Mr. Dingwall) reinforced this point when he said that the precondition for a superseding motion is that there be debate on the floor of the House. It would be difficult to quarrel with the logic of these arguments and I believe they strengthen the case for a total review of the admissibility of dilatory motions during Routine Proceedings.

• (1110)

[*English*]

A number of Hon. Members dealt with the importance of protecting the fundamental rights members have under Routine Proceedings. However, the fundamental rights of members can be violated by the tactics of obstruction as well as by the unreasonable restriction of debate. The Hon. Member for Cochrane—Superior (Mr. Penner) went to the heart of the matter when he stated that the procedural tactics which the House has witnessed have little to do with the content of Bill C-22. As I made clear yesterday, the Chair is not the least bit interested in the content of the Bill. The Chair is, however, gravely concerned with the effect of these tactics by either side on the well-being of the House of Commons.

The House has had before it for almost six months a highly controversial piece of legislation, namely, Bill C-22, an Act to amend the Patent Act. This is not the first time the House has had to deal with controversial legislation, neither will it be the last. It is essential to our democratic system that controversial issues should be debated at reasonable length so that every reasonable opportunity shall be available to hear the arguments pro and con and that reasonable delaying tactics should be permissible to enable opponents of a measure to enlist public support for their point of view. Sooner or later every issue must be decided and the decision will be taken by a majority. Rules of procedure protect both the minority and the majority. They are designed to allow the full expression of views on both sides of an issue. They provide the Opposition with a means to delay a decision. They also provide the majority with a means of limiting debate in order to arrive at a decision. This is the kind of balance essential to the procedure

of a democratic assembly. Our rules were certainly never designed to permit the total frustration of one side or the other, the total stagnation of debate, or the total paralysis of the system.

[*Translation*]

Bill C-22 was first introduced on November 6, 1986 and given first reading on November 7, following a division in both cases. The strong opposition to the Bill led to the use of procedural tactics for purposes of delay to which the Government responded with procedural tactics of their own. Seven divisions took place prior to the introduction of the Bill, most of them resulting from the moving of dilatory motions during Routine Proceedings. Fourteen more divisions, most of them again resulting from the moving of dilatory motions during Routine Proceedings, took place before the Bill obtained a second reading on December 8, 1986.

The Bill was referred to a Legislative Committee which reported it back to the House with amendments on March 16, 1987, after 24 meetings and 82 hours of debate as the Deputy Prime Minister pointed out. Numerous amendments were proposed at the report stage to which four days have so far been devoted.

On April 7, the Hon. Minister of Consumer and Corporate Affairs (Mr. André) gave notice of an allocation of time motion in terms of S. O. 117. This Standing Order was adopted by the House in 1968 and has been regularly used ever since. It is a legitimate procedure provided it is not abused and it has been employed by governments both Liberal and Progressive Conservative without any procedural challenge to their right to do so.

[*English*]

As the House knows, dilatory tactics prevented the House from reaching motions on two successive days last week. On the third day, Friday, the Government undertook not to proceed with its allocation of time motion respecting Bill C-22 and by mutual agreement Routine Proceedings did not take place. The tactical battle has unfortunately become a substitute for debate. Opponents of the Bill have used various devices to delay the passage of this Bill at its successive stages. The Government has countered by using superseding motions having the opposite effect. To the viewing public, these tactics must be totally meaningless. Our procedures are being used for purposes for which they were never originally intended, and the public could be pardoned for believing that our rules have no logical basis at all.

In the kind of situation which faces us, I have no doubt that negotiation provides the only route to a satisfactory solution. However, when negotiations fail there comes a time when the Chair is obliged to consider what its own responsibilities are. One of the functions of the Speaker is to ensure that the House is able to transact its business. This does not mean that the Chair plays any part in assisting the Government in the management of its business agenda. I want to repeat that; this does not mean that the Chair plays any part in assisting the Government in the management of its business agenda.

Considerable debate has already taken place on this Bill. It cannot be argued that the opportunities for airing objections to it have been unreasonably restricted. There has been considerable disruption of Routine Proceedings which, as I have said, has given me very grave concern.

I might point out that I invited Hon. Members last Wednesday, if they chose at that time, to give any advice they might have for the Speaker.

Routine Proceedings are an essential part of House business and if they are not protected the interests of the House and the public it serves are likely to suffer severely.

The moving of dilatory motions during Routine Proceedings is a very recent practice which originated in the early 1980s. I share the doubts expressed by some Hon. Members yesterday as to its procedural validity. It is a practice which can supersede the presentation of petitions, delay indefinitely the introduction of Bills—those of Private Members as well as those of the Government—and completely block debate on motions for concurrence in committee reports as well as on allocation of time motions. These arguments were made very effectively by Hon. Members in the course of their contributions yesterday. The Hon. Member for Ottawa—Vanier (Mr. Gauthier) argued very strongly that during Routine Proceedings a member should be recognized only for the purpose contemplated by the particular rubric under which he or she rises. Since Routine Proceedings have been moved to the morning on three days of the week, these problems have been aggravated. However, this is a broader issue which will need to be addressed at another time.

The immediate question which faces the Chair is whether the motion moved yesterday by the Hon. Parliamentary Secretary to the President of the Privy Council is acceptable or not. I recognize that if we are to adhere rigidly to recent precedents, including my own ruling of November 24, 1986, the motion would have to be ruled unacceptable. The House is nevertheless facing an impasse which it has been unable to resolve for itself. There comes a time when the Chair has to face its responsibilities. When circumstances change and the Rules of Procedure provide no solution, the Chair must fall back on its discretion in the interests of the House and all its members. This may require the Chair to modify or vary an earlier decision.

In using my discretion, I believe I am supported by the centuries old tradition which attaches to the Office of Speaker. It was Speaker Lenthall who, in the reign of Charles I, declared in the presence of the King that the Speaker's first duty lay to the House of Commons. It was Speaker Brand who in 1881 ended the paralysis of the British House by imposing closure of his own initiative.

• (1120)

An eminent parliamentary authority, Josef Redlich, has written that it is the duty of the Speaker to serve the majority and the minority:

> —by maintaining the rules and the usage of centuries, and by taking care that both majority and minority are not impeded in the use of the forces and the weapons which the order of business provides for strong and weak. Protection of a majority against obstruction and protection of a minority against oppression are both alike functions of the Chair.

When interpreting the rules of procedure, the Speaker must take account not only of their letter but of their spirit and be guided by the most basic rule of all, that of common sense.

The practice of using dilatory motions as a means of obstruction is undoubtedly sanctioned by our parliamentary practice. However, many parliamentary jurisdictions in the Commonwealth place restrictions on the extent to which they can be used. For example, in the British House of Commons the Speaker has the power to refuse a dilatory motion if he believes it to be an abuse of the rules of the House. By the same token, he is empowered to allow them if he believes them to be justified.

I repeat my conviction that the entire question of the use of dilatory motions during Routine Proceedings needs to be examined and that no procedures should be sanctioned which permit the House to be brought to a total standstill for an indefinite period. Division bells are no substitute for debate.

[*Translation*]

This Parliament has been a Parliament of reform. We have seen important changes implemented designed to facilitate the flow of business, increase the powers of committees, improve the opportunities of Private Members, and increase the effectiveness of our procedures.

The decision of the House to change the manner of electing its Speaker is indicative of the fact that the House of Commons has matured. Has it matured enough to confer upon its Presiding Officer the discretionary powers necessary to control abuse and resolve deadlocks that the British House of Commons gave its own Speaker over a century ago? I believe it has.

[*English*]

Having given serious consideration to all of the arguments that have been made, I have decided that I can best serve the interests of the House by allowing the motion moved yesterday by the Hon. Parliamentary Secretary to the President of the Privy Council. In doing so, I make it clear that this will not be regarded as a precedent for all time, and that in other circumstances the Chair might well disallow such a motion.

I hope all Hon. Members realize that the spirit of my decision has nothing to do with the content of Bill C-22. I am concerned only with the procedures of this House and the implications for the future of what we may do today. There are circumstances in which obstructive tactics can be an abuse of the rules of the House. Equally, notice of time allocation motions after only a few hours of debate at any stage of a Bill can also be an abuse. However, when such notice is given in the face of a lengthy report stage, after detailed consideration of a Bill has taken place during a long period of time in committee, I submit that this is a legitimate use of Standing Order 117. Both time allocation motions and dilatory motions are open to abuse. When such tactics are entered upon by either Government or Opposition the balance of democratic parliamentary government can be easily upset. The maintenance of that balance is a fundamental responsibility of the Speaker.

I wish to make it clear to all Hon. Members that if this ruling is resorted to as a precedent, the Chair will interpret it in the light of the prevailing circumstances with a view to maintaining that essential balance to which I have just referred.

I wish to make some additional comments. I have not enjoyed making this ruling. Nonetheless, that is the responsibility that, in the circumstances, Hon. Members have imposed upon me. I have accepted that responsibility with due regard to the traditions of this place which I have tried to adequately express in my ruling. The ruling which I have just made was made after intense consideration of not only our rules and our precedents but also with regard to as much common sense as I could bring to the present situation.

However, I want something to be clearly understood by all Hon. Members wherever they sit in this Chamber. I expect every Hon. Member to take my ruling in the spirit in which it is intended. It is simply this. In the absence of any clear direction according to the standing rules I have had to make a decision.

I want to address a particular concern that was made by some Hon. Members during argument on this important matter. Simply stated it is this. The result of my ruling might be that the right of Private Members to present their concerns under Routine Proceedings could be prevented and, if so, their rights as parliamentarians would be unfairly and wrongfully restricted or, indeed, extinguished. Let me answer that concern. If anyone on either side of the House tries to take what could be considered unfair advantage of my ruling, I serve clear notice that as long as I am Speaker I will not tolerate such a proposition. I have had to make a decision. It is a decision circumscribed by events. No one should presume for a moment that it ought to be used as justification for abuse of whatever form against or violence to the principles of fair play.

My ruling, admittedly, has left some discretion to the Speaker. Until there are some rule changes that help resolve the need for the Speaker to exercise, in the interests of the Chamber, this discretion as Speaker, I shall strive mightily to find an acceptable resolution of the disputes. I believe that the resolution of these inevitable and legitimate disputes should be on the basis of our traditions, our rules, our precedents, and something else as well. By this I mean what is essential to this House of Commons, that is, that well accepted but not always definable thing upon which our whole constitutional history is based. It is fair play and, perhaps I can add as I have already

mentioned, common sense. I should immediately remark that common sense, like beauty, is in the eye of the beholder. Nevertheless, there is a basic common sense that those of us who have to get elected understand only too well. It is, when all is said and done, the profound sense of what is appropriate under certain circumstances and which is acceptable to reasonable people.

I have tried to give Hon. Members an intellectually reasoned ruling. I have also tried to support it with a rationale that stands the test of common sense. I want to assure all Hon. Members that their Speaker will not be receptive to any abuse of either the intellectual or common sense basis of this ruling. I would hope that the difficulties of the Speaker in this situation will encourage Hon. Members to reconsider the present rules with a view to making changes which would secure the sanctity of Routine Proceedings and the legitimate interests of all Members of the House of Commons.

I want to thank all Hon. Members for their diligence and the sincerity with which they put their arguments. I hope that this ruling, while not satisfactory to all, will be accepted in the interests of this place.

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I rise on a point of order. It is just for a matter of clarification. Am I to assume, then, that the motion that was put yesterday by the Hon. Parliamentary Secretary will be considered at the appropriate time?

• (1130)

Mr. Speaker: The Chair and the Table have given some consideration to the point which the Hon. Deputy Prime Minister (Mr. Mazankowski) raises. The ruling is a ruling for future events. Yesterday was yesterday. The consequence of that is that the ruling is now made and it is not for the Chair to say on what occasion either side may wish to avail themselves of it. I have tried to clarify the position in the event that such a motion is made again.

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I rise on the same point of order. I want to return to the point which I made to you yesterday and the day before with regard to the lapsing of motions. Your comments in response to the request of the Government House Leader indicate to me that you have lapsed the motion which was before the House.

I maintain that lapsing of the motion is out of order and unconstitutional. A question put to the House must be settled by vote. Although I disagree with the intent of the motion and do not think I would at any time like to sustain such a procedure, if indeed you have ruled that that motion has lapsed, I ask you what rule of this House, what Standing Order, you are using to lapse the motion.

Mr. Speaker: I have taken the position in this particular case that that motion was proposed but was never before the House. The motion was proposed and at that point I invited argument as to whether or not it could even go before the House. That is the short answer to the very legitimate question which the Hon. Member for Ottawa—Vanier (Mr. Gauthier) has raised. I hope that before the end of the day tomorrow I will be able to say more on this important matter which I accept as such.

Mr. Rod Murphy (Churchill): Mr. Speaker, we, of course, accept and respect the decision which you have just made. We have always maintained, as we did during the bell-ringing incident a number of years ago, that the rights of Parliament to act must be maintained, otherwise there can be no parliamentary democracy. However, we are also concerned that your ruling is, in effect, a precedent if necessary but not necessarily a precedent. We will see an evolution of the role of the Speaker in this House as a result of this ruling.

The Speaker will now have to judge all the debate which takes place in the House and in committee and the actions of the Opposition and the Government every time he or she makes a ruling. I believe that means that the Speaker will be dragged into every controversial question which comes before the House of Commons. That may be a necessity, but I think it may drastically affect the role and the sense of the Speaker being independent.

I have the greatest respect for you, Mr. Speaker, but I am worried that in the future, when a majority government is able to install a Speaker of its choice after the campaigning which takes place for the role of Speaker, we may find that the Speaker no longer represents all Parties in the House and could become the effective tool and weapon of the Government. I believe that is a legitimate concern which all of us in this House should have.

As I said earlier, we do accept and respect your decision. However, I suggest that the House Leaders and the Committee on Elections, Privileges and Procedures study this ruling and ensure that there are clear guidelines for how we in the House use, and sometimes abuse, the rules, as well as clear guidelines to set out when the Speaker can use this new discretion.

I also think that in the face of this ruling we must have some way of ensuring that the legitimate concerns of the Government to move forward on its political agenda be balanced by the ability of the opposition Parties, especially when they have a small majority, as they do at this time, to ensure that instead of only having a number of meetings of committees we have real action, real presentation and real questioning at those meetings.

In your ruling, Mr. Speaker, you pointed out that there were a number of meetings of the committee which studied Bill C-22. However, we in the Opposition are concerned that those committees stacked witness after witness in the same hearing. Witnesses were allowed 45 minutes to make their presentation within which time any questions of Members of Parliament had to be asked and answered. That is impossible. Forty-five minutes is not enough time for a national group to present its

evidence on a major piece of legislation and for us to ask intelligent questions and receive intelligent answers.

With regard to the ruling just made, it is important that if the Speaker is going to judge the quantity of debate as well as the quality of debate the rights of minorities, citizens and groups which have come before parliamentary committees be protected. Statistics alone do not show the full picture. It is unfortunate, but it will be necessary for the Speaker to delve into the quality of what is happening in committee sessions. He will have to consider what actually takes place when each and every witness comes before a parliamentary committee on a controversial matter. Mr. Speaker, I wish you well.

[*Translation*]

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, on the same point of order. First of all, we on this side of the House wish to thank you for taking the time to give this matter thorough consideration and for giving us your ruling, which we accept as is, according to the Standing Orders. However, I would like to give you and all Members of this House our interpretation of the ruling you have just handed down.

We believe that although the Chair, in its lengthy summation, referred to the long hours spent debating Bill C-22, according to our interpretation, the Chair did not make its ruling on that basis, because when a procedural issue is raised in the House, the point is not how much time has been spent on debate but how to make a ruling that is balanced, that is satisfactory to all Members of this House and that protects them as well.

When certain debates become long and drawn out, it is a matter of discussion among members whether the debate is or is not too long, and the public may have its views on the subject as well, but I am sure that the Chair does not judge whether or not a debate has lasted too long.

The same applies to the time allocation measure the Government intends to use with respect to Bill C-22. Here again, I am sure the Chair does not judge whether, in this specific case, the use of time allocation is justified or whether or not the use of this measure has been untoward, since here again, it is a matter for the public to judge.

It may be a matter for debate between the Members of this House, but in any case, the rules for time allocation are clearly set forth in our Standing Orders and may be applied at any time. If they are used too often, it is up to the public to judge the Government's actions.

Finally, Mr. Speaker, it seems to me and to the Members on our side of the House at least, that today's decision, on the basis of age-old precedents used by Speakers in the United Kingdom, has expanded the powers the Chair already had. All we expect the Chair to do is ensure that these powers will be used to give equal protection to all Members of this House. As members of an Opposition that is very much in the minority, we expect and hope that these powers will be used to protect the rights of the minority in a Parliament where the majority is very much so.

• (1140)

[*English*]

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, I wanted to make a few comments because I participated yesterday at your invitation to say a few words on the particular question.

I gather from your ruling, Mr. Speaker, that you have ruled that the situation could take place, that the motion moved by the Parliamentary Secretary to the Deputy Prime Minister and President of the Privy Council (Mr. Lewis) could stand, but that you did not want it to be a precedent. In fact, Mr. Speaker, you have made a judgment here about this particular issue. I think you have to be aware, for example, that when Bill C-22 went to the legislative committee, at the very first meeting a motion was put forward by government Members on the committee that the committee would sit five days a week, that it would meet three times a day, and that it would limit each witness to 45 minutes. They set a deadline by which time the consideration of Bill C-22 would be complete within the committee. I think you are aware of those things, Mr. Speaker. You have to be aware in making the decision.

This is why I think it is a dangerous situation where the Speaker involves himself in judging a particular Bill. While you said your ruling is not concerned with the merits of a Bill, in fact you have to be concerned with the merits of the Bill. You have to be concerned with what goes into why the Opposition is opposed to the Bill and the extent of that opposition within the House. It seems to me on the one hand that you do not want to get involved, but that on the other hand you have become involved.

I would humbly submit that in fact you have, by your ruling, picked a side. You have said that the Parliamentary Secretary's motion could stand. It is a move which has a lot of grave dangers down the road. It is unfortunate that we have moved this way, Mr. Speaker.

It seems to me that there was a previous ruling by Mr. Speaker Lamoureux that in fact that sort of motion could not stand. I think in this particular situation we have opened up a new can of worms, and it is most unfortunate that the ruling would lead to that.

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, as the official critic for Consumer and Corporate Affairs who dealt with Bill C-22, and also as one who accepted your invitation yesterday to speak to the issue at hand, I want to say very briefly that from your decision it is my understanding—and with great respect, if I am incorrect, you will correct me—that this decision in no way is a precedent for future deliberations of the House.

You have certain powers as the Speaker of the House and at the present time you are exercising those powers. Far be it from me to question whether the exercising of that power is wrong or right. You have made your decision, and we must live with that particular decision.

However, if I may, I was not aware of some of the events commented on by the Hon. Member for Nickel Belt (Mr. Rodriguez) that took place at committee. My recollection is somewhat different, and I think the record should show that. There is no question but that the Government of the day wished to limit the time of witnesses to 45 minutes and wished to have these meetings over at a particular point in time. However, I suggest respectfully that the impasse on Bill C-22 may have been averted if members opposite, in particular the Minister responsible for Bill C-22, had the courage of their convictions and convened some deliberations with members opposite. However, that was not in the cards, not at all. It forced members of the Opposition, members of my Party—and I am not speaking for the New Democratic Party—to do things we would not necessarily want to do to impede good debate in committee and in the House of Commons.

You made a number of comments, Mr. Speaker. However, I say that there was one omission, and I just bring it to your attention. You talked about the committee, you talked about divisions, as did the Deputy Prime Minister (Mr. Mazankowski), but you did not talk about the 47 amendments on the floor of the House of Commons which are germane to the substance of the Bill itself. That has to be given some consideration. Perhaps you have given that consideration, but perhaps you did not articulate it in the way in which I wanted it to be articulated.

I raise that point in terms of future deliberations with regard to Bill C-22 and where it will go in coming weeks and months. I say to you, Mr. Speaker, with great sincerity that the substance of the Bill is wrong—wrong. We in the Opposition are deathly against Bill C-22 as it now stands. Because of the insensitivities and the activities of the Minister of Consumer and Corporate Affairs (Mr. Andre), you have been faced with a very difficult decision which we on this side of the House will respect and honour.

Mr. Speaker: I would ask Hon. Members to abide by my request to close off comments on the ruling. I would invite Hon. Members on both sides of the House to read it carefully, and my door is always open.

However, I must say that I listened with very great care to Hon. Members in these comments after the ruling. I know those comments were made because they feel, and appropriately so, that they have a duty to comment in this Chamber on the ruling. I have not taken that as a challenge to the ruling, and I do not think in any way anybody should even indicate that that was in the minds of any of the Hon. Members who are well and favourably known to me. I do not think that was it at all.

I have said that I did not enjoy making this ruling. If you examine it carefully, you will see that it is a very carefully circumscribed ruling.

Now let me meet the observation of the Hon. Member for Churchill (Mr. Murphy) who said that this is putting an undue amount of discretion on the Chair and that that is something new around here.

• (1150)

First, remember that all our precedents are as a consequence of some Speaker somewhere making a ruling. I do not seek more discretion. What I seek, and what I hope Hon. Members will do, is to clarify these rules in such a way that no Speaker, whether it is myself or somebody else, is put into the position which I feel I have been put into in this circumstance where I have to make a decision which can give grave concern. I may think that I will not abuse the discretionary position that I have taken at a future time, but what Hon. Members have to concern themselves with is that I might not, but somebody else might.

I want to say to the Hon. Member for Cape Breton—East Richmond (Mr. Dingwall), the Hon. Member for Churchill (Mr. Murphy) and others that I am deeply aware of all of that danger. There it is. This, as all Hon. Members know, is not always an easy place to be sitting. I want to say again how much I appreciate the spirit of goodwill and devotion to this place that Hon. Members have exhibited in receiving a ruling which I recognize is not one which some members would have wished me to make at this time.

The Hon. Minister for Fitness and Amateur Sport (Mr. Jelinek) is rising on a question of privilege?

Mr. Jelinek: Yes, Mr. Speaker.

* * *

PRIVILEGE

CODE OF CONDUCT—ALLEGED BREACH BY MINISTER

Hon. Otto Jelinek (Minister of State (Fitness and Amateur Sport)): Mr. Speaker, as you know, I have given you appropriate notice, and it is with sadness and some anger that I must rise today on a question of privilege arising out of the totally irresponsible conduct of a fellow Member of this House during Question Period yesterday. The Member for Ottawa Centre (Mr. Cassidy) used distorted information, half-truths and unsubstantiated innuendo to smear my reputation as a Member of Parliament.

If this were an isolated incident by the Opposition using unchecked and wrong information, it would be hard to justify taking the time of the House to respond. As I will detail in a few moments, all—I repeat, all the facts relevant to this case have been on the public record at the office of the Assistant Deputy Registrar General if the Member had bothered to ask. He did not.

Sadly, Mr. Speaker, this is not an isolated incident. This House of Commons over which you preside has become too often little more than a forum of mud-slinging and smear tactics by Hon. Members. However, there is no honour in

character assassination. There is no honour in unresearched personal attacks on members and their families. There is no honour in unsubstantiated smear tactics.

Let me summarize this matter briefly. In 1980, I purchased a 50 per cent share of a six-unit apartment house at 504 Albert Street in Ottawa. On May 20, 1982, I signed over the ownership of the building to Mr. Ken Gibson, an Ottawa lawyer and owner of the remaining 50 per cent share, retaining my portion in trust. That was in 1982.

Upon becoming a cabinet Minister in the fall of 1984, I disclosed in writing my interest to the Assistant Deputy Registrar General. This is and has been a matter of public record. By January of this year I agreed, and immediately notified the Assistant Deputy Registrar General, of my intention to sell.

As part of the transaction, Mr. Gibson asked for a six month delay of payment from closing to August 14, 1987, which I also accepted. Upon the advice of my attorneys, I secured the balance of the purchase price due on August 14, 1987, by taking a second and third mortgage on the two properties in question, on a non-interest bearing basis. At no time did I make an interest-bearing loan or any other type of loan to Mr. Gibson or to anyone else.

On the date of closing, I was away on government business. In fact, I had the pleasure of representing the Government of Canada in Cape Breton for the Canada Winter Games and, therefore, gave my wife a power of attorney, as I have often done in the past. I regret also that Hon. Members had to drag my wife into this matter.

I want to emphasize, Mr. Speaker, that as always I kept the Assistant Deputy Registrar General informed of my activities prior, during and after the transaction. In fact, part of the purchase agreement which I intend to table—it is a purchase agreement which, if the Hon. Member had asked, would have been made available to him—reads, in part, that "on closing Jelinek shall deliver to Gibson, among other things":

> A letter from the office of the appropriate official of the Government of Canada confirming that Jelinek has made full disclosure of his interest in this transaction and that the within transaction is in no way viewed as a conflict of interest or an inappropriate involvement.

That letter was dated and received by me on February 12, 1987, from Mr. Robert Boyle, the Assistant Deputy Registrar General, five full days prior to closing.

With consent, Mr. Speaker, I would like at this time to table both of these documents to which I have just referred.

Mr. Speaker: I think I can indicate to the Hon. Minister that the documents can be sent to the Table.

Mr. Jelinek: Mr. Speaker, this information and all other pertinent information has always been publicly available and any responsible individual, Member of Parliament or otherwise, should have availed himself of this information prior to making unnecessary and unfounded accusations that damaged not only my reputation but, more important to me, that damaged the reputation of my family.

What happened yesterday during Question Period by the Opposition therefore is once again a totally irresponsible example and a clear abuse of parliamentary procedures which must be corrected. This has gone on far too long.

These are the facts, Mr. Speaker, facts which the Members could have obtained for themselves, facts which, had they bothered to check, surely would have kept them from smearing myself, my family and putting in bad light all members, yes, all Members of this House of Commons.

Everyone in public life expects to be criticized from time to time based on our policies, opinions or statements. I am no exception. I have been here long enough and I accept criticism, especially constructive criticism. But what this House of Commons must no longer permit is the use of this Chamber for unfair and vicious personal attacks with no foundation or justification. Parliamentary immunity, a time honoured and necessary requirement for the parliamentary system, is being cynically abused.

Notwithstanding, I am, and will be, watching carefully all statements made by Members outside the House with a view to taking whatever legal action is necessary. Believe me, I will be watching so carefully that if there is any justification for taking legal action I will be doing just that, because I have had it up to here with you guys on the other side.

Some Hon. Members: Hear, hear!

Mr. Jelinek: Neither I, nor any Member of this House, should be subjected to this outrage any longer, Mr. Speaker. I am proud of my name and proud of my family. I deeply resent being wrongly slandered and having my parliamentary privileges so blatantly abused. I am angered by how deeply the reputation of all members, and this House itself, is being tarnished by the irresponsible conduct of a few. Every time a smear is made—this is a big problem—no matter how groundless, unfortunately, some of the mud sticks. The stigma remains, and that has happened in this case.

• (1200)

It is for that reason, and because my personal privileges as a Member of Parliament have indeed been abused, I believe I have a prima facie case of privilege. If you, Sir, find that I do indeed have a prima facie case of privilege, I would move, seconded by the President of the Privy Council (Mr. Mazankowski):

> That of the allegations made by the Member for Ottawa Centre as found at page 5094 Hansard dated April 13, 1987 be referred to the Standing Committee on Elections, Privileges and Procedures with the usual power to call for papers, persons and records and to report by May 31, 1987.

Some Hon. Members: Hear, hear!

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, I would like to comment on the statement made by the Minister of State for Fitness and Amateur Sport (Mr. Jelinek), and also

on the questions raised in the House yesterday. I must say that I regret some of the comments he made here because, when I raised the question, I thought the question was legitimate in relation to the conflict of interest and Code of Conduct guidelines issued by the Government for cabinet Ministers and other senior officials in September, 1985, by the Prime Minister (Mr. Mulroney).

I will not read all the questions, but in view of the comments made by the Minister who is suggesting that he has been slandered, and he has used a number of other fairly substantial words, accusing me also of irresponsible conduct, I will read the question I put yesterday to the Deputy Prime Minister (Mr. Mazankowski). My first question was the following:

> In view of the risky nature of this investment can the Deputy Prime Minister tell the House whether speculative commercial mortgage lending is a permitted activity under the Government's Code of Conduct for Ministers of the Crown?

My second question recalled that section of the code, Section 29, that said Ministers shall not, outside their official duties, actively manage or operate a business or commercial activity. I pointed out that it appeared that the properties in question were grossly over-mortgaged, except in light of a speculative effort by the new owner, Mr. Gibson or Mr. Gibson and his partners, to redevelop them.

Then I asked the following question:

> When a cabinet Minister makes a $354,000 second or third mortgage loan, is that not a commercial activity which is in fact prohibited by the code? What action does the Government intend to take to enforce the code with respect to the Minister of State for Fitness and Amateur Sport?

The Minister has indicated that he did consult with the Assistant Deputy Registrar General. In fact, I have not seen a copy of the purchase agreement. I want to tell the House that I did inform the Minister's office that I would be raising this matter yesterday and, albeit with short notice, I also gave the necessary documents to the Deputy Prime Minister prior to asking the question.

I would point out that the documents which I communicated to the Deputy Prime Minister included the filings the Minister had made with the Assistant Deputy Registrar General in 1984 and 1985, and more recently in February of 1987. As the Minister states, he did disclose, as he is permitted to do, the holding of the 50 per cent interest in the property on Albert Street in his submissions in 1984 to 1986. In 1987, that disclosure was not there because he had by that time sold the property in question.

I accept the statement of the Minister that he consulted with the Assistant Deputy Registrar General and was assured that in the opinion of the Assistant Deputy Registrar General there was compliance with the Code of Conduct. However, the Assistant Deputy Registrar General has been known to give advice at other times with which people in my Party have disagreed. In fact, some of the rulings of the ADRG have been subjected to lengthy judicial review, with what result we do not yet know. But nonetheless it is not necessarily the case that just because the official in question made a ruling, therefore members of every Party will agree with that particular ruling.

Mr. Mazankowski: Are we going to listen to you?

Mr. Cassidy: Mr. Speaker, I would say to the Deputy Prime Minister that I am trying to treat this issue with the seriousness which I think it deserves.

Perhaps I can share with you, Mr. Speaker, the reasons for my concerns which initially were brought to me by constituents who were concerned about speculation for redevelopment purposes in properties in downtown Ottawa which the local advisory committee on architectural conservation had sought to designate as heritage properties. Downtown Ottawa is within my constituency. In fact, the matter happens to be before a City Council committee today.

Is the loan which was granted by the Minister of State for Fitness and Amateur Sport a speculative loan? There is an agreement that he will receive $354,000 in August. In the first place, it is a loan whether or not interest is charged. I think that is quite clear. It is a promise to pay at some future date. In the second place—

Mr. Speaker: I have been listening carefully to the Hon. Member for Ottawa Centre (Mr. Cassidy) but I am getting a little concerned that what started off to be a series of questions, which the Hon. Member of course has a right to put, is getting dangerously close to being an assertion. I do not know if the Hon. Member intends that. I would ask the Hon. Member to consider it.

Mr. Cassidy: Mr. Speaker, I cite this because the Hon. Minister has accused me of irresponsible conduct, of distortion, of using unsubstantiated information and of slander. From what I can see in the *Hansard* record, this is because I referred to the transaction in which he was involved as a speculative transaction and as a commercial activity. This is why I am speaking on this particular matter. I will, however, try to be brief.

The facts as registered in the Registry Office—

Mr. Speaker: I will hear from the Hon. Member. I am not closing him off at all. However, I would ask that the Hon. Member, and any other Hon. Member who speaks, address the direct question of whether or not the questions that were asked yesterday amount to, directly or indirectly, whatever way it may be, a breach of the privilege of the Hon. Minister.

What other things may be going on with regard to property in the neighbourhood are interesting, of course, and may have a lot to do with why the Hon. Member asked the question, but I would ask the Hon. Member to concentrate solely on that particular point. The Hon. Minister has said that those questions had the effect of carrying what we lawyers call an innuendo, an innuendo of wrongful conduct, and that is basically what the Hon. Minister is pleading before the Chair. Therefore, I would ask the Hon. Member for Ottawa Centre to address that point. I know I can count on his co-operation.

Mr. Cassidy: Thank you, Mr. Speaker. I will address that point directly then.

In the first place, since the question has been asked, at no time did I make a suggestion in any way that the activities in which the Minister was involved would have been illegal had they been conducted as a private business transaction. I may deplore land speculation and speculation for redevelopment but, nonetheless, that is not an illegal activity in our society. That is not the question.

The question is whether a Minister of the Crown who is governed by the conflict of interest Code of Conduct for Ministers should in fact be making a loan which appears to be in the nature of a speculative investment, or whether in fact he should not have carried that out through a blind trust if, for reasons of his own, he felt that it was time to dispose of his interest in property. Again, that was an interest in property he had acquired in a legitimate way when he was a private Member of the House and which he had disclosed appropriately to the Assistant Deputy Registrar General. That, I believe, is the question on which I can focus.

Mr. Speaker: The Hon. Member for Ottawa Centre may not want to respond, but I think it is in the interest of the Chair, in view of the fact that this is a Question of Privilege, that the Chair be absolutely clear what position the Hon. Member for Ottawa Centre is taking.

• (1210)

Is the Hon. Member taking the position that yesterday in this Chamber he was entitled to ask questions, or, is he asserting that, while whatever transaction we have been hearing about may well be legal, nonetheless, it amounts to a breach of the conflict of interest guidelines?

As I understand the position of the Hon. Minister, he is saying that the effect of the questions was to accuse him of having breached the guidelines, not that the matter is illegal in the ordinary sense of commerce. I can share with the Hon. Member the fact that there have been times when even I have had some strong views about certain kinds of developments in some places. However, I think the point the Hon. Minister is making, a result of which his privileges have been breached, is that the effect of the innuendo carried by the questions was to slander him. The innuendo was an accusation or an assertion that the Hon. Minister was in breach of the guidelines. That seems to me to be the point we have before us.

Mr. Cassidy: Mr. Speaker, I regret your use of the word "innuendo" because I am not aware of any innuendo which took place.

Mr. Malone: Oh!

Mr. Speaker: I am not saying there was any innuendo. I am saying that the Hon. Minister has said that those questions carried an innuendo. Under the law of defamation, as Hon. Members will know, you do not have to say everything about someone, but if you say something which, in the minds of reasonable people, carries an accusation, even it is not spelled out, that is innuendo. As I understand the Hon. Minister, that is what he is saying; the effect of the questions yesterday was to carry an innuendo which reasonable people would take as being that the Minister was in breach of the guidelines. That seems to be the point the Hon. Minister has raised. While these other points are of interest, and no doubt led the Hon. Member to feel that he had an obligation to his constituents or others to raise the issue, that is the narrow point I have to decide.

Mr. Cassidy: Mr. Speaker, on examination of the facts in question I drew the conclusion that there was a substantial case that the Minister was in breach of the guidelines, the Code of Conduct for Ministers—

Mr. Jelinek: Without checking the facts.

Mr. Cassidy: —and public officials. I believe it is a legitimate activity in the House of Commons to raise questions about complaints—

Mr. Jelinek: Check the facts first.

Mr. Cassidy: —which are not a legal matter, but which are under the discretion of the Prime Minister and delegated through him to the Deputy Prime Minister.

When you review the record, my first question was to ask the Deputy Prime Minister whether the activity in question was permitted activity under the Code of Conduct for Ministers of the Crown. On the question of privilege, I maintain that it is certainly legitimate for Members of this House to ask questions about the application. In addition, the fact that an official may have given a ruling to a cabinet Minister on this subject or any other subject does not therefore bind all Members of this House to agree with the ruling.

Some Hon. Members: Oh, oh!

Mr. Cassidy: Particularly since the official in question has made judgments in the past which have been open to question and, in fact, to judicial review.

The question here then is, I suppose, that the Minister might claim he disagrees with my judgment of what took place when I spoke of it as commercial and speculative mortgage activity. I am prepared to explain my use of those terms. However, I think you have indicated you would prefer I not go into detail on those. I would merely point out, however, that if this development were to succeed, the value of an investment of $70,000 by the Minister seven years ago would rise to something over $350,000, far in excess of the growth in property prices generally, which is one reason I referred to it as being a speculative kind of investment.

My final reason for raising this is that of a matter of public policy. I was asking specifically the Deputy Prime Minister whether or not this was a commercial activity prohibited by the code. If it is permitted by the code, if cabinet Ministers can

buy and sell real estate and advance money on a promise of payment or on a mortgage, then it would appear to me that means they can carry on what amounts to the business of commercial real estate activity while holding office under the Crown. I believe, and I was seeking to make the point with the Deputy Prime Minister yesterday, that that kind of activity should be prohibited. If the current interpretation is that it is permitted under the code, then I suggest it is time this House of Commons and the Government reviewed and altered the code to make it very clear that an activity which may have been acceptable to the ADRG under the current code would not be acceptable in the future. Those are my points.

Mr. Speaker: The Hon. Member takes the position that whatever he may have said he did not mean it to carry an innuendo of wrongdoing against the Minister. It seems to me the Hon. Member is now saying, and perhaps quite properly, that perhaps the guidelines should be re-examined. That is a legitimate issue of debate in this place. However, given that the Hon. Minister has said everything he did was at least fully reported to the Assistant Deputy Register General, the gentleman who is supposed to look after these things, perhaps the Hon. Member would like to make it clear to the House—the Hon. Member may want to say this or he may not, but it seemed to me it would be appropriate if the Hon. Member wanted to say that his questions were directed at a question of public concern, which is the guidelines, but they were not directed at any suggestion that the Hon. Minister, especially after what he has said today, was knowingly in breach of those guidelines. If the Hon. Member wishes to make that clear to the Chamber it might help a lot.

Mr. Cassidy: As I have said before, there is no suggestion of illegality in the actions of the Minister. I believe the Minister is and was in breach of the code in this particular transaction. However, I accept that the Minister consulted with the ADRG and complied with the advice he had. In giving that advice I believe the ADRG was in error in his interpretation of the code. If that interpretation stands, then I suggest it allows all kinds of commercial real estate activity by Ministers and it is wrong and therefore should be changed. Either the Minister and the official erred in their interpretation of the code or the code itself is in error and should be changed.

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, I want to add two or three points to this discussion. The first is simply to refer to Citation 55 of Beauchesne's Fifth Edition which says:

> The privilege of freedom of speech is . . . the most fundamental right of the Member of Parliament on the floor of the House—

I think it is important to keep that in mind when we examine the question of whether or not there has been a breach of privilege. The Hon. Member for Ottawa Centre (Mr. Cassidy) was exercising that right during Question Period. He was directing his questions to the Deputy Prime Minister (Mr. Mazankowski), the cabinet Minister responsible for the conflict of interest guidelines. In other words, it was directed to the appropriate Minister, because the Hon. Member for Ottawa Centre indicated there was some question of whether or not the guidelines had been breached.

When you look at the questions asked it seems to me that the Minister of State for Fitness and Amateur Sport (Mr. Jelinek) is perhaps protesting somewhat unduly, because the question asked, and I think it is worth repeating, is simply that:

> In view of the risky nature of this investment can the Deputy Prime Minister—

And it is the Deputy Prime Minister who is responsible for answering for the ADRG—

Mr. Jelinek: The Prime Minister.

Mr. Riis: In his absence the Deputy Prime Minister (Mr. Mazankowski) assumes that responsibility.

• (1220)

He asked:

> —can the Deputy Prime Minister tell the House whether speculative commercial mortgage lending is a permitted activity under the Government's Code of Conduct for Ministers of the Crown?

That is a simple question and, I might add, a legitimate question. It was raised during Question Period which presumably is the appropriate time to raise questions when seeking information.

The Hon. Member for Ottawa Centre went on to ask:

> When a Cabinet Minister makes a $354,000 second or third mortgage loan, is that not a commercial activity which is in fact prohibited by the code? What action does the Government intend to take to enforce the code with respect to the Minister of State for Fitness and Amateur Sport?

Those are straightforward questions. There is certainly no innuendo there, simply a question whether the code was breached and were these types of mortgages recognized as speculative commercial loans.

Mr. Mazankowski: Withdraw, then.

Mr. Riis: We asked the question during Question Period. We directed the question to the appropriate Minister. There were no innuendoes in either the introductory comments or in the questions themselves. In my view, there is no question of privilege.

If a Member of the House of Commons does not have the right to ask these kinds of questions during Question Period, seeking legitimate information, what kind of questions are we permitted to ask?

Mr. Mazankowski: While smearing other members? Smear some more.

Mr. Rodriguez: You are so sensitive. Poor baby.

Mr. Speaker: The Hon. Member.

Mr. Riis: I appreciate that there seems to be a great deal of sensitivity on the other side. Quite frankly, I recall a number of occasions when totally different situations were being

evaluated and questions were being asked in the House of Commons. Again, the appropriate questions apparently had been put to the Assistant Deputy Registrar General who ruled that, in fact, all the guidelines were being followed. Subsequently there were public inquiries and so on.

I suggest that when facts such as this are brought to our attention, Question Period is the forum provided for by the Standing Orders to give the opportunity to ask legitimate questions seeking information.

In conclusion, if Members of Parliament cannot exercise their very basic privilege to rise in the House to seek information from the appropriate Minister, then what is the point of having Question Period, and what kind of questions can be pursued?

Mr. Jelinek: You should not smear members in the process.

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I wish to respond to the Hon. House Leader of the New Democratic Party. Clearly, questions are allowable and that is the purpose of Question Period. Innuendo and the imputation of motives clearly are not allowable.

I believe if the Hon. Member for Kamloops-Shuswap (Mr. Riis), who is a very reasonable and thoughtful Member of Parliament, were to reread the questions and the underlying imputations, he would find that there are certainly some very clear accusations. I want to outline two or three of them.

Inherent in the question is an accusation that the Minister did not make reference to a $354,000 mortgage or arrangement for the transaction. That information was clearly available. It was public information and public knowledge. The member could have had it if he wanted it.

Mr. Cassidy: I did. It is in the Registry Office.

Mr. Mazankowski: The details of it are clearly there.

Mr. Cassidy: The file is not open to Members of Parliament.

Mr. Mazankowski: It is clearly there.

Mr. Cassidy: The file is not open to Members of Parliament.

Mr. Mazankowski: The ADRG indicated that at no time did the—he selectively extract information to use for his own political purpose.

Mr. Cassidy: Question of privilege.

Mr. Speaker: There is some dispute between the Hon. Member for Ottawa Centre (Mr. Cassidy) and the Deputy Prime Minister (Mr. Mazankowski). Of course, I will hear the Hon. Member for Ottawa Centre if he wishes to respond to anything that the Hon. Minister has said. In the meantime, perhaps we could get on with the remarks. If there are Members on both sides who feel a great need to get involved in this debate I will, of course, recognize them and they can address their remarks through the Chair.

Mr. Mazankowski: The point I am making is that the Hon. Member sought not to ascertain all the facts. He selectively pulled out information to use for his own benefit. I repeat, the details of the transaction are clearly available.

He also accuses the Minister of breaching the guidelines.

Mr. Cassidy: That is imputing motives.

Mr. Mazankowski: That is clearly unfounded because the Hon. Minister has clearly put on the record today the fact that he has complied with all the guidelines. Perhaps when the Hon. Member has a chance to read it he might change his mind.

He also accuses him of commercial speculation. There is no commercial speculation in this particular transaction. The Hon. Member lived in the apartment in question. He owned it since 1980, I believe. It was something that he had, long before he became a Minister of the Crown. Therefore, there was no loan or no action on the part of the Minister which would involve any speculation or any commercial activity.

He also accuses the Minister, in the course of his question, of managing or operating a business or commercial activity which is a violation of Section 29 of the code. That is totally false.

What is really more important is that the Hon. Member went outside the House and stated, "The Minister, who according to the Code of Conduct is not meant to be carrying on any commercial activity, is engaged in a speculative mortgage loan with respect to a property in downtown Ottawa". He has gone outside the House and repeated it. It is very clear that the Minister is in compliance and it is not a breach.

When these kinds of accusations are made, there is a longstanding tradition in the House that the Member can surely feel free to make such an allegation, but in the course of that he usually puts up his seat as a challenge, to show that he is serious about what he is suggesting. Failing that, I suggest that the Hon. Member has no choice but to either withdraw the innuendo and the allegations that have been made, directly or indirectly, and apologize, or we have the opportunity to have the matter aired fully before the respective Standing Committee. That is the purport of the motion.

Mr. Rod Murphy (Churchill): Mr. Speaker, I wish to raise two matters at this time. First, I am sure in reviewing the question and answer on page 5094 of yesterday's *Hansard* that you will find indeed that the Member for Ottawa Centre (Mr. Cassidy) did not in any way impinge on the privilege of the Hon. Minister. His questions were direct. They may not be questions that the Minister likes, but they were questions that Members of Parliament should legitimately ask in the House of Commons.

The issue itself was in the public domain before Question Period. The Member for Ottawa Centre, in his statement to the House a few minutes ago, explained that he did go out of his way to research this area. He notified the Minister's office of his intent, and when he found out that the Minister was not here he notified the Deputy Prime Minister (Mr. Mazankowski) of his intent to raise the issue. While those actions are not necessary, they are a courtesy that the Member for Ottawa Centre extended to ensure that the Minister or, in his absence, the Deputy Prime Minister had an opportunity to be aware that the issue was to be raised and to be in a position to answer those allegations.

I previously sat in the Standing Committee on Privileges, Elections and Procedure when there was a hearing on the privileges of a Member of Parliament in the Bryce Mackasey-Montreal *Gazette* affair. It is not easy for Members of Parliament to sit and judge such an issue. It is not a very easy process to experience and I think we must be very careful before referring matters of this nature to a committee.

Some Hon. Members: Oh, oh!

An Hon. Member: You should be careful before you say it, then.

Mr. Mazankowski: Why don't you put up or shut up?

Mr. Jelinek: What are you afraid of?

Mr. Crosby: You supported the Mackasey reference. What are you afraid of?

• (1230)

Mr. Murphy: I am not saying that this is something we would be afraid to send to committee.

Some Hon. Members: Oh, oh!

Mr. Speaker: Perhaps I can help the Hon. Member. I do not think we are at the stage right now where we are talking about whether or not it goes to committee. What the Chair is interested in is, what is the issue. The Minister has made his position very clear. The Deputy Prime Minister (Mr. Mazankowski) has resorted it and made very clear his own position. The Hon. Member for Ottawa Centre (Mr. Cassidy) has given us his version and his views. The Hon. Member for Churchill (Mr. Murphy) is, of course, addressing the matter with his usual skill and understanding of this place.

Mr. Murphy: Mr. Speaker, I always find that the people who do not get up on their feet tend to talk the most from their seats. I think there is a reason for that. They probably have nothing to offer to this House.

As someone who sat through the hearings of our committee on the Bryce Mackasey—Montreal *Gazette* case, which dragged out over many months, I can tell you, Mr. Speaker, it is important when there is a matter going before that committee that we have direct instructions with which we can deal. I am not saying this matter is going before the committee, but I am warning the House and the Speaker that in the Bryce Mackasey affair, when it came down to the final question, we were not allowed to make a judgment as to what exactly Bryce Mackasey was involved in and what he was not involved in. We were restricted.

The ruling that went against *The Gazette*, and the reporter involved, related to the nature of the two questions which were sent to that committee. No one said that the reporter was unfair or that he had not done his work. No one said that *The Gazette* was not doing a decent job of investigative journalism. For that matter, in the committee testimony, which took place over many months, it was evident that there was an attempt to get more facts from the principals in this case. However, because of the nature of the motion which was accepted by the Speaker, we were restricted to two very specific elements. Because of that, *The Gazette* and the reporter were deemed to have been in contempt of Parliament and to have breached the privileges of the former Member for Lincoln, Mr. Mackasey.

I have already said I believe the questions asked by my colleague, the Hon. Member for Ottawa Centre, were certainly within the bounds of what one would expect a Member of Parliament to ask. He certainly had done his research and had certainly notified the Government of his intent prior to Question Period. He did all that. However, I am saying that if on this matter, or on any further matter, something of this nature is going to be referred to the Standing Committee on Elections, Privileges and Procedure, we must be careful to ensure that the motion which is entertained and accepted by the Chair allows that committee to do a full, complete and thorough job of looking at the Members' privileges and the privileges of reporters and others.

Mr. Howard Crosby (Halifax West): Mr. Speaker, I rise to participate in this matter simply because of the reference made by the Hon. Member for Churchill (Mr. Murphy) to the Bryce Mackasey case. As the Hon. Member knows, I shared, along with himself, the concerns of Members of the Standing Committee on Elections, Privileges and Procedure which examined that case at the time, and the process in this House of Commons which led to the reference to that committee. I think there is a clear similarity between the two cases, as the Hon. Member pointed out. However, I want to focus your attention, Mr. Speaker, on an element that is present in this House today which must be considered now by the Chair.

Mr. Mackasey was faced with an allegation of wrongful conduct on his part in a national newspaper, *The Montreal Gazette*. He brought that complaint to the House of Commons. He said "I have been wronged because a statement has been made about me which is not true and affects my privileges as a Member of this House of Commons. I want that matter referred to the Committee on Elections, Privileges and Procedure". It was so referred.

The Minister of State for Fitness and Amateur Sport (Mr. Jelinek) has come to the same House of Commons and said, "A statement has been made about me which is not true, for which there is no real substance and the proof lies in the very materials on which the Hon. Member for Ottawa Centre relies to make the statement". There is no denial on the part of the

Hon. Member for Ottawa Centre (Mr. Cassidy), no retraction. He sticks to what he said. The issue is there. The Minister of State for Fitness and Amateur Sport says he has been wronged, his privileges are affected. The Hon. Member for Ottawa Centre continues his allegation of wrongness. It is obvious that someone has to review the situation and a decision must be made. The appropriate forum in this House of Commons is the Standing Committee on Elections, Privileges and Procedure.

I do not know what further discussion there can be other than a retraction here and now from the Hon. Member for Ottawa Centre in respect of the complaint of the Minister. That is to say, that he did not mean to state that there was any wrongdoing, that he did not mean to imply any wrongdoing, he merely wished to raise the question on the floor of the House of Commons, which I would agree he is entitled to do. He is allowed to raise the issue. However, in raising the issue he made an allegation which he now has to stand by or retract.

As far as I understood his intervention, he said very clearly that he stands by his allegation. He thinks the rule was violated, and if it was not violated in the opinion of the director, the director is wrong, and if the director is right, the rules should be changed. I understood him very clearly. He stands by his allegation. Let him go before the committee and prove it.

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, I will be very brief. In the course of discussion of this very important and, in my view, very essential Question of Privilege raised by my colleague, the Minister of State for Fitness and Amateur Sport (Mr. Jelinek), a lot of statements have been made about freedom of speech and privileges of members to speak their minds in this Chamber. No one would dispute that. It is absolutely essential to the operation of this Chamber. Further, it is essential in our system—sometimes less essential in others—that during Question Period all Hon. Members of the House have an opportunity to question the Government about its activities.

That fundamental freedom of parliamentarians to speak freely in this Chamber and to question Government during Question Period, is circumscribed by a whole range of rules which were established in the long tradition of this institution and its predecessor institutions in the United Kingdom. We have, for example, severe limits on the words which can be used. One cannot use accusatory or inflammatory words in keeping with the traditions of this House. Beauchesne is full of examples of what should be a proper question and what a question should seek. Citation 359 of Beauchesne makes it very clear; the question ought to seek information and so on.

There is an equally important provision in the long traditions of this House that members may not accuse another member of a wrongdoing. One cannot use the immunities of this institution to make an accusation. The tradition is that if one makes an accusation of wrongdoing, one does so with such conviction that one willingly puts one's own seat under consideration. That is a vitally important tradition. If members are free at any time to accuse other members of wrongdoing without the sanction of having to defend their convictions by putting at risk their seats, then we open the door to a free flow of those accusations. We open the door to anyone to stand up and say, you are a thief, you are a crook, you have done this and that. Those who came before us were very wise in the establishment of our traditions. The decisions made by your predecessors, Mr. Speaker, which are found in Beauchesne, are very wise and should be followed.

It has been suggested by a number of speakers on this side of the House as to the course of action open to the Hon. Member for Ottawa Centre (Mr. Cassidy). He ought to take that course of action if he has any respect for this institution.

Mr. Cassidy: Mr. Speaker, I have several comments I would like to make in response to the points which I know have been made sincerely by Members of the Government, although perhaps they do protest a bit too much. In fact, I think everyone in the House will acknowledge that the Code of Conduct itself is imprecise and that if it can provoke an hour-long debate in the House then perhaps we should spend an equal amount of energy ensuring that we have a Code of Conduct that is effective, enforceable and which can be easily understood.

• (1240)

Mr. Speaker: The Hon. Member may well be correct, that is not for the Chair to say. But let us return again to what the complaint is. The complaint is that the consequence of what was said in the House yesterday was a slander on the character or the conduct of the Minister. That is the issue. That is the issue I have to face.

Mr. Cassidy: Mr. Speaker, I was also accused of not having done any research and of providing selective information. First, I would point out to the Deputy Prime Minister that in the material which I circulated to him and the press I included the summary statement by the Minister for 1984 and 1985. I skipped 1986 because it was a duplicate and I provided the statement for February, 1987. These are the documents which are available to the public.

Mr. Mazankowski: There is more than that available.

Mr. Cassidy: To my knowledge—

Mr. Mazankowski: To your knowledge, that is the shortcoming.

Mr. Cassidy: To my knowledge, since I have asked previously for other information from the Assistant Deputy Registrar-General. He takes it as his view that if he has a statement of compliance then that is it. I also made available to my colleagues in the other Party information available from the registry office. As the Deputy Prime Minister stated in his response yesterday, an interim mortgage was arranged on this property until August. For me to suggest that a mortgage was

offered on the property I certainly do not think is any slander or innuendo, since the Deputy Prime Minister has repeated the words.

Mr. Speaker: I will let the Hon. Member finish. However, perhaps he could make it easier for the Chair. Of course, the Hon. Member can say if he chooses that he did not intend any slander of the Minister's character or conduct. If that is the position of the Hon. Member, then I think, in a case such as this, the Chair should certainly hear it.

Mr. Cassidy: Mr. Speaker, to conclude, the Minister of Consumer and Corporate Affairs (Mr. Andre) has just suggested that any allegation of a breach of the Code of Conduct must automatically be reviewed by the Standing Committee on Elections, Privileges and Procedure. He seems to be saying that any allegation of wrongdoing on the part of a Cabinet Minister has to go before that committee. That would certainly involve an awful lot of work for the Standing Committee on Elections, Privileges and Procedure. It seems to me that to suggest that, is in fact to kill effective, fair comment here in the House of Commons about the performance or the actions of Cabinet Ministers. Members of the Opposition should not be inhibited or unable to raise matters of public importance on the grounds that the Government will then take up the time of a committee of the House in exhaustively going over every such statement which is made in the House.

Mr. Jelinek: Over your allegations.

Mr. Cassidy: Mr. Speaker, if members opposite want me to talk about the allegations, then I will. However, Your Honour has tried to discourage that a couple of times. I would point out to the Chair that members opposite seem to be interested in why I referred to this as a speculative and commercial activity. I simply say, and I will be very brief, that a commercial activity is the type of mortgage lending that one would see made as a private business venture. For a person to have made a deal such as the Minister made as a private business person would be legitimate in our society. As I stated before, there is nothing illegal with it. However, a commercial deal is something that appears to be prohibited by the Code of Conduct.

In addition, the question is whether this matter is speculative. That word has also been objected to. Yesterday and today I suggested that when a building is sold for $325,000 a year ago and is then mortgaged for double that amount the holder of the subordinated mortgage, in this case the Minister, must surely be depending on a speculative increase—

Mr. Speaker: Order, please. Before the Hon. Member closes his remarks, which he is certainly entitled to make, the Chair wants to know this. Does the Hon. Member want to make any statement at all as to whether or not it was the intent, as a consequence of his questions yesterday, to accuse the Minister of some wrong conduct or breach of the code? Surely, in a matter such as this the Chair can at least have that position made clear by the Hon. Member. The allegation that is made now against the Hon. Member for Ottawa Centre is that his questions yesterday carried an innuendo of wrongdoing against the Minister. If that was not the intent of the Hon. Member, then surely the Hon. Member should say so. It would help the Chair a great deal.

Mr. Cassidy: Mr. Speaker, I have to confess that I am a bit confused by your question. I asked the Deputy Prime Minister if actions that appeared to be speculative commercial mortgage lending in this particular case were permitted activities under the code. That was the nature of my question. I do not know how I could have raised the question without—

Mr. Speaker: I will not close the Hon. Member off before he is finished. However, the question the Chair has to decide is with respect to the fact that the Minister has come into the House and has said: "Those questions yesterday carried an innuendo of wrongdoing against me". That is what he is saying. What the Chair wants to know is, because this matter is raised as a question of privilege, did the Hon. Member for Ottawa Centre mean to do that? The Chair would be the last to suggest that Members cannot ask questions about the guidelines, or even about transactions. But the question that I have to look at is, did the Hon. Member mean to accuse the Minister of some sort of wrongdoing? I am not talking about illegality in the market-place; I am talking about wrongdoing in relation to the guidelines. I invite the Hon. Member to help me a little bit in responding to that specific question since that is what I have to decide.

Mr. Cassidy: Mr. Speaker, I think the simple answer I can give to you is that I was seeking to get information about a matter which I think is an important matter. If, in fact, it was the response of the Government House Leader that this was not a violation of the code, then of course my attention would turn to the code which would permit activity that a common sense judgment might deem unacceptable for Cabinet Ministers. But I was seeking that information because this is an important issue concerning public policy.

Mr. Speaker: I want to thank Hon. Members for their interventions. The Hon. Member for Churchill was very helpful. Obviously, the Chair will reserve on this matter and examine *Hansard* very carefully.

I think that the Chair ought to observe, as I have observed in the past, that once upon a time in the mists of history one could say anything in the House of Commons but not outside it. One could say anything because it was in the public interest that the ordinary laws of defamation did not apply to members when they were in their place speaking on public matters. I remind all Hon. Members that that was history. That was yester-year, yester-century, if there is such a word. Today, anything said in here is immediately said outside.

I will, of course, consider carefully all of the arguments. But I do ask Hon. Members to take this into consideration. Arguing about it for hours later does not get away from the fact that I think one ought to be more careful in this Chamber than once was the case. I am not setting that down as a rule. I

am just setting it out as a suggestion. What is said in here is said immediately outside because of television, and everyone knows that. Thus we have to be, and I have to be on behalf of all Hon. Members, very careful to guard the right of Hon. Members to speak freely in this place and to speak with vigour and to search with tenacity for the truth. At the same time, if it requires Hon. Members to sometimes take a little more time before they make a suggestion in here, keeping in mind that what they suggest does go immediately outside, then I would ask that Hon. Members do that.

• (1250)

I will consider the matter very carefully and return to the House at the appropriate time. I thank Hon. Members.

Mr. Gauthier: Mr. Speaker, I hesitate to stand at this time but I am very concerned about the last statement you made. I want to clarify it for my own sake and for that of members of my caucus. We agree with you that the televising of our debates in the House is indeed instant broadcasting, if I may, of the proceedings of the House. We also realize that with the modern means of communication that broadcast is transmitted to the entire country very quickly.

I hope I misunderstood you, Mr. Speaker, but I do not want the House to be left with what may be a misunderstanding which I got from your remarks. The electronic *Hansard* of this House is under your authority and is only broadcast under your authority and control. I do not think that I should, at any time, feel threatened or—

[*Translation*]

—threatened, that is the word, threatened as regards my right to express myself freely in the House and to voice my opinions, whether or not they are shared by the Opposition or the Government. That is not the point. The debate in the House is fair, and I think you probably meant to say that we respect a member's right to speak but that there are of course limitations existing in our libel laws that require us to respect the opinions of the other person and not infringe on the rights of those who are on the other side of the question. However, Mr. Speaker, I would like to be sure that the message that comes across is always seen to be what it is: an honest, clear and accurate message from the Members of this House, and that there will be no attempt to tinker with, change or alter the televised message.

[*English*]

Mr. Riis: Mr. Speaker, I do not want to take any more time on this issue, other than to say that we have had a very useful interchange this morning. The points raised on both sides were appropriate and needed to be made this morning. However, in the same spirit as the comments made by my hon. colleague in the Liberal Party, I would like to say that one of the facets of our parliamentary system which we hold up with a great deal of pride is that which has been the focus of a great deal of discussion this morning, Question Period, and the very valuable role which Question Period plays in our country and in our parliamentary system.

I would like to add a very deep concern I have, which I do not believe has been stated here today at all. During that three-quarters of an hour Members of Parliament, in a respectful and honourable way, pose questions to the appropriate Ministers of the Crown. That privilege must not be abused and must be respected at all times. I believe that the discussions we have had here today will facilitate that in the future. I just want to emphasize how important that three-quarters of an hour is in this country which prides itself on maintaining the principles of free and open speech.

Mr. Speaker: I will recognize the Hon. Deputy Prime Minister in just a moment. Hon. Members will remember that the Chair allowed the questions yesterday. When I say that what is said in here is said outside immediately, it is only a suggestion that we be as careful as we can.

Mr. Mazankowski: Mr. Speaker, as usual my learned friend, the Member for Ottawa—Vanier, made some very salient points on this issue, which points were supported by the Hon. Member for Kamloops—Shuswap. You touched on the fact, Mr. Speaker, that in the course of Question Period and debate we as Hon. Members have to conduct ourselves in a responsible fashion. We must be very, very careful when we attempt to imply motives which may not be desirable or when we attempt to cast aspersions or make innuendoes. I think there has been some slippage in that regard.

Mr. Murphy: By Ministers as well.

Mr. Mazankowski: I listened to the Hon. Member for Churchill (Mr. Murphy) this morning and I will listen to him again if he wants to speak.

Mr. Murphy: No, you heckled.

Mr. Mazankowski: This morning has been a clear example of a Minister of the Crown being profoundly affected by questions and suggestions, either directly or indirectly. He feels very strongly about it. He is an Hon. Member, he is an Hon. Minister of the Crown. He went to some pain and some length to try to outline in full detail the transaction referred to in the course of Question Period yesterday. He feels very seriously grieved by the exchange which took place and by what was reported in the media. That is important and you have touched upon it, Mr. Speaker. It is fair to say, as he alluded in his statement, that his reputation is tarnished and his family is affected.

Mr. Nystrom: Remember Erik Nielsen.

Mr. Mazankowski: All Members of Parliament are affected. Let us not hide that fact. I think the Leader of the Liberal Party made that suggestion when he laid down his four points of conduct in disciplining his Party in matters such as this.

This morning we have heard a debate on a very serious issue which was raised yesterday and was sprinkled with some very serious allegations and innuendo. Those allegations have not been supported. The allegations are implied, either directly or indirectly. They are not founded and have not been substantiated by the member.

I am of the firm opinion that the Hon. Member who made these allegations, either directly or indirectly, either inside the House or outside the House, has a clear opportunity now, in the spirit of improving the climate in this institution, to withdraw and apologize, or to welcome and support the initiative contained in the motion which the Hon. Minister is prepared to move, or to take the other honourable course, if he feels very strongly that his allegations are well founded and substantiated, of putting up his seat and taking the necessary course of action.

I think we all want to resolve this issue in the best, fairest and most practical way possible. I think this is a good time to call upon all Hon. Members to consider the importance of this institution itself. This is a good time to exercise a little tolerance and understanding.

I have sat on the opposition side as well as the government side. I was a member of an opposition Party which had 70 members when the Government had a huge majority. Notwithstanding that, we were fairly effective in making our points of view known. We always had the kind of torrid debate which clearly exemplifies the traditions of this House. However, there has always been a clear understanding that innuendo, unfounded allegations, and the hurling of suspicions is something which we try to avoid as much as possible. I think that that sort of activity in the House has been on the increase. Anything we can do with your leadership, Mr. Speaker, to attempt to ameliorate that will be in the best interests of this institution and all Hon. Members.

Some Hon. Members: Hear, hear!

Mr. Speaker: I thank the Hon. Deputy Prime Minister. It being one o'clock p.m., I do now leave the Chair until two o'clock p.m.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S. O. 21

[*Translation*]

THE ADMINISTRATION

GOVERNMENT PERFORMANCE

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): For a week now, Mr. speaker, the Conservative Ministers have been trying to make people forget the regrettable two and a half years that have gone by since this Government came into office on September 4.

We saw the Minister of Energy, Mines and Resources (Mr. Masse) attempt to convince western Canadians to set up a committee to come up with a new energy policy. Mr. Speaker, after the calamity, after this incompetent Government drove the western provinces into bankruptcy, all of a sudden this Minister wakes up two and a half years later and strikes a committee to repair the damage.

Yesterday we also saw the Minister of Regional Industrial Expansion (Mr. Côté) step up to the podium; having failed miserably with his regional development policies, he discovers his own shortcomings and incompetence, so he too decides to convene the provinces in the hope that they will help him draft new policies.

Mr. Speaker, like the people of Quebec and the rest of Canada, especially western Canadians, I am telling these Ministers and this Government: It is too late. People want an election, they want to get rid of this incompetent Government.

* * *

REGIONAL ECONOMIC DEVELOPMENT

FEARS OF ABITIBI-PRICE COMPANY

Mr. Jean-Pierre Blackburn (Jonquière): Mr. Speaker, a few months ago I rose in this House to echo the concern of Abitibi-Price Company officials about the possibility of a new paper mill being opened in Matane thanks to Government grants.

Mr. Speaker, without any grants the management of Abitibi-Price have taken the initiative of investing $150 million in their Kénogami plant to produce a fine supercalendered paper quite similar to the product which would be marketed by Matane.

Mr. Speaker, if the Quebec Government is so intent on having one more competitor in the pulp and paper industry, it seems to me the Minister responsible, Mr. Caccia, should at least meet with Abitibi-Price senior officials, union spokesmen, and the very concerned 1,200 workers.

With supporting figures and strong guarantees, he should assure them that the Abitibi-Price operations will not be threatened in any way and that our workers will not be laid off.

For the time being, Mr. Speaker, I am still very worried about the impact of this project, and I urge my Government to be very careful in this case.

[*English*]

ENVIRONMENTAL AFFAIRS

SEWAGE TREATMENT—NEED FOR MODERNIZATION

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, much attention has been paid lately in the House, and rightly so, to the whole question of acid rain. However, there is another and equally serious environmental problem which often does not receive attention in the House, that is, the whole matter of sewage treatment—the need for upgrading and modernization and, in some places, just putting in the basic infrastructure for sewage treatment in Canada.

We are reminded of that need in the story yesterday about thousands of gallons of sewage polluted storm water being pumped into the Great Lakes at Fort Erie, Ontario.

However, one of the most disturbing things is the total abdication of any responsibility in the area by the federal Government. The Minister of Finance (Mr. Wilson) has said that this is up to the provinces and to the municipalities. What is really required is some leadership by the federal Government.

• (1405)

This is a massive job that needs to be undertaken throughout Canada, but some areas in particular ought to be kept specially in mind. For instance, in the Province of Quebec something like 40 per cent of the sewage still goes into the Canadian environment totally untreated. In 1987 that is nothing short of a crime, and it continues to be a political crime that the federal Government abdicates its responsibility.

* * *

HORTICULTURE

EFFECT OF UNITED STATES SUBSIDIES ON CANADIAN HONEY PRODUCERS

Mr. Lee Clark (Brandon—Souris): Mr. Speaker, on behalf of some 20,000 Canadian honey producers, I would like to draw the attention of the House to the financial difficulty which they are encountering. Unfortunately, American agricultural subsidies are having the same impact on our honey producers as U.S. grain subsidies are having on our grain farmers.

According to the Manitoba Honey Producers Association, the world market price of honey has dropped some 13 cents a pound and further declines are feared. As about 80 per cent of western Canadian honey is sold at that world price, that drop in world price has already forced many producers out of business. In addition, prairie honey producers are having difficulty finding markets, even at these reduced prices.

As you may know, Sir, the western Canadian honey beekeepers depend very heavily on American markets and, unfortunately, those markets are now being interfered with by tariffs.

In addition, the markets which we have enjoyed in Europe are buying heavily subsidized American honey. As a result, many of Canada's honey producers will need financial assistance if they are to continue in business for another year.

* * *

INDUSTRY

SYDNEY STEEL CORPORATION—DELAY IN MODERNIZATION PROJECT

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, in July, 1984, the now Right Hon. Prime Minister (Mr. Mulroney) in the company of many of his colleagues, both provincially and federally, made a commitment with regard to the modernization of Sydney Steel. That commitment was reaffirmed after the election in September, 1984.

People in eastern Nova Scotia had to wait 24 months before those sentiments were expressed in a subsidiary agreement signed by the Government of Canada and the Government of Nova Scotia. Another 12 months elapsed before finding out from the Minister of Regional Industrial Expansion (Mr. Côté) that the Government had not received the business plan from Sydney Steel and the Province of Nova Scotia. We have been informed that the business plan has now been received by the Government of Canada.

We now learn from the Minister of Regional Industrial Expansion that there are two other hoops which the Province of Nova Scotia must go through before the federal Government will participate. This is an unconscionable delay. This is wanton disrespect for the people of eastern Nova Scotia who have been waiting for the Prime Minister, his colleagues in the Province of Nova Scotia and, in particular, the Members of Parliament who represent us in the federal Cabinet. It is absolutely unconscionable, Mr. Speaker.

I call upon the Government of the day to live up to its responsibilities and make this money available so that modernization will go on.

* * *

CROWN CORPORATIONS

HIGH INTEREST RATES CHARGED TO BORROWERS

Mr. Jack Scowen (Mackenzie): Mr. Speaker, the previous Government started a practice of borrowing money outside Canada for the purpose of lending Canadians money through Crown corporations, such as the Farm Credit Corporation and the Federal Development Bank.

In order to accomplish this borrowing, these Crown corporations must offer high returns to the lender and then must charge Canadian borrowers a high rate of interest for a long period of time. When these factors are considered and any minor adversity the Canadian borrower may encounter happens, then the borrower is doomed to failure. The interest, or the unreasonable penalty paid in lieu of the interest, is paid to investors outside of Canada.

High interest rates doom our Canadian borrowers to failure. This borrowing practice of Crown corporations should stop and Crown corporations should become better money managers with Canadian money.

* * *

LABOUR CONDITIONS

UNEMPLOYMENT RATES IN BRITISH COLUMBIA

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, while the Conservative Government makes promises and repeatedly tells Canadians how wonderful it is, the economic situation in western Canada worsens. In the last month the jobless numbers in British Columbia increased from 210,000 to 213,000. Nearly a quarter of a million British Columbians now are jobless and many more are underemployed.

In the northern interior the unemployment rate is 17 per cent; in the Okanagan Valley the unemployment rate is 17 per cent, in the Kootenays area the unemployment rate is 16 per cent, in the central interior the unemployment rate is 20 per cent, and in the City of Vancouver it is 14 per cent.

• (1410)

This devastating jobless situation has led to thousands of British Columbian children going hungry and suffering from malnutrition. Yet the Premier of the province says that feeding school children is certainly not a government responsibility. He says that hot-lunch programs in schools are too costly and are usually abused. I encourage the Minister of National Health and Welfare (Mr. Epp) to meet as soon as possible with his British Columbia counterpart to end the situation in that province.

A Victoria school trustee, Mr. John Young, estimates that his school district alone has at least 1,000 malnourished or hungry children.

In the Terrace school area, a soup program has been operating for years, giving free soup to children who come to school without any lunch money.

In Fort Nelson, one school has had a sharing shelf, similar to those in east end Vancouver schools, where children leave parts of their lunches for those who have no lunch at all. In another school district the parents' group organized a program of parents sending extra lunches for those young children going without. I could go on and on. The situation is very serious.

Thousands of children in British Columbia are finding themselves hungry and/or malnourished, and the Premier of that province says "tough luck".

* * *

PHARMACEUTICAL INDUSTRY

SUPPORT FOR AMENDING PATENT ACT

Mr. Bob Pennock (Etobicoke North): Mr. Speaker, last night I met with a group of seniors at the R. J. Smith Seniors' residence in my riding. I went expecting some of these seniors to be upset about the Government's proposal to amend the Patent Act. Instead, I found that they were overwhelmingly concerned that they, their children and their grandchildren have access to the latest and most advanced drugs available on the market.

I know it will disappoint opposition Parties to find out that the seniors in Etobicoke North have not bought the Opposition's collection of half-truths and scare tactics about the Government's intention in amending the Patent Act. Seniors respect the concept of intellectual property and they also understand the connection between increased patent protection and the thousands of new jobs that will be created, not to mention the fact that these advanced new drugs will now be produced in Canada.

I do not think I could say it better than one senior who asked why members of the Opposition are trying to prevent us from getting the best quality medicine available. She said to tell them to stop the guff and let us get on with it.

* * *

[*Translation*]

CHILD CARE

RIGHT TO CULTURALLY ADAPTED INFRASTRUCTURES FOR CLIENTELE

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, in Canada there are two million children aged 13 or under who require daycare, but only 172,000 places are available. Although the problem exists throughout the country, it is particularly significant in the National Capital region. According to the chairman of the Ottawa-Carleton Regional Municipality's Health and Social Services Committee, the lack of daycare centres in the region is 10 times worse for Francophone families.

In fact, there are only three Francophone daycare centres in the Ottawa-Carleton region. According to some people, Francophone families have been slow to make use of daycare centres because they prefer to organize their own daycare.

However, if schools and daycare centres are an extension of the home, it is important to use the language spoken at home at the daycare centre as well as at school, so that the child will grow up in a familiar environment. And that is where the authorities have failed. It is now imperative to take the situation in hand and provide for daycare centres across the country where the official language spoken by the child in the home will be spoken and understood.

* * *

[*English*]

NAVY LEAGUE OF CANADA

TRIBUTE TO WORK OF VOLUNTEERS

Mr. Patrick Crofton (Esquimalt—Saanich): Mr. Speaker, this past Saturday I had the privilege of addressing the annual general meeting of the Navy League of Canada. This national organization is dedicated to teaching seamanship and citizenship to some 11,000 young people in 230 Canadian communities.

Canada borders on three major oceans and possesses a longer coastline than any other nation. We are very much a maritime nation, a fact occasionally forgotten by some Hon. Members of this House. Maritime trade and maritime traffic are of vital importance to us, both from an economic and from a security point of view. Thus a knowledge of the sea, and its importance to Canada, are important lessons for young people.

The men and women of the Navy League, and the dedication of the many volunteers, do a great service to Canada through the training they offer our nation's youth. The Navy League very much deserves our recognition and appreciation for an important job well done.

* * *

TRADE

CANADA-UNITED STATES NEGOTIATIONS—MINISTER'S APPROACH

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, again the Minister for International Trade (Miss Carney) is attacking those who oppose her free trade schemes. She has refused to debate with her critics across the country, yet she will attack them when she is safe from any reply.

• (1415)

What is even worse in this case is that she is clearly trying to use the power of government assistance to make one of her critics, Mel Hurtig, retreat from the fight. How much more respect there would be for the Minister if she debated Mr. Hurtig in Edmonton instead of ominously raising the issue of how much aid his company gets from the Government.

The economic, political and cultural case against comprehensive free trade with the U.S. is very strong. That is the argument the Minister should try to address instead of attacking her opponents. Her approach simply shows the weakness of her case.

* * *

[*Translation*]

UNIONS

UTILIZATION OF DUES PAID BY MEMBERS

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, according to the Gallup poll results published in *Le Soleil* on April 11, 1987, four out of five Canadians feel that people who pay union dues should have some say in the use of funds for non-union purposes.

It is a fact that one of the Parties in this House, the New Democratic Party, is getting a substantial amount of funds from workers' payroll deductions. Incidentally, we would be interested to know which organization paid for the leader's trip to Rome to meet members of the Socialist International on April 6, 1987.

Mr. Speaker, eight out of 10 union members are against having their dues used for non-union purposes. The New Democratic Party is clearly thumbing its nose at unionized workers and at the judgment handed down on July 4, 1986, by Justice White of the Ontario Supreme Court, in which the use of these funds is challenged. So far, the Party has never clarified where it gets its funding. Will he continue to use the money of workers against their will and flout the principles of justice? These socialists who claim they will form the next Government should first clarify their sources of financing before the House.

* * *

[*English*]

INDUSTRY

SYDNEY STEEL CORPORATION—DELAY IN MODERNIZATION PROJECT

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, a crisis is developing in Sydney, Nova Scotia. Last February the federal Government signed a subsidiary agreement with the province regarding Sydney Steel Corporation. Yet it did not provide funding until the end of June, 1986. It did not appoint project managers until September. Then the question of market studies was thrown in the path of progress of the modernization. Those studies were done.

Then there was the problem of CN trying to renege on purchases from Sydney Steel. That was resolved just before

the Prime Minister (Mr. Mulroney) arrived to open the Winter Games in Sydney.

Now the Government, through the Minister of Regional Industrial Expansion (Mr. Côté), says Nova Scotia has to purchase a universal mill before the federal Government will honour its commitment to provide 70 per cent of the funding for the second phase of the modernization of Sydney Steel. This is treachery against the people of Nova Scotia and industrial Cape Breton. It is another commitment broken by the Government. It is not honouring its promises, and I ask it to follow through on the commitments it has made.

* * *

[*Translation*]

NATIONAL CITIZENSHIP WEEK

NATIONAL PRIDE

Mr. Gérald Comeau (South West Nova): This being National Citizenship Week, Mr. Speaker, I should like to say how proud I am to be a Canadian citizen.

Canada ranks among the world's most advanced countries in terms of the rights and freedoms enjoyed by its citizens. I am proud to live in a country which encourages all its cultural communities to protect and promote the language and traditions of their ancestors, a country which has always been regarded as a welcoming land. Its democratic traditions, its respect for individual freedoms, the industrious temperament as well as the pacific and tolerant character of its people are the envy of many nations. The most telling evidence of this is the fact that more than three million immigrants chose Canada as their adoptive country since the Citizenship Act first came into force in 1947.

Finally, I would dare assume that what Canadians lack most indeed is not the feeling of national pride but only the opportunities to express it loudly and clearly. I therefore urge all my fellow Canadians to make the most of this National Citizenship Week to celebrate the fortieth anniversary of Canadian citizenship.

* * *

FOOTWEAR INDUSTRY

IMPORTANCE OF QUOTAS

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, once again I want to draw the attention of Hon. Members to the disastrous situation with which the Canadian footwear industry must come to grips.

Since quotas were abolished on November 30, 1985, men's footwear imports have gone up by almost 50 per cent. Specifically, Southeast Asia imports rose from 63,000 to 213,500 pairs, an increase of 238 per cent.

In my riding of Glengarry—Prescott—Russell one firm in particular had to let go two-thirds of its employees, with the result that 150 people found themselves without jobs. Although the Minister for International Trade (Miss Carney) did meet with Canadian footwear industry officials, no decision has yet been made.

What we need from this Government, Mr. Speaker, is a five-year policy to guarantee jobs in the footwear industry. Quotas must be reinstated for at least five years. Only such a measure would make Canadians sure that they will keep their jobs.

• (1420)

ORAL QUESTION PERIOD

[*English*]

FINANCE

PROPOSED DOME PETROLEUM TAKEOVER—REQUEST FOR REFERRAL TO PARLIAMENT

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, the Minister of Finance made a number of completely inconsistent statements yesterday in the House about the Dome Petroleum situation. He said, as reported in *Hansard*, that the situation is urgent. Then he said let the process run its course. Then he said that there should be a private sector solution. Then hinted that there may be major tax rulings.

Is the issue an urgent one or not? Does it involve major tax rulings affecting billions of dollars of taxpayers' money, and more fundamentally, does he intend to bring the whole issue before Parliament before the transaction is completed so that we can avoid the costly mistakes of the Gulf and Western deal and the costly bank bail-outs?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Right Hon. Leader of the Opposition refers to costly mistakes. It was the costly mistake of the National Energy Program that got Dome Petroleum into the situation it is in today.

Some Hon. Members: Hear, hear!

Mr. Wilson (Etobicoke Centre): I know the Right Hon. Leader of the Opposition agrees with that. He said it on many occasions prior to taking that seat over there.

He asked about the position of Dome. Yes, Dome's position will require some urgency as things progress because, as the Hon. Member knows, it is a takeover situation which requires immediate response to what is happening in the market-place.

When the Hon. Member asks about tax rulings amounting to billions of dollars, I think he should distinguish between a

tax ruling and tax concession. He is smiling, and I think he understands exactly what I am saying. A tax ruling is available to anyone and is a clarification of the law. It is something that is provided by my colleague, the Minister of National Revenue. Something that may require billions of dollars would be by way of a tax concession. Obviously that gives me a good deal more difficulty.

[*Translation*]

OFFERS MADE FOR DOME PETROLEUM—GOVERNMENT POSITION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, yesterday the Minister of Finance also stated he would look into offers by foreign companies that might be reviewed by Investment Canada. This is diametrically opposed to the Government's initial policy to increase Canadian ownership in our gas and petroleum industry. My question is directed to the Prime Minister and it is: Will the Canadian Government consider offers from foreign companies to purchase Dome Petroleum, yes or no?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Hon. Member's question was not quite clear in the translation. I will try to answer what I thought he was asking. The Minister of Energy, Mines and Resources and the Minister responsible for Investment Canada have made it clear that there would be some understanding of the particular financial circumstances of companies that were the subject of an acquisition by a non-resident company. If a Canadian oil and gas company were in financial difficulty, as is the case with Dome Petroleum, then some adjustment would be made in the views the Government has towards that type of acquisition.

• (1425)

Mr. Turner (Vancouver Quadra): The Minister of Finance seems to be contemplating the possibility of an offer by a foreign company, which contradicts any statements any Minister of this Government has made affecting the oil and gas industry prior to this afternoon.

GOVERNMENT POSITION

Right Hon. John N. Turner (Leader of the Opposition): I want to refer to the Minister of Energy, Mines and Resources. The Minister this morning on television had this to say: "It is for Dome to decide what is good for its shareholders, not the federal Government".

Would the Prime Minister tell us if the position of the Government is that it is for Dome to decide, when there are thousands of jobs at stake, when the health of the western Canadian economy is at stake, when our position, in terms of self-sufficiency for Canadians in petroleum, hydrocarbons, is at stake, and when there may be billions of taxpayers' dollars at stake? Is that the position of the Government of Canada?

[*Translation*]

Hon. Marcel Masse (Minister of Energy, Mines and Resources): Mr. Speaker, I think the Leader of the Official Opposition knows perfectly well that in a free enterprise country like Canada, it is first up to corporate management to decide whether an offer is favourable for their shareholders and for the people within the corporation, including the employees.

Bearing that in mind, it is first of all up to Dome to accept or turn down any offers that may be made. Subsequently, when an offer has been made, it will have to be considered by the Government, in accordance with the policies in place at this time.

[*English*]

CANADIANIZATION POLICY

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, my question is directed to the Minister of Finance. Two of the pillars of the energy policy of the Progressive Conservatives going into the last election were security of supply and Canadianization. Canadianization, in particular, is a program which the Government has held up to the country as being something it has been working towards.

Dome Petroleum is a company on which the country has depended so much for its security of supply, and now the Minister of Finance is saying that his Government is prepared to make an exception and give away the resources of Dome Petroleum to foreign corporations. Would the Minister clarify this and state the Government's position clearly?

[*Translation*]

Hon. Marcel Masse (Minister of Energy, Mines and Resources): Mr. Speaker, in the case of Canada's energy policy, Canadianization is only one aspect of this policy. In fact I can inform the Hon. Member that since this Government came to power, the percentage has increased.

[*English*]

REPORTED REQUEST FOR TAX RULING BY TRANSCANADA PIPELINES

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, yesterday the Minister of Finance, when asked about the proposed sale of Dome Petroleum, said: "We would review the position that TransCanada puts before us if a tax ruling is involved". Why would the Minister of Finance have us believe he knew nothing about a tax ruling as proposed by TransCanada PipeLines, when negotiations between the federal Government and TransCanada regarding a tax ruling have been going on since early March?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, that is news to me. I am the Minister of Finance. The Hon. Member might have put that question to the Minister of National Revenue. I have not been involved in any discussions on a tax ruling and certainly I was not aware that those discussions or "negotiations", as the Hon. Member put it, were

going on and had been going on for that long. I am not sure of that.

REQUEST FOR GUARANTEE OF CANADIAN OWNERSHIP

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is directed to the Minister of Finance. Dome Petroleum is now the largest owner of energy reserves in western Canada. If it falls into the control of a foreign corporation, it will automatically increase foreign ownership of this sector in Canada from 40 per cent to 50 per cent. Will the Minister guarantee to the House that Dome Petroleum will remain in Canadian hands?

[*Translation*]

Hon. Marcel Masse (Minister of Energy, Mines and Resources): Mr. Speaker, I repeat, for the benefit of the Leader of the New Democratic Party, that we live in a free enterprise system in this country and that it is therefore up to Dome to consider, first of all, its responsibility to its employees and its shareholders.

• (1430)

[*English*]

ELECTION CAMPAIGN PROMISE

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I want to say to the Minister that, for the New Democratic Party, Canada, as a nation, is not for sale no matter what the Tories might think.

Some Hon. Members: Hear, hear!

Mr. Broadbent: I see that the Prime Minister is smiling. Since it was the Prime Minister who promised in the election campaign to make decisions in the Canadian interest in the energy sector will he live up to his promise and guarantee that Dome Petroleum will remain in Canadian hands? That is the issue.

Some Hon. Members: Hear, hear!

[*Translation*]

Hon. Marcel Masse (Minister of Energy, Mines and Resources): Mr. Speaker, I am well aware that the Leader of the New Democratic Party has aided and abetted the Liberal Party in its attempts to socialize Canada's energy industry, and we have seen the problems this has caused, especially for Dome. In this respect, I can give the Hon. Member the assurance that so far, Canada's present energy policy has been instrumental in increasing the proportion of Canadianization in the industry.

Mr. Broadbent: And now the Minister wants to sell the biggest corporation in the industry in Canada, in the west. That is something we in the New Democratic Party cannot accept.

REQUEST THAT DECISION BE TAKEN BY CABINET AND JUSTIFIED IN HOUSE

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my last question to the Minister is as follows: This decision may cost the taxpayer $2.4 billion. Can the Minister guarantee the decision will be one that is made by Cabinet, and that Cabinet will justify that decision before the House?

Hon. Marcel Masse (Minister of Energy, Mines and Resources): Mr. Speaker, the Minister of Energy, Mines and Resources has nothing to sell as far as Dome is concerned because he does not own Dome Petroleum. So I think we should get this quite clear: the Government is not putting Dome up for sale.

Second, the Hon. Member is well aware of Dome's financial difficulties. If he is at all interested in Canada's energy policy and in the people employed by Dome, he should emulate the Government by securing our gas and energy reserves and protecting the jobs of the people working for Dome.

* * *

[*English*]

AIR TRANSPORT

TAKEOVER OF CANADIAN PACIFIC AIRLINES

Mr. John Nunziata (York South—Weston): Mr. Speaker, my question is for the Prime Minister. It concerns the takeover of Canadian Pacific Airlines by Pacific Western Airlines. This particular takeover was endorsed and approved by the Prime Minister's Government. We now know that 3,000 jobs may be lost as a result of it. Most of these jobs are in western Canada.

Why did the Prime Minister's Government approve this takeover when he knew, or ought to have known, that it was not in the public interest, and when he knew, or ought to have known, that 3,000 jobs may be lost?

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, the hon. gentleman as usual is quite inaccurate in what he says. This takeover of Canadian Pacific by Pacific Western had to go to the Canadian Transport Commission which dealt with the question of whether or not it was in the public interest. It found it to be in the public interest. I would take the view and the opinion of a quasi-judicial tribunal that does not deal in rhetoric but in fact, in logic and rational application of the law to the facts, over the hon. gentleman's opinion any day in the week.

Some Hon. Members: Hear, hear!

MEMORANDUM PROJECTING JOB LOSSES

Mr. John Nunziata (York South—Weston): Mr. Speaker, we are not dealing with opinion; we are dealing with fact.

Some Hon. Members: Oh, oh!

An Hon. Member: That's your problem.

Mr. Nunziata: I have a confidential memo here—

Some Hon. Members: Oh, oh!

Mr. Nunziata: Conservative Members may laugh but 3,000 jobs will be lost.

Some Hon. Members: Oh, oh!

Mr. Speaker: Order, please.

Mr. Nunziata: I have a memo from Martha Hynna who is the Executive Director of Employment Services at the Department of Employment and Immigration. It is to Mr. John Edwards, the Associate Deputy Minister and Vice-Chairman. This particular memo dated March 25 confirms that up to 3,000 jobs will be lost as a result of the takeover and that the effective date of the lay-offs will be approximately July 1, 1987. I go back to the Prime Minister and hope he will have the guts to stand up and answer.

Some Hon. Members: Oh, oh!

Mr. Nunziata: I would like to ask the Prime Minister why he approved this particular takeover when he knew, or ought to have known, that it was not in the public interest, when he knew that 3,000 jobs would be lost, that 3,000 families would be devastated, and that most of these jobs are in western Canada. If he is truly concerned about western Canadians, why did he approve this particular takeover?

Some Hon. Members: Hear, hear!

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, it does not take much in the way of guts to stand up to a blowfly.

Some Hon. Members: Oh, oh!

Mr. Crosbie: I gather from the way that the hon. gentleman puts his question that the policy of the Liberal Party would be to interfere in every commercial transaction in the country that might possibly involve the loss of a job. If that is the policy of the members of the Liberal Party then I hope they will explain it to the business sector from which the Leader of the Opposition came, since it is the first time it has ever heard it suggested that that might be the policy of the Liberal Party led by the Hon. Member from Vancouver-wherever-it-is, who recently left there to go somewhere else.

Some Hon. Members: Hear, hear!

FINANCE

DOME PETROLEUM TAX CREDITS—REQUEST FOR GOVERNMENT DECISION ON POSSIBLE TAKEOVER

Mr. Simon de Jong (Regina East): Mr. Speaker, I too wish to address a question to the Minister of Finance. Considering that Dome's $2.4 billion in tax credits is most probably the largest single tax break in Canadian history—and there is no doubt that it will have major revenue implications for us all—will the Minister not assure us that the final decision will be made by Cabinet and justified in the House of Commons, rather than a decision being made by a few officials in Revenue Canada? Can he give us that assurance?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think the Hon. Member should check the "blues". I believe he said $22.4 billion, I think he meant $2.4 billion.

Mr. Broadbent: He said $2.4 billion.

Mr. Wilson (Etobicoke Centre): I would like to understand where the Hon. Member is coming from. He and his Leader seem to be at odds on this issue. The Leader of the New Democratic Party seems to be concerned about a non-resident taking over Dome Petroleum. The Hon. Member for Regina East seems to be concerned about tax dollars being given to a Canadian company to take it over. I am not sure where the New Democratic Party is on this issue.

Mr. Broadbent: You should be able to master it, Michael.

Mr. Wilson (Etobicoke Centre): Perhaps the Hon. Member would like to explain.

REQUEST THAT DECISION BE MADE BY GOVERNMENT

Mr. Simon de Jong (Regina East): Mr. Speaker, my supplementary question is for the same Minister. We have two concerns. The first is that a Canadian company take over Dome and that those resources remain in Canadian hands. Our second concern is with respect to a matter of public accountability.

It is true that Dome is a private company. However, there is a great deal of public interest at stake in this decision. There is a major public revenue implication in it. We would like an assurance that this decision will be made by Cabinet and not by officials in Revenue Canada, and that the decision made by Cabinet be justified to Parliament so that there is public accountability for the loss of billions of dollars of taxpayers' money.

Some Hon. Members: Hear, hear!

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, if the Hon. Member is talking about a tax ruling, tax rulings are made on a regular basis. They are clarifications of tax laws. They are a responsibility of the Minister of National Revenue. The Minister of Finance is not involved in them.

Again, I come back to the question here, which way is the New Democratic Party going? Does it want to have a Canadian company buy Dome? Does it want to have no support go to that Canadian company? Or does it want to nationalize Dome Petroleum? Which is it? Come clean. Let us know. We would like to know where the NDP stands on this issue.

• (1440)

REQUEST THAT DECISION NOT BE MADE BY BUREAUCRATS

Mr. Simon de Jong (Regina East): Mr. Speaker, let me make it clear to the Minister that we want the resources to be developed by a Canadian company and that we want accountability. I know of no way in which I could make our policy more clear to the Minister.

Will the Minister not give us the assurance that a decision of such magnitude on public revenue will be made by elected officials in Cabinet rather than by bureaucrats in the Department of Revenue? Surely he appreciates the significance of this, and the difference between regular decisions made by Revenue Canada and one which has such magnitude of importance to the public interest. Surely he recognizes the difference.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Hon. Member is asking hypothetical questions. As I indicated in my previous response, the Department of Finance does not make tax rulings. Those are made by officials in the Department of National Revenue because they are clarifications of the Income Tax Act as it stands. The ruling is to clarify the tax law, and that happens on a regular basis.

If the Hon. Member stops to think about what he is saying he will realize that his suggestion would result in this Parliament being totally swamped with tax rulings, day in and day out.

Mr. Broadbent: What's $2.5 billion?

* * *

INDIAN AFFAIRS

CANADA-MANITOBA NORTHERN FLOOD AGREEMENT

Mr. Keith Penner (Cochrane—Superior): Mr. Speaker, my question is directed to the Minister of Indian Affairs and Northern Development and is with regard to the failure of the Government so far to implement the Canada-Manitoba Northern Flood Agreement. There are five northern Manitoba Indian bands which are awaiting fresh, clean drinking water, and the appropriate and necessary sewage disposal systems.

When will the foot-dragging come to an end? When will the Government of Canada honour its obligations under the Canada-Manitoba Northern Flood Agreement?

Hon. Bill McKnight (Minister of Indian Affairs and Northern Development): Mr. Speaker, I am sure the Hon. Member is aware that discussions are taking place between counsel for the bands flooded in northern Manitoba and officials in the Department of Northern Affairs and Indian Development. Those discussions will continue.

As the Hon. Member is aware, there has been a commitment made that potable drinking water will be provided to the reserves in this fiscal year under the fiscal framework within which we have to work. We are having discussions on how it can be put in place. In addition, as the Hon. Member is fully aware, there are some areas involved in northern Manitoba where the provision of infrastructures such as sewage lines is well nigh impossible because of the places where the villages are built.

MINISTER'S LETTER TO NORTHERN FLOOD COMMITTEE PRESIDENT

Mr. Keith Penner (Cochrane—Superior): Mr. Speaker, on December 22, 1986, the Minister wrote to Chief Rodney Spence, President of the Northern Flood Committee. In that letter he promised "to accelerate the implementation of the water and sewer systems within the five communities".

Will the Minister explain to the House why his foot is on the brake rather than on the accelerator?

Hon. Bill McKnight (Minister of Indian Affairs and Northern Development): Mr. Speaker, I find it strange that the member who has a concern in these matters, which I and all Members of the House recognize and share, does not recognize that he was part of a Government which implemented agreements without any plan, without identification of dollars, and without—

Mr. Penner: It's $57 million.

Mr. McKnight: The Hon. Member is saying it is only $7 million.

Mr. Penner: It is $57 million.

Mr. McKnight: Okay, $57 million.

Mr. Penner: Where is it?

Mr. McKnight: Now he is saying, "Where is it?" We have had discussions. An agreement was drafted and signed by the Government which he represented which did not provide for implementation. These discussions are provided for in the agreement. That is what the negotiations are about, Mr. Speaker.

AIR TRANSPORT

CANADIAN PACIFIC AIRLINES TAKEOVER—POSSIBLE LAY-OFFS

Mr. Les Benjamin (Regina West): Mr. Speaker, I have a question for the Minister of Employment and Immigration. His Department knows about planned lay-offs of thousands of employees due to the CP Air-PWA takeover. Since it is obvious that the employers have failed to notify their employees or their unions, will the Minister of Employment and Immigration notify these employees and their unions about what is in store for them? What plans does he have to take care of them?

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, the hon. gentleman refers to some lay-offs which are going to occur as a result of the proposed amalgamation of CP and Pacific Western. There has been no notice given that any number approaching thousands will be affected. If they are, all the resources of the Government which are open to people who are laid off will certainly be made available to them, and the provisions of their collective agreements will certainly be put into effect.

We would urge the new company composed of Pacific Western and Canadian Pacific to treat generously and humanely those employees who may have to be laid off. However, there has been no indication that any number of the size to which the Hon. Member is referring are to be laid off.

REQUEST FOR LEGISLATIVE AMENDMENT DEALING WITH SUCCESSOR RIGHTS

Mr. Les Benjamin (Regina West): Mr. Speaker, since the Minister of Transport speaks for employment, fisheries, and a few other things, I will direct a question to him. *Freedom to Move*, deregulation started by the Liberals and being carried out by the Tories, promised not only more competition but more jobs.

Therefore, would he now agree, as a matter of government policy, either to move an amendment himself or accept an amendment to Bill C-18, such as was turned down this morning in committee, which would ensure that in cases of mergers, takeovers, and operating agreements, successor rights are dealt with and settled by the parties involved before a new licence to operate or a new certificate is issued?

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, I answered that question for the hon. gentleman yesterday in committee and am prepared to answer the question for the hon. gentleman again today in the House, although he is occupying the House with questions which have already been asked in committee.

The answer is that we have legislation under the jurisdiction of Labour Canada which applies to companies which operate under federal jurisdiction. That law will continue to apply to federal companies and there is, therefore, no need for any special provisions in the *Freedom to Move* legislation for that purpose. It is working.

HARBOURFRONT

MORATORIUM ON TORONTO WATERFRONT CONSTRUCTION PROJECTS

Mr. Alan Redway (York East): Mr. Speaker, my question is for the Minister of Public Works and relates to the Harbourfront property in Metro Toronto. Due to the great concerns of residents of the area and the people of Metropolitan Toronto in general relating to the development and planning process of the City of Toronto, the residents welcomed the Minister's announcement of a freeze and a review of the site. However, they would like to know from the Minister exactly what has been frozen.

Has all of the development been frozen or only part of it? How does the Minister intend to enforce that freeze since at the moment construction is going on without the benefit of building permits? Will the Minister allow public input of residents into the review process?

Hon. Stewart McInnes (Minister of Public Works): Mr. Speaker, a review of the objectives of the Harbourfront corporation is now under way. In the interim, a moratorium has been imposed on all development. Clarification on which particular projects have been affected will be given within the next 30 days.

One of the ingredients of the review is to ensure that there is adequate public representation, the opportunity for citizens and appropriate groups to give their views. The mechanics have not yet been crystallized but we will issue a statement in that regard.

* * *

AGRICULTURE

ANNOUNCED CLOSURE OF MANITOBA SUGAR COMPANY—EFFECT ON SUGAR-BEET PRODUCERS

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, I have a question for the Minister responsible for the Wheat Board. As the Minister knows, on Friday the Manitoba Sugar Company announced the closing of its plant which, if carried through, will mean the end of the sugar-beet industry in the Province of Manitoba and will affect 500 or 600 jobs in that province alone.

• (1450)

The Manitoba Minister of Agriculture said in the Legislature yesterday that there had been no new discussions between the federal and provincial Governments since the announcement, and yesterday I asked the Deputy Prime Minister whether he would undertake to talk with that Minister to see if negotiations could be resumed before the decision was carried out.

Has the Minister of State for the Canadian Wheat Board been in touch with his provincial counterpart? Is there an

intention to start negotiations before the date-line of Thursday so that there can be some resolution of the problem before the sugar-beet industry of Manitoba is put to an end?

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, the Hon. Member raises a matter of concern to all of us, especially those of us in the House who represent Manitobans.

We believe we have put a reasonable offer on the table. Mr. Uruski, the provincial Minister in Manitoba, is in receipt of a letter from myself to which he has not yet replied. We believe the offer is reasonable.

Evidence of that fact is that everybody has accepted it—both growers' associations in Manitoba and Alberta, and the Province of Alberta. We would very much like to see Manitoba take a very serious look at it and, if it has some problems with it, come forward with a proposition with which we could deal in line with what the Hon. Member suggested, that is, to see that that important industry survives in Manitoba.

Mr. Axworthy: Mr. Speaker, in response to the Minister of State for the Canadian Wheat Board, there is no doubt that both sides, the federal and provincial Governments, have taken a position. However, if they talked to the people of Manitoba, they would say: "Get the problem resolved before Thursday, before we lose this industry".

REQUEST THAT FEDERAL AND PROVINCIAL MINISTERS MEET

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, as a special appeal on behalf of the people of Manitoba, will the Minister take the initiative, call the Minister of Agriculture in Manitoba, and arrange to have a special meeting to see whether before Thursday there can be some way of resolving the differences and coming to an agreement which will meet the objectives of both sides, before we lose a very important industry and hundreds or close to thousands of jobs in that province? I think the Minister could show some generosity and take that initiative.

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, this is a serious matter, and the federal Government takes it very seriously. It is a difficult time in agriculture. We need to do everything we can to diversify, to see that there are as many crops grown as there possibly can be grown.

We are awaiting a reply to the letter which I sent to Mr. Uruski. I will certainly take the Hon. Member's suggestion seriously to see whether there are some things we can do in order to break the log-jam.

We find it very unfortunate, from the position of the provincial Government in Manitoba, that it simply uses this issue as a means to point the finger at the federal Government. We are willing to negotiate. We believe we have a reasonable offer on the table. We would very much like to proceed with those negotiations on a reasonable basis to see that the situation is resolved.

THE ADMINISTRATION

PROPERTY MORTGAGE ISSUED BY MINISTER

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, I have a question for the Deputy Prime Minister. Yesterday the Deputy Prime Minister promised to review the issue of whether the $354,000 mortgage loan that was granted by the Minister of Fitness and Amateur Sport on investment property in downtown Ottawa—

Some Hon. Members: Oh, oh!

Mr. Mazankowski: You will never learn.

Mr. Speaker: The Chair is in some difficulty, and I would just ask that Hon. Members be patient.

Mr. Cassidy: Thank you, Mr. Speaker—whether that constituted—

Some Hon. Members: Hold on.

Mr. Speaker: I very much regret to advise the Hon. Member that, in view of the fact that the questions asked yesterday to which the Hon. Member has just referred were the subject of protracted debate on a question of privilege this morning, I am reluctantly going to rule those questions out of order for today.

Some Hon. Members: Hear, hear!

Mr. Speaker: The Hon. Member for Spadina.

Mr. Heap: Thank you, Mr. Speaker—

An Hon. Member: And Ed Broadbent is behind him.

Mr. Masse: The Leader is behind him.

Mr. de Corneille: Let's have some decency.

Mr. Speaker: Order, please. The Hon. Member for Spadina.

* * *

IMMIGRATION

MINISTER'S TELEX TO IMMIGRATION OFFICERS

Mr. Dan Heap (Spadina): Mr. Speaker, my question is for the Minister of Employment and Immigration. By the lawyer's letter which I sent him today as notice of this question, the Minister knows that he violated Section 23(4) of the Immigration Act by his February 20 telex which ordered immigration officers to return most refugee claimants to the United States to wait weeks or months for an inquiry into whether they can enter Canada.

Therefore, will the Minister immediately rescind the illegal telex of February 20 and now issue new instructions that comply with the law which was adopted by Parliament in 1978 and is still in force today?

Hon. Gerry Weiner (Minister of State (Immigration)): Mr. Speaker, the member is wrong. We do not turn everyone away at the border. Our officials use discretion. Of the 1,126 claimants who have come to the borders of Ontario and Quebec since February 23, 776 were asked to await a hearing before an adjudicator in the United States, but 350 were allowed to enter. That is over 30 per cent.

PROVISIONS OF STATUTE

Mr. Dan Heap (Spadina): Mr. Speaker, what I said was that most refugee claimants are turned back, and the Minister has confirmed that by saying that a majority were turned back.

I am referring to the violation of the statute which says that officers may exercise their discretion, as compared to the telex which says that these people are to be sent back.

Therefore I ask the Minister: Will he respect the legislation of Parliament and now recall all those refugee claimants who were illegally turned away since February 20?

Hon. Gerry Weiner (Minister of State (Immigration)): Mr. Speaker, the member refers to a letter by an immigration lawyer that asks for information which requires legal interpretation. I have asked my officials to look into it. I assure the member that I will get back to him as soon as we have the information.

* * *

TRADE

CANADA-UNITED STATES NEGOTIATIONS—EFFECT ON FINANCIAL INSTITUTIONS

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, my question is for the Minister of Finance. The President of the Canadian Imperial Bank of Commerce said yesterday that he fears Canada's financial services are being bargained away during the current free trade talks with the United States. He said:

> We must not bargain away our strengths in an industry generating large amounts of foreign exchange for our country. Granting unbridled access to our domestic market in financial services could well reverse the flow.

What is the current status in the free trade negotiations of financial institutions, particularly the Government's position in respect of free access of U.S. financial institutions to the Canadian market?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I would agree with the position which the Chairman of the Canadian Imperial Bank of Commerce has set out. We have a very important industry, an industry which gives us access to all parts of the world and assists in foreign trade as well as in the flows of capital.

We have no intention whatsoever of bargaining away the positions which the Hon. Member has suggested. We are going to be taking a tough position on how we deal with this, and I think the Hon. Member will find that out as time progresses.

[*Translation*]

FREE TRADE NEGOTIATIONS—STOCKBROKERS—GOVERNMENT POSITION

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, since we have no idea what is going to happen to our financial institutions in the free trade negotiations with the United States, would the Minister of Finance not agree that the time is badly chosen to allow American companies to buy up to 50 per cent interest in stockbrokerage firms, considering that no decision has been made and that American companies are allowed to buy Canadian firms, up to 50 per cent before June 30, and up to 100 per cent after June 30, 1988? Why not wait for the outcome of these negotiations before allowing Americans to take over our stockbrokerage firms?

[*English*]

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, that policy was laid down on December 18. It was made absolutely clear that the Government of Canada and the Government of Ontario were moving together with regard to the wishes expressed by the financial industry, the banks, and the investment community.

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

Mr. Garneau: So you let them go to the United States.

Mr. Blaikie: If the Liberals would just be quiet for a minute, Mr. Speaker—

Some Hon. Members: Oh, oh!

Mr. de Corneille: Shame.

Mr. Gauthier: Sanctimonious.

Mr. Turner (Vancouver Quadra): Get out of the pulpit.

Mr. Speaker: I might suggest to the Hon. Member for Winnipeg—Birds Hill that I might get further extending his request than he will.

* * *

• (1500)

NUCLEAR ENERGY

LEPREAU II REACTOR PROJECT IN NEW BRUNSWICK

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, my question is for the Minister of Energy. Given that the Minister yesterday initiated what could be quite a useful debate about Canada's energy options, depending on the process and who the Minister intends to involve, can he make a commitment to the House today that in the meantime, until this debate about

future energy options for Canada is completed, the Government will not be considering any grant, loan or policy decision that would permit the construction of a Lepreau II nuclear reactor in New Brunswick?

[*Translation*]

Hon. Marcel Masse (Minister of Energy, Mines and Resources): Mr. Speaker, it is obvious that during this period when Canadians generally will be able to discuss the energy issues which are basic for the existence and future of this country, the Government has no intention whatsoever to defer decisions concerning major projects. This representation was made by all provinces last January, and again today by interested groups that are advocating projects to ensure Canada's energy security.

[*English*]

GOVERNMENT POSITION

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, I have a supplementary question. Is the Minister of Energy, Mines and Resources telling the House—it sounds like he is—that the Government is considering negotiating with New Brunswick with respect to federal moneys for the construction of the Lepreau II? Is it the case that a Government which, in 1979 and in 1984 promised a full inquiry into the nuclear industry, is now prepared to go ahead with the construction of a new nuclear reactor before having any kind of debate about energy, nuclear or otherwise in this country?

[*Translation*]

Hon. Marcel Masse (Minister of Energy, Mines and Resources): Unlike the New Democratic Party, Mr. Speaker, this Government is not bent on overly centralizing Canada, and we acknowledge the existence of the provinces and their responsibility in the field of energy. It is up to the Government of New Brunswick to decide whether or not its territory and its citizens are seeking an increase in the electricity sector. It is up to them to decide how these needs are going to be met, be it with coal, nuclear energy, or imports of Quebec hydro-electric power. The New Brunswick Government has not yet made this choice.

[*English*]

Mr. Speaker: I should advise Hon. Members that we are a little over time. There will be one more question from the Opposition, the Hon. Member for Montreal—Sainte-Marie, and one government question, and that will conclude Question Period. The Hon. Member for Montreal—Sainte-Marie).

[*Translation*]

ENERGY

SOLIGAZ PROJECT IN MONTREAL EAST—GOVERNMENT POSITION

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources. It deals with the delay in the National Energy Board making decisions on the application by Interprovincial Pipe Line to convert the Sarnia-Montreal pipeline to the transport of national gas liquids. My question to the Minister is this: Can the Minister give the reasons for the delays that have postponed for a year the start-up on the Soligaz project in eastern Montreal, which will create many jobs, and can he reassure people concerning the application by Esso Imperial to reverse the pipeline's flow from Montreal to Sarnia, in order to save the 17,000 jobs in Quebec?

Hon. Marcel Masse (Minister of Energy, Mines and Resources): Mr. Speaker, the whole question of the oil transport infrastructure in Canada is currently under review, as requested by the Quebec Minister of Energy at the federal-provincial meeting. That analysis is therefore being discussed between the Ministers of Energy of the two levels of Government, until the report is made public. I also want to point out to the Hon. Member that no change in the basic operation of a pipeline in Canada can be made without a hearing and a decision by the NEB. For the time being, no such application has been filed.

REQUEST FOR CLARIFICATION OF PETROMONT'S FUTURE

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, I have a supplementary. The Minister did not answer the question. What people would like to know is the reasons why the National Energy Board is delaying its decision to save Petromont, to ensure that the Soligaz project in Eastern Montreal is installed, that a number of jobs are created. People would like to have the assurance from the Minister rather than the National Energy Board, they would like to know whether he will turn down the application by Esso Imperial to reverse the flow of oil to the Ontario refineries, which would eliminate Petromont and the 17,000 Quebec jobs.

Hon. Marcel Masse (Minister of Energy, Mines and Resources): Mr. Speaker, since the representation is directed to the National Energy Board, I will be pleased to pass it on to the Board and to inform you of their answer.

[*English*]

HEALTH

REPORTED INCREASE IN ATMOSPHERIC NUCLEAR RADIATION

Mr. Andrew Witer (Parkdale—High Park): Mr. Speaker, my question is for the Minister of National Health and Welfare. Reports this morning from West German nuclear emission monitoring stations indicate an unusual increase in atmospheric radiation which could be caused by a nuclear leak in the U.S.S.R.

In light of the tragedy at Chernobyl and fears that another Soviet nuclear disaster could be in the making, will the Minister tell the House what information he has received on these reports and what steps he will take to ensure that Canadians are fully informed of developments as they occur?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, with respect to the Hon. Member's question, I cannot confirm anything at this moment. We are obviously aware of the press stories coming out of western Europe from West German sources and Swedish sources, just to name two. We are checking very intensely at this point to see whether any of these press lines can be confirmed and, if so, what their background is. I want to assure the Hon. Member, the House, and Canadians generally that if any information comes to my attention, I will release it immediately, as the Government of Canada did in the Chernobyl incident.

Mr. Speaker: The Hon. Deputy Prime Minister.

* * *

Mr. Mazankowski: Mr. Speaker, I think you would find unanimous consent to revert to Motions for the express purpose of moving a motion having to do with the extension of the provisional rules. There have been the usual discussions. With your permission, I would move:

> That, notwithstanding any previous orders of the House, all current Permanent and Provisional Standing Orders, as extended by the House on December 18, 1986, be further extended to May 29, 1987; and that all other sessional and special orders relating thereto also be extended to May 29, 1987.

Mr. Gauthier: Mr. Speaker, I rise on a point of order. Let us proceed with some order. The Government House Leader asked for unanimous consent to revert to Motions for a specific purpose. That, as far as I know, has not yet been given, however the Government House Leader has read the motion. This is very important to many of us. Let us have orderly procedures.

Mr. Deputy Speaker: Does the Deputy Prime Minister (Mr. Mazankowski) have unanimous consent to introduce his motion?

Some Hon. Members: Agreed.

Mr. Gauthier: For that purpose only.

Motions

ROUTINE PROCEEDINGS

[*English*]

HOUSE OF COMMONS

EXTENSION OF PROVISIONAL STANDING ORDERS

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I move:

> That, notwithstanding any previous orders of the House all the current permanent and provisional standing orders, as extended by the House on December 18, 1986, be further extended to May 29, 1987; that all other sessional and special orders related thereto also be extended to May 29, 1987.

Mr. Deputy Speaker: The House has heard the terms of the motion. Is there unanimous consent?

Some Hon. Members: Agreed.

Some Hon. Members: No.

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I think we should debate for a few minutes. I will not abuse the time of the House. The Government House Leader knows that I want to put a question to the Chairman of the Standing Committee on Elections, Privileges and Procedure, the Hon. Member for Peace River (Mr. Cooper), which deals with a ruling made by the Chair this morning. This is important to many of us and has great impact on the proceedings of the House.

There is not one Member in the House who is unaware that this morning the Speaker made a ruling that the use of dilatory motions during Routine Proceedings needs to be examined by the House because there are gray areas in the use of those motions. We require some definite and clear undertakings as to what is meant. I had intended to ask the Hon. Member for Peace River, the Chairman of the Standing Committee on Elections, Privileges and Procedure, if he would give the House his undertaking that as chairman of the committee he would deal with Mr. Speaker's ruling concerning dilatory motions with a view to looking at the impact, effect and consequences of that ruling on our procedures so that we will all have a clear and distinct knowledge of how the House operates. That is basically my argument, that since we cannot appeal your rulings, Mr. Speaker, we must depend on a set of rules that is clear to all of us.

• (1510)

This is not Britain, this is Canada. We have a Constitution and we have Standing Orders. They are known to all of us and they are used by all of us. However, if the Speaker has discretion to do certain things of which I am not aware, I am put in a difficult position. That is the point I would like to make to the chairman of the Standing Committee. I think it is imperative that he convene the committee, study the ruling made by the Speaker this morning concerning dilatory motions during Routine Proceedings and report to the House what Hon. Members feel should be done about the ruling. I would invite the Hon. Member for Peace River to give me that

assurance. At that time, I would have no hesitation in giving my approval to the proposal of the government House Leader that we extend the Provisional Standing Orders for a few more weeks. I would hope that the House Leader would come to us with some meaningful changes in the next seven or eight weeks dealing with certain things in the committee's last report which we have all found urgent and pressing.

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, I think it should be made clear that when an all-Party agreement to extend the provisional orders was sought, it was sought not on the basis of the Standing Committee on Elections, Privileges and Procedure dealing with the subject matter just raised by the Hon. Member for Ottawa—Vanier (Mr. Gauthier). It may or may not be a good idea for the committee to look at that particular subject; it probably is a good idea. It is a good idea for the Standing Committee to look at anything that is a matter of controversy in the House. However, the origin of the extension of the provisional rules lies in the fact that there was not enough time between the time the committee charged with reviewing those Provisional Standing Orders reported and the time for the expiry of those provisional orders on April 16 for the House Leaders to get together and respond.

Because I am a member of that committee, I want to make my understanding clear as I participate in the unanimous consent that will be required to pass the motion. We are giving the House Leaders time to study the report of the committee so that they can then decide what they will do about the Provisional Standing Orders when the new expiry date of May 29 arrives. All other matters are matters which will be referred in the course of ordinary parliamentary time, either by the Speaker, by the House or by the committee itself, to the committee. I think it should be perfectly clear that, without questioning the merit of what has been raised by the Hon. Member for Ottawa—Vanier, it is a matter separate from the reasons for agreeing to an extension of the provisional rules.

Mr. Mazankowski: Mr. Speaker, I am pleased that the Hon. Member for Winnipeg—Birds Hill (Mr. Blaikie) addressed this point because that is exactly the point I intended to make.

Notwithstanding the good intentions of the Hon. Member for Ottawa—Vanier (Mr. Gauthier), I think we are simply extending the time period so that the House Leaders can have more time to deal not only with the report of the Standing Committee but indeed with the work that has been done by the House Leaders themselves.

I think today's ruling is an indication that there are some flaws we must address. The fact is that a lot of work has been done. This has not been treated idly. I know that on both a formal and an informal basis, the House Leaders and their support staff have been working on it. We now have the report of the Standing Committee on Elections, Privileges and Procedure which will be incorporated into that work. We are simply asking for a period of time that we can utilize effectively to address some of the obvious imperfections we have detected over the course of the last few months. Hopefully we will be able to incorporate them into more permanent Standing Orders which will govern the conduct of the House for the duration of this Parliament. I do not wish to prolong the debate on this issue. I think the Hon. Member for Winnipeg—Birds Hill has put the whole issue into focus.

[*Translation*]

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, I am pleased with the comments which the Deputy Prime Minister (Mr. Mazankowski) has just made.

On this side of the House, we have no objection to extending the provisional Standing Orders up to May 29. However, we would like to be assured that during that period, the fourth report of the Standing Committee on Elections, Privileges and Procedure will be considered in the House.

The report was unanimously agreed to by members of all Parties. That report includes a host of improvements to our Standing Orders. And since the Deputy Prime Minister has just stated, to use his own words—

[*English*]

—hopefully we will be able to incorporate the report. I would like him to be a bit more precise and to tell us that the Government will bring about, between now and May 29, a debate in concurrence on the report of the committee.

The bottom of page 8 of the report of the committee indicates that the committee has dealt with the Provisional Standing Orders and the committee recommends that the Provisional Standing Orders adopted on February 13, 1986, with the modifications set out in Appendix "A" of the report, be made permanent. In other words, the committee would like this report to be concurred in.

I would like to have the assurance of the Deputy Prime Minister (Mr. Mazankowski) that his Party will support a unanimous report of the Standing Committee. The majority of the members of that committee are from his Party including the chairman who is very honest, straightforward and non-partisan. Nevertheless, the participants on the committee from the NDP and the Liberal Party including myself agreed with the suggestions in this report, including the suggestion for a better and more viable way to operate legislative committees. It was recommended that a system of six legislative committees be adopted. I would like the Deputy Prime Minister to react on behalf of the Government and to tell us if the Government can live with the recommendations of this report.

Mr. Mazankowski: Mr. Speaker, we have just received the report. At first glance, some of the proposals make obvious good sense. There are some areas with which we have concern, but this is a matter that will be discussed at some length with the other House Leaders.

This is a matter that does not simply involve the Government, but it involves as well the support and co-operation of the House Leader of the New Democratic Party and the House Leader of the Liberal Party. This is so, notwithstanding the fact that this is a recommendation of a committee which

was composed of members of all Parties. The House Leaders may very well have different points of view on fine tuning and changes. We will certainly look at it and try to incorporate in a co-operative and collective manner its proposals, as best we can. That would be as far as I could go at this particular time.

Mr. Deputy Speaker: The House has heard the terms of the motion of the Deputy Prime Minister (Mr. Mazankowski). Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion (Mr. Mazankowski) agreed to.

GOVERNMENT ORDERS

[*English*]

CANAGREX DISSOLUTION ACT

MEASURE TO ENACT

The House resumed from Tuesday, March 31, consideration of the motion of Mr. Wise that Bill C-2, an Act to dissolve Canagrex and to amend certain Acts in consequence thereof, be read the third time and passed.

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, when we last debated this Bill on March 31, I was attempting to make a number of points about what has happened to Canagrex. I want to follow up on those thoughts.

• (1520)

I think it was a real mistake for the Government to take this step of eliminating Canagrex. It was put in place to deal with exactly the kind of situation we have found ourselves in over the last two to three years. Canagrex was born out of the neglect of the Department of External Affairs to put in place a structure which would allow the sale and export of certain agricultural products.

Over the eight months it was in place Canagrex did a commendable job. It surveyed producers to determine the products available for export. It started negotiations with producers here in Canada and purchasers abroad. It set up a structure which would have seen a considerable expansion of agricultural exports. It started a buyer credit guarantee program which, had it the time, would have worked out very well. Canagrex agreed to share a certain amount of the risk involved in providing credit to a purchaser buying agricultural commodities from Canada. The guarantee was provided when it was deemed absolutely necessary for the sale to go ahead. I suppose the most important fact about Canagrex is that it was well planned. It had a very good corporate image around the world and had developed a reputation for being aggressive but fair.

When the Government decided to eliminate Canagrex it was supposed to put in place a structure which would work as well as or better than Canagrex. However, Canagrex was eliminated before that was done. The situation now is that no one seems to have the responsibility for doing the same things that Canagrex was attempting to do. Consequently, instead of developing our agricultural exports over the last two to three years, we have had a continual downgrading or slippage in the amount of those exports.

Of course, we have done well in the sale of those agricultural products we have traditionally sold. The Minister of State for the Canadian Wheat Board (Mr. Mayer) will stand up and tell you we have sold more grain over this last year than we have for many years. He is quite correct. However, he will not tell you that we sold it at a much lower price than we have ever sold it before.

The Department of External Affairs can show you a list of 22 officers in our embassies abroad who have some responsibility for agricultural products. Seven of those people have been seconded from the Department of Agriculture. The Department tells us that there are positions accounting for 73 person-years with some responsibility for the sale of agricultural products. I would point out that Canagrex had that core of people available on a full-time basis.

However, these people in the Department of External Affairs, located in places like Nigeria, Algeria, Brazil, Australia, England, France and Germany, are commercial officers with responsibilities other than simply agricultural sales. I have here a list of 22 officers in the Department of External Affairs who are identified as international agri-food trade development officers. However, some of them are First Secretaries or Second Secretaries. Some of them are Counsellors. In other words, they have other duties. They do not have a great deal of responsibility for the sale of agricultural products. Consequently, the net effect of the elimination of Canagrex has been to reduce the amount of sales that we could have had to those countries.

Canagrex also went into countries we had not dealt with before in order to make sales. With the elimination of Canagrex we do not have anyone dealing with those countries. I would also point out that none of the positions which External Affairs is now designating as having some responsibility for agricultural sales were created because of the demise of Canagrex. The situation now is that the job of assisting the small producer has been splintered among the Department of External Affairs, the Department of Agriculture, DRIE, and the EDC. These groups cannot provide the assistance and information that Canagrex did.

All in all, the real efforts Canagrex made to provide service to agricultural exporters have been lost. No money was allocated and no personnel were appointed to help those exporters when Canagrex was eliminated.

• (1530)

Mr. Nystrom: Mr. Speaker, I have a comment and a question. My riding in east central Saskatchewan is very rural

and has many farmers. There is a lot of concern about the farm economy in the part of the province from which I come, particularly in view of the Farm Bill in the United States and the tremendous subsidies on the export of grain, as well as the European Common Market subsidy program for their farmers and the export of grain from the European Common Market.

I realize that grain sales come under the auspices of the Canadian Wheat Board and Canagrex had no role in grain sales, however, since grain sales are now down in price, although not in volume, many farmers in my area are considering a switch to other crops. Lentils, peas and other crops are now being produced in the Yorkton—Melville area. Since we have not produced many of these crops before, we are trying to break into markets in different parts of the world where Canada has not had markets before. Therefore, there is great concern about the abolition of Canagrex because it was an agency that provided an opportunity to hustle in world markets.

The Hon. Member for Prince Albert (Mr. Hovdebo) sits on the Standing Committee on Agriculture. Since Canagrex has been abolished, can he tell us what alternative there is for the farmer in Norquay where, according to an article in the *Norquay North Star*, farmers are sowing several hundred acres of peas? Those farmers are very concerned that there be a market for those peas. What is the alternative for the farmer in Norquay in terms of a guarantee that when he takes land away from the wheat because of the U.S. Farm Bill he will have a market for the peas that he sows?

What is the Government doing to replace the potential vacuum created by the abolition of Canagrex since it may have been able to find a lot of markets for peas around the world? What is it doing to make sure that the farmer in Norquay, for example, can sell those peas?

I see that my friend, the Hon. Minister of National Health and Welfare (Mr. Epp), is smiling. I think I could even see him nodding his head that he probably agrees with me. He comes from a part of Manitoba where I believe there is the production of sugar-beets and many other commodities.

Mr. Epp (Provencher): Almost everything.

Mr. Nystrom: His area has more versatility in production than much of the Prairies. I know that many people in his area are concerned about whether there is a way to promote these exports around the world. This is a very important question when one considers the protectionism in the United States, western Europe, Japan and other parts of the world.

Mr. Hovdebo: Canagrex had a staff of approximately 70. When it was closed I asked the exact questions posed by the Hon. Member. What will replace Canagrex? In a survey of all the External Affairs posts, Agriculture Canada determined that the number of people who would be devoted to agriculture and commercial promotion was the equivalent of 73 person years. I point out that those 73 person years already existed in addition to those people at Canagrex who were working in this field. For example, anyone looking for a market in Algiers would contact the second secretary in Algiers and work with him. Canagrex had personnel in the field, but no one replaced them when Canagrex was eliminated.

I also asked what kind of assistance there is for the vetting of contracts to provide assistance to small exporters. The answer was that one could not go to an agency that would do the work or provide the assistance, but had to go to External Affairs or Agriculture Canada or an agency such as the Export Development Corporation, or even to the Department of Regional Industrial Expansion. In other words, one would have to visit several Departments because there was no particular agency to help with such work.

I also asked if the underwriting of transportation costs was available since the dissolution of Canagrex. The Department of External Affairs said that it does not provide the transportation service, underwriting transportation costs or arranging transportation services, which I had suggested in my question. It only facilitates transportation services by advising the potential shippers which carriers may meet their needs. One must find the market and the method of shipping the product by oneself because nothing has been put in place to replace the service.

I received the same answer to all those questions which I put in the committee. Although the response is that there is something in place, the fact is that those things already existed. The idea of Canagrex as an agency which could assist in selling these products more easily was not enhanced at all.

We sell many leaf cutter bees, mostly to Russia. Each producer who wants to sell leaf cutter bees must find their own carrier and must deal with each agency involved. Previously, all this was done by Canagrex.

[*Translation*]

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I am pleased this afternoon to rise and deal with this Act to dissolve Canagrex. I wish the House were debating a more pleasant subject, like the creation of Canagrex, but we cannot expect anything perfect from a Conservative Government, because perfect and conservative are terms which just don't go together. The Hon. Member for Brome—Missisquoi (Mrs. Bertrand) is certainly well aware that it is impossible to reconcile them; knowing that she is a newcomer to that political party she probably has much difficulty accepting conservative points of view, which is understandable, Mr. Speaker.

Mr. Speaker, I should like to indicate this afternoon some of the reasons why this Conservative Government is wrong to dissolve Canagrex. First of all, as you will certainly remember, Mr. Speaker, the Conservative Party have made several promises during the last election campaign. As a matter of fact, I remember quite well having brought this matter to your attention on a couple of occasions in the past. I have here a document entitled *Trois cent trente-huit promesses* which lists the 338 promises which the Conservative Party have made,

and I invite all our listeners who wants a copy to write to me. No postage is necessary. But there was no mention, in these 338 promises that the Progressive Conservative Party would axe Canagrex. Nothing was said about it during the election campaign.

I am asking the Right Hon. Secretary of State for External Affairs (Mr. Clark): Why do the Conservatives seek to abolish Canagrex when they did not even talk about it during the last electoral campaign. Why do away with Canagrex? That is what I am asking all Conservative Members in this House. If I am not given an answer, Mr. Speaker, it is because there is none, it is totally unreasonable. The truth is, Conservatives have this rightist bias and they do not want to see a Crown corporation whose role would be to market agricultural commodities. It is a kind of interference with their very, very, very conservative principles.

• (1540)

[*English*]

Do not think for one minute, Mr. Speaker, that I am the only one who does not want to abolish the Canagrex Corporation, or that I would be so partisan as to merely disagree with the Conservatives opposite on no other principle than the fact that I want to disagree with them. But I know you do not think that, Mr. Speaker, because you are far too reasonable.

Mr. Epp (Provencher): I do.

Mr. Boudria: I have in my hand a brief presented by the Ontario Federation of Agriculture. I invite the Minister to listen to what it says, and I will read it slowly so he will understand it all. The brief is dated October, 1986, and is entitled *Ontario Federation of Agriculture Brief to Cabinet*. I am sure the Minister must have read this brief, should have read it, or at least he should have had someone read it to him. The brief recommends under "Marketing" that the Government, commodity groups and farm organizations intensify their efforts to improve commodity marketing.

The Ontario Federation of Agriculture wants us to increase our efforts in marketing, but what is the Tory Government doing? It is abolishing the very organization that was created to improve marketing on an international level. The Government has almost a fetish about abolishing this Crown corporation. I ask why? We know that Canagrex was created by Bill C-85, which was presented some years ago. I say to the Conservatives opposite that the Hon. Member for Elgin (Mr. Wise), as Tory opposition critic in those days—as he will be again—said right in this House that he favoured Bill C-85, a Bill to establish the Canagrex Corporation to market on behalf of the people of Canada, and on behalf of the Government, agricultural commodities on an international basis.

What has happened to change the minds of all these Tories? What has happened to change the mind of the Minister of Agriculture and, more particularly, what has happened to the Minister of Finance (Mr. Wilson) who introduced this measure not as an agricultural initiative—obviously he could not because it had no agricultural merit—but as a budgetary initiative, cutting off agriculture as a deficit-cutting measure? Can you imagine that being done, Mr. Speaker, by a Party which made all kinds of promises to the farmers of Canada?

I have a series of newspaper clippings and I would like to read some of them because they are very important. The first article is entitled "Canagrex axing criticized by Epp".

Mr. Nystrom: By whom?

Mr. Boudria: It says "by Epp". I quote:

> The Chairman of the Ontario Soy-Bean Growers Marketing Board has criticized the federal Government for its disbanding of Canagrex, the Crown corporation created by the previous Liberal Government—
>
> Peter Epp, speaking at an information meeting for Area B in eastern Ontario recently—

Mr. Nystrom: Oh, Peter Epp.

Mr. Boudria: Mr. Epp said this and it is important.

> —said Canagrex had started to make inroads in the marketing of soy beans abroad, particularly in Egypt.

Mr. Epp very clearly said that he was against the dissolution of Canagrex. I ask Conservative Members opposite, particularly the Minister for National Health and Welfare (Mr. Epp), how they could possibly not realize and take notice of what Mr. Epp was saying to them? I have some difficulty in understanding that, Mr. Speaker.

I would like to read another article written by Barry Wilson, a well know and respected western reporter. He said on February 28:

> A quiet tug of war has developed within the federal Government over which department will fill the food export gap created by the dismantling of Canagrex.
>
> Agriculture Minister John Wise says the Crown corporation will be replaced by expanding the market development directorate of Agriculture Canada.
>
> The department has asked for expanded budget and hiring authority for the unit.
>
> Meanwhile, officials in the trade section of the external affairs department are arguing that the promotion of food trade should fall within their jurisdiction.

That is typically Tory, is it not, Mr. Speaker? I hear the Hon. Member opposite saying, of course it is typically Tory, no one seems to know what they are doing. We have two arms of the Government both claiming that they would be responsible for the export marketing of agricultural commodities. Of course, we know that what we do not need are those two other organizations pretending to do the job of Canagrex. What we need is Canagrex back in order to do the job it set out to do.

I say to Hon. Members opposite that the United States Government passed in December of 1985 the United States Food Security Act. It is affectionately known to us as the U.S. Farm Bill. Because of that piece of legislation, the most offensive piece of legislation ever passed against Canadian farmers, if there ever was a time we needed Canagrex, it is now. Even if we had not needed Canagrex the day the Minister of Finance made that erroneous statement on Black Thursday, November 8, 1984, in the House of Commons—and we did

need it then—we do now because of the U.S. Farm Bill. Deep down inside I am sure the Conservative Members of Parliament know better. They know we need Canagrex.

Very clearly, some well respected people in the agricultural community made their grievances known. I have a brief presented by A.E. Storey, who was the President and Chief Executive Officer of Canagrex, who appeared before the Standing Committee on Agriculture on March 11, 1985. He said in that brief that Canagrex was never given a chance. Canagrex had barely started and it was cut off by this Tory Government.

Mr. Lapierre: Shame.

Mr. Boudria: Yes, it is a shame. I agree with the Hon. Member for Shefford (Mr. Lapierre) who put it so eloquently to the House. It is indeed terrible that the Government could not see further than that and that Tory Members opposite, the back-bench Members of the Conservative caucus, did not go to see the Minister of Finance and tell him: "We will have none of this. If you do not reinstate Canagrex we will cross the floor". If those Hon. Members had the proper intestinal fortitude, that is what they would have said to the Minister of Finance. He would have been told in no uncertain terms that that worthwhile corporation, Canagrex, should be re-established. Canagrex was given less than a year.

Mr. Lapierre: Eight months.

Mr. Boudria: Yes, eight months. Again, my distinguished colleague, the Hon. Member for Shefford, is right. In those eight months it prepared a source list of Canadian commodities, what has been widely recognized as the most comprehensive available source of commodities available anywhere. It used this list to start selling around the world. It was doing a good job. Like any business, it had to be given a chance. It had to have a chance to start. One cannot just end a business a number of months after it is started and claim that it is not successful.

• (1550)

The other matter to consider is that Canagrex had a list of constraints that interfered with its original implementation. We have to remember that during the first few months of its existence Canagrex had some difficulty with existing government departments which did not always like to see its structure in place. There was also a lack of international recognition of the existence of the agency. Again, it had barely begun. Exporters sometimes saw Canagrex as part of the Government and did not initially trust the organization. But, again, those were all matters which were gradually coming around.

The fact that Canagrex was not provided with the same tools as some of the export agencies of other jurisdictions was also a problem. But it was no reason to kill Canagrex. It was a reason to enhance the program, to make it more viable and to make it more complete, ensuring that it would have better success on a world-wide basis.

Sitting across from me is the Chairman of the Standing Committee on Agriculture, usually a very reasonable Member of Parliament. He was there when the officials of Canagrex came before the committee. I am sure that deep inside he is convinced, as I am, that the agency should have continued to operate. It would be thriving today, and the Hon. Member knows that, just as well as I do.

The Ontario Chicken Producers' Marketing Board sent a letter to the then Minister of Agriculture on January 18, 1983. The Ontario Chicken Producers' Marketing Board is important in the province I represent. I have a number of chicken producers in my riding, not as many as dairy producers, but there is still a significant number. I want to read to Hon. Members what the board had to say. The letter is addressed to the Hon. Eugene Whelan, the former Minister of Agriculture, and a great Minister he was. The letter states:

> Please be advised that this local board endorses the passing of the Canagrex Bill.
>
> While the Canadian Chicken Industry is not, at this time, involved in exporting chicken, there might be a market for Canadian chicken which would benefit the entire Canadian Chicken Industry.
>
> Since Canada has the expertise and natural resources to supply off-shore markets with chicken products, a Federal Organization designed for this purpose will be of great help in bringing it about.

We can see that the Secretary-Manager of the Ontario Chicken Producers' Marketing Board, John Janzen, was indeed very much in favour of the establishment of this organization.

I could go on and present to Hon. Members a number of briefs and a number of letters endorsing the principles of Canagrex. I could even read to Hon. Members speeches given by Conservative Members of Parliament when they spoke on Bill C-85 some years ago who spoke in favour of the establishment of Canagrex. Yet today at this very crucial time when we are debating the third reading of the dismantling, the dismemberment of Canagrex, not one Conservative Member is willing to stand up for agriculture. Not one of them is willing to stand up and say: "I will fight for Canagrex because it is in the best interests of my constituents". We do not hear that anywhere in this Chamber. I say to the numerous Conservative Members listening to this speech in the House at the present time, that, indeed, they should be a little bit more serious about this topic and stand up for the people of the constituencies that they represent. They should say to the Minister of Finance (Mr. Wilson) that they want Canagrex to live again. They should tell him that they want it brought back from the ashes. The Government has tried to destroy it, and it is now left only in name. It is better late than never, I say to Conservative Members of Parliament.

That being said I invite members opposite to support me in defeating the measure that the Government wants to pass today. With the McGrath report now in place it is indeed appropriate for Conservative Members of Parliament to defeat a government measure such as this one. It will not bring down the Government. It will make the Minister of Finance red-faced, but he deserves that for not having been a little bit more

responsible to the people. I do not blame the Minister of State for Finance (Mr. Hockin). He was not around while this measure was being undertaken. It is not his fault. Had he been the Minister of Finance, hopefully, he would have been more reasonable. However, he was not, and there is nothing we can do about that. He probably never will be because his Government will be turfed out of office before he gets a chance. That is unfortunate for him because he will never have a chance of really wielding the power in the Department of Finance. But I say to the Minister of State for Finance, the junior Minister of Finance, that I know that he who represents a riding in south-western Ontario would want such an organization—he should want it—to survive because, indeed, it could be very important for the constituents of his area.

[*Translation*]

To sum up, Mr. Speaker, I invite members from both sides of the House to act in a non-partisan way, to act on behalf of the Canadian agriculture and to tell Canadian farmers that we are here to support them, while telling the Minister of Finance to stay put. We are the ones in charge, because we have been elected by the Canadian people. We have been elected precisely to ensure that the Canadian agriculture gets some help. The Conservative Party committed itself to helping the Canadian agriculture and to protecting the programs geared to farmers, and in particular such a good program as Canagrex, established by the Hon. Eugene Whelan, who will remain one of the best Ministers of Agriculture Canada ever had. Mr. Speaker, I ask all members to support what I have been saying and to defeat Bill C-2.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: It is my duty, pursuant to Standing Order 66, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Burnaby (Mr. Robinson)—National Defence—Proposed Saguenay shooting range—request for public hearings; The Hon. Member for York East (Mr. Redway)—Trade—Canada-United States negotiations—parliamentary debate on possible treaty; and the Hon. Member for Don Valley East (Mr. Attewell)—Apartheid—South Africa—Prime Minister's scheduled Meeting with President of African National Congress.

GOVERNMENT ORDERS

[*English*]

CANAGREX DISSOLUTION ACT

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Wise that Bill C-2, an Act to dissolve Canagrex and to amend certain acts in consequence thereof, be read the third time and passed.

Mr. Deputy Speaker: If there are no questions and comments on the speech of the Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria), the Chair will recognize the Hon. Member for Yorkton—Melville (Mr. Nystrom).

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, I wish to say a few words about Canagrex and the Bill that is before the House today. This is a very important piece of legislation to me. I suppose I am one of those people in the House who mourns the passing of Canagrex. I thought it was very important to have such an agency in Canada to promote the sale of the farm commodities of people in my constituency and other constituencies. I think Members of the House should be aware that Canagrex was born out of a need to promote the export of farm commodities to every corner of the world. I was one of those Members in the House a few years ago who supported the proposition made by the former Minister of Agriculture, the man with the green stetson, Mr. Eugene Whelan. At that time I asked Mr. Whelan why it took so long for the Liberal Government to introduce a piece of legislation to give us Canagrex which would promote the export of agricultural products from this country to places around the world. Many other countries have similar agencies which aggressively promote the export of food products. We were behind in that respect.

• (1600)

I remind you, Mr. Speaker, that agriculture is the most important industry in this country. There is nothing more important to the world than the production of food. People around the world are dying of starvation by the hundreds of thousands every year. As we speak here in the House of Commons people are dying of starvation. There are young people and babies who do not get enough to eat.

I maintain that the problem is not a shortage of food. There is no such thing as a shortage of food. The problem is the distribution of food to the people who need it. We must come up with a mechanism for the distribution of food to the poor, hungry and starving. If we put half the imagination into that problem that we put into the production of nuclear arms and other things which are not necessary for life, we could wipe starvation from the face of the earth.

I realize that Canagrex would not have done all that, but it would have been one small tool for the exportation of our products to parts of the world where they could be used. In

addition to an agency like Canagrex we need a foreign aid program which would help the poor countries of the world become self-sufficient by exporting Canadian technology and know-how to other parts of the world.

In my own riding there are many farmers who have produced food for 20, 30 or 40 years. They are now in their sixties and want to retire. They have a good farming unit on which they owe no money. They can turn it over to a son, a daughter, or someone else and make a contribution in other parts of the world by helping people help themselves, by helping countries become self-sufficient in the production of food. That is the kind of role this country could be playing.

There are many farmers who have tremendous expertise as soil scientists and mechanics. There are farmers who know what kinds of crops to plant on certain land, how to plan crops, and proper harvesting procedures. They could give all kinds of advice to people in different parts of the world on how to become more productive. It is a tremendous waste of human potential and human resources not to have some of these people working with people in other parts of the world to increase their food production. If we had more imagination we could solve the problem of distribution of food.

As a wealthy country in the developed world all too often we import from Third World countries luxury crops grown on very productive lands which could be used to produce food. I think in particular of the good quality land which produces tobacco and cotton in various parts of the world. There are people starving in countries which produce those commodities for the wealthier countries of the world. They are using their best lands to produce those crops for export. Nine times out of 10 that land is owned by wealthy landlords. The ordinary peasants make a few pennies a day for working on the land and their neighbours are starving. It does not make any sense that there is starvation in a world of plenty.

There are many issues we should be dealing with in this House in attempting to ensure that all people in the world, regardless of the colour of their skin, their religious history, or what ideology happens to be in power in their country, are provided with food, management skills, scientific know-how, and so on to ensure that they do not starve. As I said, we seem to have no problem spending billions of dollars every year on the production of nuclear arms in a mad and insane race to kill each other. We could spend half that money feeding the world and making it a much more peaceful place. That is one of the missions this country could be proceeding with.

This is a Bill to kill Canagrex. It was, in its short eight-month life, helping the farmers of Canada find markets around the world. It is very important that we have Canagrex in this age of protectionism. There is tremendous protectionism now in Europe, Japan and the United States. If we are really to sell our commodities we need an agency which will hustle and show some real life.

Mr. Hockin: We need free trade.

Mr. Nystrom: The Minister talks about freer trade. I certainly agree that we need freer multilateral trade around the world. Anyone who objects to that is not thinking of the best interests of this country. I certainly agree that we need freer trade and fairer trade around the world. My objection to a free trade arrangement with the United States is that it is a case of a mouse and an elephant. It will not be free trade for Canadians. We will be stamped on.

I come from a part of the country which is being screwed by the proposition for free trade. If we had free trade, the Canadian Wheat Board would have to be abolished because it inhibits free trade as a marketing agency. You either have free trade or you do not. I do not think there should be free trade between the United States and Canada because the small country will be shafted.

I believe we can have trade arrangements with the United States, and the Auto Pact is a very good example of that. However, the Auto Pact is not free trade, it is regulated trade. The Conservative Party does not know of what it speaks when it talks of free trade.

The question before the House is on Canagrex, and the important thing is that we have an agency which sells the goods and commodities produced by the farmers of this country. That is very important in this age of protectionism with the hustling of American, Japanese and European exporters to sell their goods. Yet our Government is abolishing the very agency which could sell more of the farmers' products. If the Government is indeed interested in promoting trade and export, Canagrex should have been kept.

The reason, other than protectionism, that I believe Canagrex should stay is that the farmers are suffering in a crisis worse than any crisis since the 1930s. Farm prices have dropped to the levels at which they were in 1932 and 1933. On the other hand, farm input costs have been skyrocketing in the last 20 or 30 years. If we do not do something to help our farmers, many of our farms will disappear as will the rural way of life which we have known. I say that as a member from a very large farm riding in east central Saskatchewan.

The farmers are suffering because of the Prime Minister's (Mr. Mulroney) good friend, Ronald Reagan, and the U.S. Farm Bill. They are also suffering because of the foreign policy of the European Common Market. These two giants are having a trade war. They are massively subsidizing their own farmers and the export of their grain to different parts of the world. The people who are caught in the cross-fire are the farmers of Argentina, Australia and Canada. We are caught in the cross-fire, as there is a trade war between the two giants in agricultural production and agricultural export.

• (1610)

What is the solution of the Canadian Government? It is taking away with this Bill one of the tools which farmers had to try to increase their exports. At a time when we have tremendous competition and tremendous protectionism in both

Europe and the United States, I cannot understand why the Government across the way would be eliminating one of the few tools we have.

Is it Canagrex today and the Canadian Wheat Board tomorrow? The Canadian Wheat Board is the exporter of farmers' grain. It is the sole selling agency for Canadian grain. Will the Government bargain it away in free trade negotiations with the United States?

There is no wheat board in the United States. There is no grain board in the United States. Americans sell their grain on the so-called private market where the big five or six grain companies do all the bartering and bargaining. American farmers are in the hands of those big grain companies and of course receive massive subsidies from the United States Treasury. If my memory serves me correctly, the present situation is that American farmers receive more in subsidy for a bushel of grain than do Canadian farmers for their entire price per bushel of grain. That is extremely unfair.

Because of the U.S. Farm Bill and European subsidies, we need Canagrex more than ever. Canagrex is supported by the overwhelming majority of farmers in my constituency, be they NDP, Liberal, or PC.

It is another example of the Government of Canada going against the wishes of Canadian farmers and against the wishes of the people of the country. It is one of the reasons the Government of Canada is the first Government in our history to be not first, nor second, but third in the public opinion polls. I suspect that if the Rhinoceros Party were well organized, the Government would be fourth in the public opinion polls. The Tories do not listen to people. They do not understand the Canadian tradition or the Canadian way of life. In fact, they do not even understand their own traditions. A tradition of the Conservative Party of Canada was one which believed in a mixed economy. It was their Party which started the Canadian Wheat Board, CBC, Air Canada, and CNR. Their Party, under Sir John A. Macdonald, John Diefenbaker, the Right Hon. Member for Yellowhead (Mr. Clark), and others, was progressive. Their Party is now becoming more and more like Ronald Reagan's Republicans in terms of privatization, deregulation, and free trade.

It is a betrayal of the roots of the Conservative Party of Canada and it is a betrayal of the heritage of the Conservative Party of Canada for it to try to emulate and imitate Ronald Reagan and the Republicans in the United States. That is what is happening with the Conservative Party of Canada, and that is why people are leaving the Conservative Party of Canada in droves.

I am talking about the vision of this country by Sir John A. Macdonald, John Diefenbaker, and even the Right Hon. Member for Yellowhead when he was Leader of the Progressive Conservative Party. It was a more progressive vision. It was more of a red Tory vision of Canada. However, the current Prime Minister (Mr. Mulroney) is trying to change that. The current Prime Minister is a clone of Ronald Reagan. He is a clone of the Republican Party of the United States. He is a clone of Margaret Thatcher. That is not the Canadian tradition. That is not the tradition of the Conservative Party.

It is little wonder that Canagrex is being abolished by this Prime Minister, this philosophy, and this ideology. It is the kind of thing John Diefenbaker would never do if he were Prime Minister of Canada. It is the kind of thing that would not happen if the Right Hon. Member for Yellowhead were Prime Minister of Canada. It is the kind of thing that would not happen under the Conservative Party of Sir John A. Macdonald of many years ago, which Party had a national vision of the country.

It is no wonder that the majority of Conservative Members who are here today will be finishing not second, but third in the next election campaign in their ridings. They have forgotten to listen to the people of Canada.

I appeal to some of those back-benchers, like the Hon. Member for Edmonton—Strathcona (Mr. Kilgour) who had the courage to speak out, to speak out and say publicly what they say privately to us. They should say publicly what they say privately when they criticize the Prime Minister and the direction in which he is going. At least the Hon. Member for Edmonton—Strathcona had the courage of his convictions to say publicly what his constituents were telling him.

Mr. Brisco: Look at what happened to the Hon. Member for Selkirk—Interlake (Mr. Holtmann); he spoke out and got kicked in the foot.

Mr. Nystrom: I hear the Hon. Member for Kootenay West (Mr. Brisco). He said that the Hon. Member for Selkirk—Interlake (Mr. Holtmann) spoke out and got kicked in the foot. No doubt it was by one of his angry constituents who was an ex-supporter of the PCs. That shows how angry the people of Canada are at the PC Government.

It is no wonder the PCs are running a bad third in Manitoba. I understand that they are sitting at about 15 per cent or 16 per cent in the polls out there. Of course, one reason is Canagrex. Another reason is that they have not listened to the farmers of the country.

I know that some big city members of the Conservative Party will laugh, that some of the Toronto, Montreal, and Vancouver members of the Conservative Party will laugh, but I should like to quote a statement which appeared in the *Norquay North Star*. I know they will ask: "Where is Norquay?" The Hon. Member for Assiniboia (Mr. Gustafson) knows where Norquay is, but some of the big city Tories do not and do not care, I suppose. Norquay is a small community in my riding. The people of Norquay are concerned about the future of agriculture.

I should like to refer to a front page story which appeared in the March 26 edition of the *Norquay North Star* which was headlined "Farmers will not seed a third of their land". Hon. Members should be aware of what that article said. In part it reads:

Canagrex

Wally Vanin, district ag rep at Kamsack, expects that area farmers will leave about a third of their land in summer-fallow this year.

Because of low prices and increases in input costs, farmers are certainly intending to leave more land fallow, Vanin said, adding that a five-year average shows that 15 per cent of area farmland is left for summer-fallow as compared to this year when between 25 and 35 per cent of the total acres will be left unseeded.

Mr. Holtmann: What should they do about it?

Mr. Nystrom: I hear the Hon. Member's question. First, just so that some of our big city Tory friends understand, about 15 per cent of the farmland is left for summer fallow on average in the Norquay area. This year, about a third of the farmland will be left for summer fallow. The article continues:

With increased amounts of summer-fallow, there is much more need for soil conservation practices, he said, urging farmers to obtain more information on the topic during Soil Conservation Week (April 13 to 17).

The number of acres farmers plan to sow with peas is "growing every day", he said,—

That partly answers the Hon. Member's question. It continues:

—explaining that the market for the peas expanded after most European countries stopped buying corn gluten pellets for feed from the U.S.A.

Although peas still represent less than 10 per cent of area crops, between 6,000 and 8,000 acres of peas will be seeded.

Everyone seems to be planning to sow some barley, especially two-row varieties, he said. Canola acreage is stable and wheat will be down.

We can see what is happening in Norquay. First, farmers are leaving about a third of their acreage to summer fallow. Second, they are sowing alternative crops like peas and others. Because of the decision to sow other crops in that part of Saskatchewan, they need Canagrex now more than ever to get out there and sell, tc hustle, and to find markets in various parts of the world.

Mr. Holtmann: What does Canagrex do?

Mr. Nystrom: No wonder the Hon. Member was kicked in the shin by one of his constituents. He wants to abolish Canagrex. He wants to get rid of an agency which may find a market for the commodity of a poor farmer in Norquay, Saskatchewan, so that he can feed his wife and children.

No wonder people in my constituency are saying, as they did in the 1930s, that Tory times are tough times. The old-timers in Norquay tell me that in the 1930s, when R. B. Bennett was Prime Minister of the country, people had to take the engines out of their cars and convert them into buggies which they called Bennett wagons.

Prices for farmers are as low now as they were in the 1930s. Once again history is repeating itself. People know that Tory times are tough times. People know that the Conservative Party is more interested in its wealthy millionaire friends in central Canada than in ordinary farmers in Norquay or Kamsack. They know that because they have seen farm prices drop, drop, drop. They have seen farm input costs going up, up, up. They also see a Government which is to abolish Canagrex, an agency which tries to sell farm products to ensure that the ordinary guy in Norquay is better off. I will not stand for that. The people of Canada will not stand for that. What we want in this country is an election, and we want that election now so Canadians can have a Government that represents average Canadians, ordinary Canadians, and stands for fairness, not just for some wealthy banker in the City of Toronto, but for the farmer in Norquay, the farmer in Selkirk and the ordinary person from one end of this country to the other. I appeal to my friends on the back benches of the Conservative Party to have the courage and convictions of the Hon. Member for Edmonton—Strathcona and to stand up and put the Prime Minister of Canada in his place. He would not know the front end of a cow from the back end of one even if he ran into one. That is one of our problems and why there is almost a rebellion in the back benches of the Conservative Party.

• (1620)

I call upon Members of the Conservative Party to rise and show us that they have the courage and the convictions of the Member from Edmonton—Strathcona who is one of the highest respected Members of the Conservative Party in western Canada, who had the courage to say no to the Prime Minister of Canada, who had the courage to say that the west is being shafted, who had the courage to say that there are too many scandals and too much patronage in the Government of Canada, and who had the courage to stand up and say, "We need a fair deal". Why don't the other trained seals do the same thing? If they do, we will save Canagrex and we will have a Bill that will help the ordinary farmer in Norquay, the farmer in Kamsack, the farmer in Assiniboia, and we will be a much better and stronger country for it.

Mr. Henderson: Mr. Speaker, I want to thank the Hon. Member for Yorkton—Melville (Mr. Nystrom) for his speech in the dying stages of Canagrex. In one part of his speech he said that we need now more than ever an entity such as Canagrex. I agree with the Hon. Member's statement. Canada is and could be the food basket of the world. We have no problem producing agricultural goods, especially wheat, potatoes, grains of all sorts, beef, pork, whatever. We have an excellent country and we have some of the best and the most efficient farmers in the world. But one of our big problems is that we cannot sell our farm products. I look at my own province, which is noted for potatoes. I have mentioned it before in the House that the potato prices this year are not that bad. They are at a break even point, and even to the point where a small profit is shown. But I want to wave the flag at the Government and through you, Mr. Speaker, at other Members of Parliament. Only one year out of every two or three do we find ourselves in a break even or profitable situation mainly because of increased production or a larger crop per acre in other countries. If there is a crop failure in Holland, in some other European country or in the United States, then those who produce potatoes in Canada certainly can derive a good income from a failure somewhere else.

Someone else's loss is generally our gain, but that is not the way it should be.

The Hon. Member mentioned the plight of wheat farmers in Saskatchewan in the last year or so who have experienced low prices. They have to face the United States subsidizing its wheat while we are unable to do so. I agree with the Hon. Member when he says that we need Canagrex more than ever before. We could look upon the whole world and develop new markets and ideas for our consumer for agricultural products through Canagrex. We could increase our production and keep not only those who are trying to hang on to farms but we could bring more farmers back to the land. What we need are the markets.

Many countries need our produce. My own Province of Prince Edward Island can always sell potatoes to countries like Argentina, but there is a problem getting Canadian or American money from Argentina because it does not have the funds to pay for the commodities it needs. Canagrex could have been a vehicle in this connection.

Can the Hon. Member comment on why and how Canagrex could have been a vehicle that would have enabled government to government transactions in situations like this, not only to increase our market potential in other areas but to feed what we see is a starving population all over the world? We could have been using Canagrex to open up markets. When you feed a hungry world and you get the Third World developing, you can open up other avenues for trade in other manufactured goods and services, and Canada would be looked upon favourably as a potential customer.

Mr. Nystrom: Mr. Speaker, I agree fully that Canagrex would have been a very important instrument in government negotiations for negotiating long-term trade deals with various countries around the world. China is a very good example. I was in China in 1979. China is extremely important to Saskatchewan not only for grain and potash but for other crops as well. We could have had some pretty good agreements with an agency like Canagrex. The Government has not replaced Canagrex with any more people. I have a survey of the foreign embassies and high commissions for January, 1986. The survey shows that we have personnel equalling 73 person years working to sell food and agricultural products around the world. That is not very much for the most important industry. In the United States we have personnel equalling 12.5 person years; in western Europe we have personnel equalling 23 person years; in eastern Europe we have personnel equalling 5.5 person years; in Africa we have personnel equalling 3.5 person years; in the Middle East we have personnel equalling 4 person years; in Asia, which excludes Japan and China, we have personnel equalling 4.5 person years; in China, it being very important, we have personnel equalling 2.5 person years; in Japan we have personnel equalling 6 person years; and in Latin America and the Caribbean we have personnel equalling 10.5 person years.

We do not have many people promoting this kind of activity for Canadians. That is why Canagrex is so important, because with it we would have had more long-term commitments and contracts and in the process we could have helped feed part of the world as well as supporting the farmers of Canada.

Mr. Redway: Mr. Speaker, I listened to the Hon. Member for Yorkton—Melville (Mr. Nystrom) referring to city members of the Progressive Conservative Party. As a city member I was astounded to hear him say that city members of the Progressive Conservative Party do not understand, are not concerned with and have no feeling for the farmers of Canada. I was particularly astounded because as a city member of the Progressive Conservative Party, and there are many, I and all of the other city members supported whole-heartedly the position of the Prime Minister (Mr. Mulroney) and the position of the Government in bringing down interest rates for the Farm Credit Corporation. This was of big assistance to farmers. I and all of the city members of the Progressive Conservative Party supported the purchase of the grape crops in the past by the Government. I and all the city members of the Progressive Conservative Party supported without fail the dairy farm programs introduced just a short time ago. I and all of the city members of the Progressive Conservative Party supported the $1 billion assistance to wheat farmers across Canada, a measure that was introduced by the Prime Minister and the Government a few months ago. I and all of the city members of the Progressive Conservative Party supported as well the Government's trade negotiations with the United States and GATT aimed at defining once and for all the subsidy problems so that we could assist farmers in knowing what subsidies were a problem and what subsidies were not a problem and so we could put in place a trade dispute settlement mechanism that would solve farmers' exporting problems once and for all.

• (1630)

In addition to all of that, I and all of the city members of the Progressive Conservative Party supported the capital gains tax exemption program which has been a big help to western farmers. I was astounded to hear the Hon. Member say that the city members of the Progressive Conservative Party did not understand or support these things.

I would like to know why the city members of the NDP did not support the capital gains tax exemption for western farmers. I would like to know why they are not supporting the trade negotiations that will work out a mechanism to settle trade disputes so that we can help farmers with their exports to other countries. Will the Hon. Member tell us why the city members of his Party are not supporting the farmers of this country?

Mr. Robinson: Mr. Speaker, I rise on a point of order. I know the Hon. Member would not wish to mislead the House, but I am an urban member of the New Democratic Party and we have spoken out strongly in support of the capital gains tax

exemption for the family farm. I know the Hon. Member would not want to mislead the House by suggesting otherwise.

Mr. Redway: Mr. Speaker, on the same point of order, I hope the Hon. Member for Burnaby (Mr. Robinson) will put on the record exactly when he made that statement in the House so we can all take a close look at it.

Mr. Deputy Speaker: I do not want this to get into debate.

Mr. Nystrom: Mr. Speaker, I know we are not supposed to divulge caucus secrets, but often the Hon. Member for Burnaby (Mr. Robinson) says in caucus that we must have this exemption for the family farms. I remember hearing that often.

Mr. Redway: When?

Mr. Nystrom: I would have to look at our caucus records, but you are not in our caucus.

I said that some city members of the Conservative Party were not very supportive. Where are those Tory members from the big cities when it comes to saving Canagrex? Where are those Tory members from Toronto when it comes to a decent deficiency payment for farmers? Where are those big-city Tory members when it comes to doing something about the high cost of farm chemicals by supporting generic farm chemicals, for example? Where are those big-city Tory members when it comes to raising questions in the House about farmers being ripped off by fertilizer costs? Where are those big-city Tory members when it comes to raising questions about the damage the CDC decision will do on the Prairies by allowing the CNR to charge variable rates? Where are those big-city Tory members when it comes to these important issues for western Canada?

There is a thunderous silence in the House. Those Members do not raise these questions. They do not make these arguments. That is one reason why the farmer of western Canada is now in the worst position he has been in since the 1930s. We have in Government a Party that is insensitive to the needs of the farmers not just in the west but indeed in all of Canada. There is no better way to exhibit that insensitivity than to abolish Canagrex, the very agency that is supposed to sell products for farmers and improve their incomes. I ask my Toronto Tory friend where he is when we need him. Am I indeed accurate in saying that Tory times are tough times? They certainly are on the Prairies.

[*Translation*]

Mr. Deputy Speaker: Resuming debate. The Hon. Member for Shefford (Mr. Lapierre).

Hon. Jean Lapierre (Shefford): Mr. Speaker, I welcome this opportunity to take part in the debate on third reading of Bill C-2. At this point, the Government has heard all the issues. Members of the agricultural industry have been urging the Government to drop the Bill in order to save the Canagrex Corporation which was set up, as you will recall, at the request of the principal parties in the agricultural sector.

Mr. Speaker, on October 3, 1986, the Bill was tabled in the House and given first reading. Since that time, all parties in the agricultural industry who are concerned about the future of this sector have made representations, asking the Government to change its mind, to recognize the validity of Canagrex and especially, to have some kind of perspective on the future.

Mr. Speaker, the Canadian agricultural community is very concerned today about the financial difficulties it is facing and the gradual shrinking of its markets. At a time when every day we are seeing surpluses in various commodities and protectionist measures being imposed throughout the world, Canadian producers are wondering where they will be able to sell their products.

Mr. Speaker, some people will say the Canadian market is sufficient. However, these people forget the efficiency and the potential of Canada's agricultural sector. We all know that new technology and the effectiveness of our farmers would enable us to make significant inroads on foreign markets and that by the same token, we could create thousands of jobs in the agricultural sector and the entire agri-food industry.

I find it very hard to understand how a Government can, on such short notice, decide to get rid of a corporation whose purpose was to open these markets and thus create new jobs. For a Government that is so proud of its Bill to create new jobs and that claims it wants to encourage exports, it is being terribly inconsistent in what it says and what it does.

I was just thinking of our farmers, and I know a number of Members in this House are very much aware of the recriminations of these farmers, and they are going to see that the most frustrating thing for Canadian farmers is to have to control and limit their production.

It is often said that being an excellent farmer is a virtue. The trouble is, however, that when these farmers become very competitive, they are told right away: Listen, there is no room for your products on the market. Please, cut down production.

Now then, Mr. Speaker, Canagrex was established precisely so that our Canadian farmers would be free to produce at will, and after that the corporation would help them sell their products not only on the domestic market but also by making significant inroads into foreign markets.

Indeed, Mr. Speaker, do not ask me to follow the logic of the Government because I have the impression it has none. Believe it or not, at the very moment when the Government is bragging about the free trade scenario and claiming that we must penetrate foreign markets, particularly the American market, it wants to discard a very useful instrument which happens to be designed to make it easier for us to set foot in foreign markets.

That is very difficult to swallow, Mr. Speaker, and they have the nerve to tell us that public servants from External Affairs will take over and replace Canagrex. Mr. Speaker, I know that the Hon. Member for Beauharnois—Salaberry (Mr. Hudon) is

fully cognizant of the attitude of External Affairs public servants, but I am convinced that seldom within the confines of the Lester B. Pearson Building has he heard anything about wheat or potato producers. And I am convinced that during External Affairs' big cocktail parties, potatoes from Prince Edward Island seldom are a priority. So I think, Mr. Speaker, that anyone who has had any contacts with people from External Affairs know it is not really their mandate to look after the promotion of farm commodities.

• (1640)

People also say: Do not worry, the EDC looks after that. Anyone in business who had to deal with the EDC to get funding for farm products knows very well that the EDC's time-lag and lack of flexibility and understanding do not allow it to have ongoing relations nor allow exporters to make fast decisions, because as you know, Mr. Speaker, what is involved often is perishable goods. And unfortunately, the EDC's procedures are much too slow.

Therefore, what we are doing when dismantling Canagrex is letting Canadian farmers down once more. We are saying: Look, the Government has three or four agencies to look after you. But as you know, Mr. Speaker, three or four agencies to look after them means that in the end, no one looks after them, because they are all passing the buck.

So this is why the then government, Mr. Speaker, established a corporation like Canagrex, which only had eight months to prove itself. I think the assessment made by this Government is near-sighted, because in its eight months of activity, Canagrex already was implied in farm commodities export projects to the tune of more than $160 million, and those $160 million would have landed directly into the pockets of Canadian farmers who are in dire need of cash, Mr. Speaker.

I cannot undertand how Conservative back-benchers who have farmers in their constituencies can accept that such an important help to Canadian agriculture be stopped.

Mr. Speaker, I feel that another basic objective of a Canadian trade policy certainly is export diversification. And I believe that systematic efforts were made in the area of grains. There is also of course the Canadian Dairy Commission which is making efforts under its foreign program. But there are many other commodities, Mr. Speaker, which could certainly be taken into account and would allow us to diversify the Canadian agricultural base and our export base.

Therefore, I suggest whoever is concerned about the future of rural Canada cannot but hope that this important economic sector will not only meet our domestic needs but will also turn to other countries to secure important contracts bringing in the currency so greatly needed by our economy.

Mr. Speaker, I sincerely do not understand why the Government plans to abolish Canagrex which was only beginning to shape up, having merely hired a few employees and undertaken reviews on available products. But automatically, the wind is taken out of its sails, it is not allowed to show its usefulness and the economic impact it could have.

Mr. Speaker, I know that the Hon. Member for Brome—Missisquoi (Mrs. Bertrand) is concerned about the future of Canagrex because apple producers in her area surely would have benefitted from Canagrex. We know that dozens upon dozens of producers would be ready to sell abroad but have no contacts and no financing, and I suggest that a corporation such as Canagrex could have played a very important role. Since they would not have had to deal with the various layers of government bureaucracy, the task of government officials which was then strictly directed to farming issues would have been made easier.

Mr. Speaker, I am sure that for apple growers, hog producers and farmers involved in the production of many other foodstuffs today is a dark day indeed, because their hopes for marketing opportunities abroad have been shattered.

Mr. Speaker, farmers are often advised to take advantage of traditional programs. It has been my experience over the past nine years that each time farm organizations or individual farmers as such . . . I remember a farmer from my area who wanted to sell live cattle in Mexico; he had checked all federal Government programs, knocked on every door, but not a single Government agency wanted to take a chance or insure the risk for this farmer who had developed quite a lucrative market for cattle in Mexico.

Mr. Speaker, Canagrex, within its terms of reference, would have taken care of that, would have ensured that people who wanted to sell cattle abroad would be able to do so, while at the same time providing them with a certain security, because when someone sends between 200 and 300 cows to Mexico, chances are the customer might disappear, and that is why the guarantee was important.

Mr. Speaker, I feel that when we consider what is happening in this country, we realize that the farming community is slowly disappearing. We have heard some NDP colleagues describe the dramatic situation in their own ridings. I suggest that the Government may brag about the supposed assistance it has given to the farming community, but the truth is that no subsidies or appropriate assistance programs will ever replace foreign markets. Mr. Speaker, farmers do not want a series of support programs from the Government. They are hard working, they are willing to produce, and to produce much more than at the present time, but they simply want the Government of Canada to help them gain access to certain foreign markets. Mr. Speaker, they are not imploring, they are not begging, they are simply asking that the same respect be shown for the farming class as for the manufacturers who go on missions around the world with daily financial assistance from the Export Development Corporation. We want the same treatment for the agricultural industry, which is highly specialized.

Therefore I do not see why the Government is insisting on abolishing this agency. I feel that this is a case of negative discrimination. Probably it is because the farm lobby was not sufficiently organized around the senior ministers. Imagine! It was the Minister of Finance who announced the bad news, someone who, I am sure, Mr. Speaker, has never milked a cow in his life, who has no idea of what is going on, of what is happening in the agricultural sector. He had the gall to come up and tell farmers: Listen, we want nothing to do with Canagrex, we want nothing to do with you; take care of your own problems. That is exactly how the Government of Canada responded, and later on they said: We will transfer a few public servants here and there to take care of you. But the fact is that the old system was not working, which is why we created the Canagrex Corporation with a specific mandate for agricultural products.

Mr. Speaker, I believe that this decision can be explained by the obsession of the Government with anything called a Crown corporation. Maybe our mistake was to call it a Crown corporation. Maybe if it had been a branch or whatever within a Department, they probably would have ignored this group of 70 public servants who were strictly dedicated to the promotion of Canadian products. We also have to remember that what we wanted to sell on foreign markets were competitively priced products. Canadian farmers are among the most productive in the world, and therefore there is no reason to be afraid of sending Canagrex sellers all over the world because they have a quality product, a product which is certainly made with state-of-the-art technology, and can be sold at a very competitive price. I am convinced that my colleague the Hon. Member for Hochelaga—Maisonneuve (Mr. Desrosiers) does not understand why the Minister of Finance announced the abolition of Canagrex, because common sense tells us that first Canagrex recovered its costs and secondly, that it could have played a major role in Canadian trade policy. I think you have to be very shortsighted and to be obsessed by rhetoric to overlook the necessity and the validity of an agency like this one.

• (1650)

Mr. Speaker, I say that in a few months or in a few years, but that may be too far for the Government to look ahead because they will not be there any more, but I think that the next Liberal Government will have to correct once again the mistake made by this Government. I think that the next Government will absolutely have to re-establish an agency with a mandate similar to that of Canagrex. Consequently, the Conservative Government wastes four valuable years in a protectionist world where Canagrex agents could have gradually opened several markets, where they could have become legitimate in the Canadian agricultural sector, where they could have said for instance that there is an opening in this or that country for the hog sector, where they could have tried to open the Chinese market. Mr. Speaker, you know how long it takes, how difficult it is to penetrate a market like the Chinese market.

I am convinced that, had the Government not killed Canagrex in its infancy, the Agency would have done very well over the years. Slowly but surely it would have built contacts around the world, it would have shown Canadian products in international affairs and exhibitions to promote the *Made in Canada* label. They would have us believe that the officials in External Affairs are going to do the job. Now, Mr. Speaker, they have never done it since Confederation. Why do you think the Canadian Grain Commission was created? Why was the Canadian Dairy Commission forced to get involved with exports? Because External Affairs were not doing their job. I am pretty sure that the ones who want the abolition of Canagrex . . . I would like our Conservative colleagues to tell us whether they would trust diplomats from External Affairs when it comes to selling commodities for the Canadian Grain Commission. Do they have total confidence in that agency? I have great respect for External Affairs, but it is not their bag.

I hope that before the final vote, Mr. Speaker, and I know it is high time . . . The truth is, our colleagues should realize that it is essential for the expansion of the Canadian agriculture, for the development of new agricultural tehnologies and for the creation of jobs in the agri-business field. We have to develop our foreign markets, and we will not be able to do so by merely saying to two or three agencies: "Look after that in your spare time." I am very disappointed to see people like the Hon. Member for Lac-Saint-Jean (Mr. Côté) or others in similar areas, not reacting, when their interests are the same as those of Liberal Members. Farmers from all regions and all political stripes have a vested interest in the survival of Canagrex and the expansion of its activities.

Therefore, before concluding, because I know that the time allotted to me is running out, I really regret very much that our colleagues opposite do not rise to underline again the necessity of Canagrex and that they in fact remain passive in spite of the designs of the Minister of Finance who has no idea whatsoever of what is going on in the agricultural world, who does not realize the impact of a corporation such as Canagrex in the agricultural sector nor does he have any concern about the importance of exportation markets for the development of several farming communities.

Therefore, Mr. Speaker, I must unfortunately . . . And you know that unfortunately they are 211. I must now come to the conclusion that if the members opposite are spineless, we will have during the next hours to mourn the passing of Canagrex. Mr. Speaker, it is surely a sad day for the Canadian agriculture and once again in a few years we will have to correct that fundamental mistake of the Government. When they meet the sad fate awaiting them in opinion polls, I hope Tory Members will remember the day they voted for the abolition of Canagrex. They have lost two or three more points, Mr. Speaker, and this is not the end.

Mr. Nystrom: Mr. Speaker, a question to my friend the Hon. Member for Shefford (Mr. Lapierre). I agree with what he said about the abolition of Canagrex. It is important to keep

such an agency as Canagrex for the exportation of Canadian agricultural products.

However, I should like to put to him the following question. Why did the former Liberal Government with Mr. Whelan as Minister of Agriculture create Canagrex four or five years ago, in 1982-83? Why did it not set up Canagrex in the seventies?

I know that the Liberal Party is sometimes quite slow. It did not react quickly as a government, but there was serious exportation problems for our farming products in the sixties and seventies. Why did it wait until the end of the Trudeau Government to set up such an important corporation for the Canadian people? Why during your 20-year mandate in this country did you wait till the end to set up such a corporation? You now agree that Canagrex was a fine idea and you would like to see it restored. However, why did you wait till the end of your mandate to set up Canagrex?

Mr. Lapierre: Mr. Speaker, I believe I must thank my colleague for his question. I can assure him that the decision to create Canagrex was not taken on the spur of the moment. Over the years, there were a lot of discussions about the creation of Canagrex and it was very difficult—and my colleague will remember since he has been here for some years—to convince the farming community that that agency was needed. It took a lot of persuasion, time and efforts on the part of the federal Minister of Agriculture to convince not only the farming community representatives, but also the numerous interest groups that emerged in an attempt to influence the Government.

And I think it explains why those groups from the Export Development Corporation, External Affairs and the Public Service as a whole succeeded in influencing the present Government. What happened is that the very arguments used against us over the years and that we finally overturned by creating Canagrex, those same arguments were presented to the Minister of Finance who bought them.

Therefore, Mr. Speaker, I believe that you can understand that our task was a difficult one but it is always difficult to bring about programs that are beneficial to the farming community because many groups from the urban community do not necessarily understand the fact that this agency is needed by our farming community as a whole. Farmers, as you know, represent but a small portion of the Canadian people, therefore they have to fight twice as hard. That is exactly what the Liberal Government and the then Minister of Agriculture did. We succeeded in establishing Canagrex but now, I think that the same somewhat reactionary pressure groups, that we faced, got the ear of the Finance Minister which explains why Canagrex is dismantled.

MESSAGE FROM THE SENATE

Mr. Deputy Speaker: I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate has passed, without amendment, the following Bills: C-28, an Act to amend the Criminal Code (torture), C-44, an Act to amend the Federal-Provincial Fiscal Arrangements and Federal Post-Secondary Education and Health Contributions Act, 1977.

• (1700)

THE ROYAL ASSENT

[*English*]

Mr. Deputy Speaker: I have the honour to inform the House that a communication has been received as follows:

Rideau Hall
Ottawa

April 14, 1987

Sir,

I have the honour to inform you that the Honourable Gérard V.J. LaForest, Puisne Judge of the Supreme Court of Canada, in his capacity as Deputy Governor General, will proceed to the Senate Chamber today, the 14th day of April, at 5.45 p.m., for the purpose of giving the Royal Assent to certain Bills.

Yours sincerely,
Léopold H. Amyot
Secretary to the Governor General.

Mr. Deputy Speaker: It being 5.02 p.m., the House will now proceed to the consideration of Private Members' Business as listed on todays Order Paper.

PRIVATE MEMBERS' BUSINESS--MOTIONS

[*English*]

INTERNATIONAL TRADE

SUGGESTED REVIEW OF MILITARY EQUIPMENT EXPORT RESTRICTIONS

Mr. Nelson A. Riis (Kamloops—Shuswap) moved:

That, in the opinion of this House, the Committee on External Affairs and International Trade should undertake a public review of the existing Canadian policy as it applies to the restrictions placed upon Canadian exports of military equipment.

He said: Mr. Speaker, I am pleased to have an opportunity to present this motion to the House for consideration.

This motion follows a number of efforts to communicate with the Secretary of State for External Affairs (Mr. Clark) requesting the same point as raised in this motion, and that is that the whole matter of Canadian exports of military equipment policy be referred to the Standing Committee on External Affairs and International Trade for evaluation in terms of its content, its applicability and suitability.

The reason for this motion is that there is widespread concern among many groups of Canadians that the existing Canadian policy, as it applies to the export of military equipment, is inadequate both in substance and in its application. This was certainly highlighted last fall when it was learned that Canadian firms had been exporting helicopter parts to Iran. Those helicopter parts reportedly could be used by the Iranian military in its war with Iraq. That indicated that Canadian firms exporting military equipment were doing so in such a way that it brought the whole policy of military exports into some question.

I think it is important to recognize that Canada is in fact a significant player in the arms trade. In fact, we are in the top 10 when it comes to the total value of our exports, although we are certainly surpassed by the largest arms exporters such as the United States, the Soviet Union, France, West Germany and others. The United States is our largest customer. It received about 80 per cent of our military equipment exports over the last number of years.

A growing share of our exports, however, are going to Third World countries. In the 1970s, our exports to Third World countries averaged about $100 million per year. Today it is closer to $300 million per year. Our military exports are regulated by guidelines put out by the Department of External Affairs. However, I want to say that there is no public scrutiny in the application of these guidelines. In fact, it is almost impossible to get any detailed information on Canada's export of military goods.

Canada's export guidelines have undergone some review in recent years. Before March, 1985, there were four basic restrictions placed upon our exports of arms. They were, first, that no arms could be shipped to countries that were a threat to Canada, in other words, countries like the Soviet Union; second, that no weapons could be shipped to countries on which a United Nations sanction existed, such as South Africa; third, that no weapons could be shipped to countries engaged in hostilities such as Iran and Iraq; and fourth, that no weapons could be shipped to "regimes considered to be wholly repugnant to Canadian values and especially where such equipment could be used against civilians".

In March, 1985, these guidelines were amended without any consultation with Canadians, and the human rights restrictions were dropped. In June, 1985, I brought evidence to the House of Commons in the form of copies of export permits which showed that Canada had been allowing the export of military equipment to regimes such as Chile, South Korea and the Philippines, all of which had been cited by Amnesty International as countries which engaged in the detention and torture of their citizens.

I have in my hand at the moment, in fact, copies of some of these export permits. I have one for exporting spare parts for tanks to Chile for the total amount of $73,000 U.S. I have another one for Chile with respect to military aircraft parts for $200,000, and another one for Chile for suits and helmets to be used by the Chilean National Police. From a request I made on December 1, 1986, I found that, yes, permits had been given for the export of military equipment to Chile, Syria, Pakistan and Indonesia in the amount of millions and millions of dollars. So we are talking about something where ample proof exists in terms of just what Canadians are doing with arms exports.

It is also interesting to note that after these revelations, I was no longer able to secure this information on arms exports from the Department of External Affairs under Access to Information, as I had previously.

In September, 1986, the guidelines were marginally revised. The first three restrictions I mentioned earlier remained. However, under the new policy, there is to be a secret list kept of countries which have a persistent record of serious violations of the human rights of their citizens. The fact that this is all done in secret is one of the most objectionable aspects of this new policy. The policy goes on to state that if the exporter can satisfy the Government that the goods will not likely be used against civilians, then an export permit can be granted. This means that if an arms exporter from Canada receives a little note from General Pinochet promising that these arms will not be used against civilians, whether they are tanks, gun parts or shields for Chilean police, that would then satisfy the requirements and the exports would take place.

There are really three basic problems with the existing policy. First, the Government's compliance with its own guidelines is kept secret in that there is no public scrutiny of just what types of military equipment we are sending abroad and to whom. Do Canadians know that certain types of military goods are being authorized for shipment to Chile? The answer is that under the current policy, they do not, because the information is kept secret. I believe the public's right to know deserves priority over the arms sellers' preference for privacy.

Another item of concern is the fact that the current regulations do not adequately make allowance for what is known as "manufacturing". What this means is that Canadian aircraft engine parts could be sent to France and placed in a war plane which is then shipped to Iraq or to Syria. Under these circumstances, of course, Canada could not block this type of sale. Therefore, we could be sending parts to the United States, to France, or to West Germany where they can be re-manufactured or assembled in such a way that they end up as military hardware, which is then exported to countries of questionable repute.

Another problem with the present regulations is that current regulations remove restrictions on strategic goods such as computers, communications equipment and so on. Thus surveillance equipment can be shipped to Chile to be used by the secret police in its operations against civilians. Therefore, I believe it is time that a public review of these regulations took place.

I want to make it clear that while we have received hundreds of letters on this issue from Canadians living in Sooke, British

Columbia to St. John's, Newfoundland, the motion presently before the House does not pass judgment on the existing guidelines. I want to make that perfectly clear. It simply calls for the opportunity for Members of the House of Commons to scrutinize these guidelines in public, with input from concerned Canadian citizens. It is time that the veil of secrecy was lifted from this very important public policy.

Hon. Donald J. Johnston (Saint-Henri—Westmount): Mr. Speaker, I appreciate the intervention and thrust of the motion of my friend, the Hon. Member for Kamloops—Shuswap (Mr. Riis), of the New Democratic Party. I think that he is perhaps being a trifle generous in his motion. In other words, I do not think that his motion goes quite far enough. I certainly support it. I have no objection to it. In fact, I would welcome a review of existing policy. I think we know from experience, and the evidence is before us, that the existing policy does not go far enough and that any such inquiry should address those measures which should be taken to strengthen the guidelines.

[*Translation*]

But as I just said we will certainly endorse the thrust of the motion introduced by my friend and colleague, but I am convinced, Mr. Speaker, that we must go much further.

• (1710)

[*English*]

The Member who proposes this motion, the Hon. Member for Kamloops—Shuswap (Mr. Riis), has pointed out that access to information is also a major consideration. We agree with that. I would like to refer the House and my colleagues to an emergency resolution—

[*Translation*]

—what is called a resolution of exception which I introduced during our Liberal convention, our political convention in November. Because we identified the problem with controls and considering last year's experience with respect to the export of helicopter engines to some locations in the Middle East, Iran in this case, we moved the following resolution:

> WHEREAS recent developments have shown that the present Government policy does not prevent the sale of military equipment, designed for either military or civilian use, to belligerent nations such as Iran and Iraq;
>
> WHEREAS the Liberal Party of Canada strongly supports a pacific settlement of the Iran-Iraq conflict; and
>
> WHEREAS Amnesty International reports persistent and serious violations of human rights in both Iran and Irak;
>
> BE IT RESOLVED that the Liberal Party of Canada adopt an export control policy covering military equipment, or equipment which can be used for both civilian and military purposes, and respecting the following principles:
>
> (a) stricter requirements concerning final destination and use;
>
> (b) public access to information concerning this kind of transactions.

[*English*]

In other words, in the resolution which was presented on behalf of the Liberal caucus to a policy convention which, incidentally, was adopted, we resolved that we should adopt an export control policy for military equipment and for products that have both a civilian and a military application. It would include those two principles which I just cited a moment ago in French, namely, that end-use certificate requirements be strengthened and that information on this category of transaction be accessible.

This resolution was proposed in the aftermath of the export from Canada last year of engines for helicopters. It was pointed out by the helicopter manufacturer, and in this regard I would like to cite an article from *The Globe and Mail* of November 18, that:

> —an employee of Bell Helicopters Textron Inc., the firm that makes the Bell 212, said that the PT-6T twinpack engines can also be used in Bell's UH-1N helicopters, which are military helicopter gunships.

That revelation underlined the importance of strengthening these export controls so that we can bring into the basket of prohibited exports that type of equipment which, indeed, serves both military and civilian purposes. It is not enough to concentrate only on the military aspect of these transactions—for the very obvious reason, as we have seen here, that many of these items can also be used for civilian purposes. They can be disguised as civilian shipments and subsequently be used for military purposes.

I would also add that the resolution which we proposed picked up on the other point, the notion of the end-use certificate. This is a point which was referred to by my colleague. It refers to the export of, say, helicopter engines, which I suppose is a perfect example, to a country which is not engaged in warfare, which is not involved in human rights violations and, hence, for which an export certificate is no problem. In turn, that country can incorporate the Canadian-manufactured product into another product such as equipment mounted on a helicopter or some other type of aircraft which will find military application in a third country.

I recognize that these are difficult questions. However, it behooves us in this House, and it behooves the Government, to address this issue in order to correct the very obvious defects which we now see in these export control regulations. Apropos that, I note that in committee last January 21 my colleague, the Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy), picked up on these very same points. He asked the Secretary of State for External Affairs (Mr. Clark) whether the Government was contemplating changes to its export arms policy and the regulations which guide their use. My colleague pointed out in his question that, indeed, we find military and non-military uses for the same equipment. We see that a third country can incorporate products made in Canada and then subsequently export them into an area which is a combat area such as Iran, Iraq, and so on.

The Hon. Member for Winnipeg—Fort Garry also raised the issue of an international arms registry. The Secretary of State for External Affairs did not enlighten us with respect to what steps the Government has in mind, although I am confident that he, too, must be concerned about the export of Canadian products which find military application in theatres

of combat. He indicated that he was not satisfied that an international arms registry would serve any useful purpose. He said something to the effect that it is one of those very good ideas which simply do not work. It seems to me that it is up to us here as parliamentarians to find out why, for example, an international registry could not be made to work. There are obviously some problems that immediately come to mind in terms of compliance with a registry. Nevertheless, that is the type of issue which should be raised by a committee in the type of public inquiry to which this motion makes reference.

In conclusion, I would like to say that, indeed, I support the thrust of the motion from the New Democratic Party with respect to this issue. At the same time I would point out that we have already within our own Party taken a much stronger position, recognizing the weaknesses in the present policy and proposing some very specific solutions. I would like any such inquiry to be broadened to consider the effectiveness of such solutions in providing this country with an efficient, useful and effective arms control export policy which could serve as a guide for other nations as well.

[*Translation*]

Mrs. Suzanne Duplessis (Louis-Hébert): Mr. Speaker, the Government welcomes the opportunity afforded by the motion presented by the Hon. Member for Kamloops—Shuswap (Mr. Riis) to discuss the Government's policy on exports of military equipment. This debate is a timely one, considering the number of headlines we have seen on the subject in recent months. We would like to make it clear that this is indeed a very important issue, and not just because of the media attention it is receiving. The Government wants to be sure all members understand the legal and regulatory framework within which Canada exercises export controls, and it wants to clarify the guidelines that apply to strategic and military exports.

• (1720)

[*English*]

The control which Canada exercises on the exports of military equipment are but part of a wider set of export controls. The present regulation, the Export and Import Permits Act, was passed by the House in 1954 and has since been amended on various occasions. It controls both the import and export of designated goods. The Export Control List is the regulation which defines controlled export under the Act.

[*Translation*]

The export control list is established by the Governor in Council and identifies or includes all goods requiring an export licence. Certain goods may be put on the list, in order to prevent military equipment or components or other strategic goods from being made available to potential adversaries, to ensure that we have military or other equipment in sufficient quantity to defend Canada, and to implement intergovernmental agreements and commitments.

The export control list consists of ten groups, only one of which covers military equipment, while six others concern strategic goods. Since there is some disagreement as to the kind of goods that should be classified as military, the Government feels that all Hon. Members should be aware exactly what these controlled goods are. It has defined military equipment in terms of the multilaterally accepted international munitions list (Group 7 on our export control list). In addition to arms and munitions, the list includes equipment designed specifically for military purposes such as military vehicles, military telemetry equipment and certain types of electronic equipment manufactured to military specifications.

Strategic goods, which make up a large part of the rest of the export control list, are civilian high technology goods recognized multilaterally as being a potential danger to our security if they were to fall in the hands of potential adversaries. Because strategic goods can strengthen the industrial structure of those potential opponents, and therefore their military potential, we have agreed with our allies that they should be controlled. Strategic goods include products such as high performance computers, telecommunication switching equipment, advanced machine tools, certain laboratory and geophysics equipment and the technology used in their manufacturing. Those goods are not controlled as strictly as military goods, because they are normally required for civil, industrial or business use by a large number of our trade partners. Our concern with those goods is linked to potential diversion of those goods to unauthorized destinations and their improper use.

Mr. Speaker, I would now like to stress the political goals pursued by the Canadian Government when applying a system of controls on military equipment exports. Each of those goals is of very great importance. They are part of the ongoing concerns of numerous Canadian governments over 25 years.

The long-standing goals our Canadian policy are: Not to supply military goods to potential opponents; to avoid getting involved in local conflicts; to avoid hindering Canadian participation in peacekeeping operations; to promote our public interest by maintaining order and stability on the international scale, including the respect of human rights.

The review made by the Government last year, the results of which were announced on September 10, 1986, led to the policy's revitalization and adaptation and to a clarification of the rules. This dealt in particular with the export of military goods, without neglecting the role of strategic goods nor this government's commitment to encourage trade on peaceful goods with all nations.

Mr. Speaker, that policy also specifies our national security and defence goals. It recognizes that Canada needs an industry capable of meeting our defence needs, by encouraging joint undertakings with our NATO allies. The ability to manufacture and export to a large number of countries, but mainly to our allies and other friendly nations, is essential to preserve the economic health and entrepreneurship of our business corporations.

In the policy announcement made on September 10, 1986, the Secretary of State for External Affairs (Mr. Clark) stated that Canada was closely monitoring the export of military goods and technologies to the following countries: First, countries that are a threat to Canada and its allies; second, nations involved in or under imminent threat of hostilities; third, countries against which sanction have been taken by the Security Council of the United Nations; fourth, countries with persistent records of serious violations of the human rights of their citizens, unless it can be showed there is no reasonable risk of the goods being used against the civil population.

Mr. Speaker, those guidelines are restrictive, as it was in the past. But they are now clearer, they express our respect for our international commitments and international law, and they have the general support of Canadians across the land. Especially, I would like to call your attention to the statement made by the Secretary of State for External Affairs concerning the sale of military equipment to countries with persistent records of serious violations of the human rights of their citizens. This amended, clarified and reinforced guidelines developed during the policy review reflects the Government's strong commitment to the promotion of human rights throughout the world.

For reasons of national and collective defence, Canada is co-operating with its allies to prevent the exports of military and strategic goods and technologies to nations which represent a threat for the security of our country and that of our allies. This policy stems from Canada's participation in an organization of 16 countries known as the Co-ordinating Committee for Strategic Trade Countrols, also known as the COCOM. This informal organization is made up of NATO countries, except Iceland and Japan. It meets regularly in Paris to review all planned sales of military and strategic goods and technologies which have a military significance and which might go to nations which are considered as a threat to the Western Countries' Alliance. The countries excluded by COCOM include the USSR, the other members of the Warsaw Pact, and the People's Republic of China. The COCOM supervises goods and technologies classified in 120 groups and has established three international lists of embargo-imposed goods: The list of industrial goods, that of ammunitions and that of atomic energy products. These three lists are the subject of negotiations between member countries. Once adopted, they reflect the COCOM's consensus on what military goods and technologies, atomic energy goods and strategic goods are. They are the basis for controls applied by each member country, in line with its own legislation.

• (1730)

[*English*]

In conclusion, the Government has laws and regulations in place to further its policy objectives. These policy objectives attempt to balance Canada's national security concerns, its economic development objectives, and the legitimate views of Canadians that Canada should not become involved in foreign conflicts and should not contribute to human rights offences in other countries.

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, I appreciate the opportunity to speak in the debate. I should like to say a word of appreciation to the Hon. Member for Kamloops—Shuswap (Mr. Riis), not only for putting his motion on the Order Paper and raising it for debate today, but also for having raised the issue numerous times in the past.

The issue of arms exports from Canada must be seen in the total world context. We are spending close to $1 trillion per year on arms. At the same time, millions of people, our brothers and sisters in other parts of the world, are going hungry, naked, and homeless. There is a tremendous imbalance in the way in which the world is spending its money.

Ruth Léger-Savard, in her book entitled *World Military and Social Expenditures for 1985* illustrated some gross inconsistencies. She pointed out that in 1983 we spent on a world basis some $25,600 on military expenditures for every soldier throughout the world. For every school child in the world, we spent $450. We spent $45 per capita for military research. We spent $11 per capita for health research. We spent $152 per capita for military forces, and 6 cents per capita for international peacekeeping.

Today we are talking about a global problem which threatens the very survival of our world. As we look at the escalating arms race, it concerns us vitally as Canadians. In addition, it has a vital impact upon the lives of people, particularly those in the Third World who have been targeted by Canadian arms manufacturers as being perhaps the most lucrative market to develop and exploit.

The motion asks that the Government refer this very important matter to the Standing Committee on External Affairs and International Trade. I am sure that is something all Hon. Members would want. Let us have a committee of the House examine this very important issue.

I am very pleased that our regular member on that committee, the Hon. Member for New Westminster—Coquitlam (Ms. Jewett), has repeatedly tried to get the committee to examine the whole question of arms exports.

The Hon. Member for Saint-Henri—Westmount (Mr. Johnston) said that he wanted to go further than did the motion. Of course we want to go further, but the motion is a starting place. I regret that when that member was a member of the previous Government he did not take action which would have resulted in some amelioration of the problem. In fact, during the time that that member's Party was in government, there were numerous instances when issues such as this one were brought to its attention and nothing was done about them.

In 1983, it was brought to the attention of the Government that helicopter parts were being exported to the United States and that the end use of those helicopter parts was in El Salvador to strafe the civilian population. The Government did

nothing about it. It took no action to tighten up its procedures at that time. Now that the Liberals are in opposition they say they want to go further than this motion that asks for a standing committee to look at the matter and make recommendations. We also had Liberal Government complicity in the 1970s with sending arms shipments to Vietnam through the United States.

Ernie Regher in his book entitled *Arms Canada* pointed out that because of defence sharing agreements with the United States and highly developed arms production in Europe, Canada had specifically targeted the Third World as the major market for our arms sales. In fact, arms sales from Canada to the Third World have tripled in the last decade.

Mr. Regher also pointed out that there was a basic foreign policy conflict which we are not really examining. On the one hand we say we are for peace and development. On the other hand we blindly sell weapons to whomever will buy them. Mr. Regher said that arms sales represent an economic activity, not an instrument of foreign policy. Foreign policy is sometimes dragged in by the heels in a very weak process of review, but arms sales are not seen as integral to our policy.

We have backward priorities in the whole area. Instead of having the bias in terms of looking at Canada's interests in world peace, security, and development, our primary objective is to sell arms products and then look at what the implications might be in what has been described as a very weak review process.

That review process allows us to sell arms to countries like Chile. I was privileged, along with members of other Parties, to visit Chile last fall. One person with whom we met who most impressed my colleagues and I was Dr. Juan Luis Gonzales, a medical doctor who is President of the Civic Assembly in Chile. He is a very mild-mannered human being who acts out of concern for his fellow Chileans. He was arrested and he served time in jail. He spoke of the climate of fear which pervades Chile. He said that everyone lived in fear and that the poor were absolutely terrorized. We also heard evidence from him that he knew personally of up to 30-35 people who had been tortured.

Are we to expect that sending computers to Chile is a purely neutral act? Of course it is not. They are used in the whole apparatus of repression. We need much tighter controls.

When I was in Ethiopia a year ago, I heard testimony from its Minister of Labour and Social Affairs who said:

> The money we have spent on defence in the last 10 years would have enabled us to feed ourselves in spite of the drought.

Ethiopia is not a recipient of Canadian arms sales, but it illustrates the eschewed priorities of our world.

In conclusion, I simply urge the House to accept the motion. When the committee looks at the matter, I hope it will recommend some annual public review policy of Canadian arms sales and will examine the human rights records of countries receiving Canadian arms. I also hope that it will develop more stringent criteria for application in terms of human rights, that it will adopt a public registry of arms export permits so that people can find out where arms are being shipped, and that there will be stricter monitoring of end use. It is not enough for us to export to the United States under the Defence Production Sharing Agreement. We must know what is the end use.

I urge support for the motion. I urge that we question the entire Canadian arms export policy. We should stop being part of this madness which spends $1 trillion per year on instruments of death and destruction.

• (1740)

Mr. Bill Attewell (Don Valley East): Mr. Speaker, I am very pleased to enter this debate. Canada's export controls policy has occasionally been criticized over definitions of what is considered to be a military good. As well, a number of individuals would wish the Government to extend the application of its law and policy with respect to military or other exports outside our national borders. Canada is not alone in this regard, as many of our NATO allies with similar export control regimes face similar pressures.

As my colleague has pointed out, the Government's policy on the export of military goods and technology derives from objectives which have been in effect over the past quarter century. In the interests of clarity, I wish to inform the members how the Government decides why it is that some goods should be controlled and others should not.

By way of background let me say that the controls which Canada applies to exports of military and strategic goods to the Warsaw Pact countries, the People's Republic of China, Albania, Viet Nam, Mongolia and North Korea are based on national security considerations, which are co-ordinated or harmonized with the export control programs of a number of allied countries. Canada, along with Japan and its NATO partners, except Iceland, 16 states in all, participates in an international arrangement known as the Co-ordinating Committee on Multilateral Strategic Export Controls or COCOM.

Within COCOM, three international embargo lists have been established by consensus through a negotiating process. These lists define goods and technologies which would make a significant contribution to the military capability of potential adversaries. Goods and technology so identified are thus embargoed or denied to these countries known as COCOM proscribed destinations. The COCOM munitions list, for example, includes equipment that is specially designed for use by the military, while the industrial list is made up of civilian high-technology goods that are considered to have strategic value.

The COCOM lists are used as the basis for the domestic national security controls maintained by each member country. Groups 3 through 8 of Canada's export control list are based principally on the international lists established in COCOM. Thus the Canadian export control listing includes,

for example, high precision metal working equipment, high performance computer and telecommunication equipment, encryption equipment, strategic metals and compounds, for example, elemental boron, fluoro-carbon compounds, mono-crystalline gallium compounds, also lasers, super thin films, aviation location finding equipment as well as munitions and military supplies and atomic energy materials.

Because controls on strategic and military exports to the Warsaw Pact countries and China are co-ordinated multilaterally within COCOM, Canada's policy in this area is in general accord with the policies of most other western countries. The impact of our controls is, moreover, enhanced by their integration into a multilateral arrangement. This approach has well served Canada's national security, commercial and broad foreign policy interests.

Experience over recent years led the Government to conclude, in the context of the policy review on military exports, that its restrictive policy with respect to military goods exports should not apply equally to the export of strategic goods. Civilian industrial goods are on the export control list as a result of Canada's participation in COCOM. As mentioned earlier, the COCOM controls apply only to exports to certain proscribed destinations which are considered to be potential adversaries. Although there can be no question that exports of all strategic and military goods must be broadly controlled to prevent their diversion to these proscribed destinations, the Government has decided that Canada's policy should more closely conform to the practice of our major trading partners, and particularly those of COCOM members.

For this reason, the policy announcement of September 10, 1986, focused on the export of military goods, particularly to countries involved in or under imminent threat of hostilities, or to countries with persistent records of serious violations of the human rights of their citizens. On the other hand, strategic goods are not seen by the international community as part of the arms trade. It is generally recognized that Governments or private enterprises continue to have legitimate civilian requirements for goods such as telecommunications equipment and advanced computers.

Two special circumstances affect policy toward the export of strategic goods. The first area of concern is national security, and reflects the threat of diversion of strategic goods to the proscribed destinations. The second area of concern is foreign policy, and reflects the Government's abhorrence of the apartheid system in the Republic of South Africa. In this latter instance, exports of military goods and technology are denied to all consignees in that country in recognition of the obligations which Canada assumed in light of the United Nations Security Council Resolution (1977) 418.

The Government has gone one step further with respect to commitments made in the Commonwealth Accord of Nassau of October, 1985, in prohibiting the export of strategic goods to Departments and agencies of the Government of the Republic of South Africa. The cost has been a real one to many Canadians. The Government has refused a number of permits for high technology civilian strategic goods in relation to multimillion dollar contracts where Canadian expertise has been recognized not only in South Africa but also world-wide, not only in South Africa but also world-wide. These permit denials reflect our ongoing commitment to seeking peaceful political change in South Africa.

Just last evening, the Prime Minister (Mr. Mulroney) announced a plan to have the seven major industrialized countries form an eminent persons group to conduct constructive discussions with the leaders of South Africa with the objective of dismantling apartheid in a peaceful, non-violent manner.

Some Canadians believe that Government does not restrict the export of a wide enough range of goods. Other Canadians equally firmly believe that the Government controls the export of far too many goods. This argument finds vocal expression, for example, in the case of exports of goods used by military and paramilitary organizations in countries with a persistent record of serious violations of the human rights of their citizens. While this is a difficult issue to resolve, the conclusion reached reflects the Government's belief in the right of nations to defend themselves against external aggression. What is objectionable in the case of exports of military goods to such countries is that this equipment is turned and used against civilians within the country. Therefore, in his policy statement, the Secretary of State for External Affairs (Mr. Clark) announced that the Government was prepared to consider export permits for military goods to such countries only where there is no reasonable risk that the goods would be used against the civilian population.

Approvals of permit applications which fall within this guideline will not be easily reached. Members may be assured that any permit application will be most carefully scrutinized by the Secretary of State for External Affairs himself only after compelling arguments will have been put forward by this prospective exporter that there is no reasonable risk that the goods would be used against the civilian population. Most applications will, therefore, be denied. I thank you, Mr. Speaker, for the opportunity to participate in this debate.

Mrs. Pauline Browes (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, this afternoon members have had an opportunity to learn about the various aspects of the export control policy of the Government as it applies particularly to the military exports. Indeed, it will come as no surprise to members to learn that in addition to a complex system which processes and reviews applications from Canadian manufacturers and exporters of military goods or of highly sensitive strategic goods, there is an equally complex system to track the movement of control goods both before and subsequent to their export from Canada. This particular issue was raised recently by one member who was expressing some concern about the possibility of Canadian origin military equipment being used in a regional conflict in spite of, or contrary to, Canadian policy in this regard.

In order to reassure the House on this question I would remind you, Mr. Speaker, that the Export and Import Permits Act is Canada's legislation for controlling the export of strategic and military goods. All items which are subject to controls are found on the Export Control List. The definition of what goods are military or strategic was covered in the Minister's policy statement of September 10, 1986, and various members have referred to those definitions this afternoon. Today, various Hon. Members have referred to those definitions. For their part, the definitions used by Canada find their origin in the multilaterally agreed international munitions list which is reflected in Group 7 of our Export Control List and, for strategic goods, are defined by reference to items described in Groups 3 to 8 and 10 of the Export Control List reflecting COCOMs International Embargo Lists.

• (1750)

Before such goods can be exported from Canada, there is a legal requirement under the Act for an export permit. The decision to issue a permit and the conditions under which such a permit would be issued are bound by regulations issued under the Act, policy guidelines issued by the Government, and rules and practices which form part of Canada's multilateral obligations as a member of the Co-ordinating Committee for Multilateral Strategic Export Controls. COCOMs purpose, as Hon. Members may recall, is to co-ordinate and harmonize control over exports of military and strategic goods to certain proscribed destinations which are essentially the Soviet Union and other members of the Warsaw Pact as well as the People's Republic of China, Viet Nam, North Korea and Albania.

In order to ensure that the most sensitive class of exports, including both military goods and technology and the highest level of strategic goods and technology, are not diverted, there is an internationally recognized document issued at present by the Governments of 27 countries. By means of this document, the export control authorities of the importing country acknowledge that they are aware that an importer in their country is importing multilaterally controlled goods from the exporting country. This document, called an International Import Certificate, or IC for short, must correspond in all details with the export permit application or it is not accepted and an export permit application risks immediate refusal.

THE ROYAL ASSENT

[*English*]

A message was delivered by the Gentleman Usher of the Black Rod as follows:

Mr. Speaker, the Honourable Deputy to the Governor General desires the immediate attendance of this honourable House in the chamber of the honourable the Senate.

Accordingly, Mr. Deputy Speaker with the House went up to the Senate chamber.

• (1800)

[*Translation*]

And being returned:

Mr. Deputy Speaker: I have the honour to inform the House that when the House went up to the Senate Chamber the Deputy Governor General was pleased to give, in Her Majesty's name, the Royal Assent to the following Bills:

Bill C-28, an Act to amend the Criminal Code (torture)—Chapter No. 13.

Bill C-44, an Act to amend the Federal-Provincial Fiscal Arrangements and Federal Post-Secondary Education and Health Contributions Act, 1977—Chapter No. 14.

The hour provided for the consideration of Private Members' Business has now expired. Pursuant to Standing Order 42(1), this order shall be dropped from the Order Paper.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

A motion to adjourn the House under Standing Order 66 deemed to have been moved.

NATIONAL DEFENCE—PROPOSED SAGUENAY SHOOTING RANGE—REQUEST FOR PUBLIC HEARINGS

M. Svend J. Robinson (Burnaby): Mr. Speaker, I must draw the attention of the House to an important matter, the shooting range for the F-18 bomber that the Conservative Government proposes to establish in the Saguenay—Lac-Saint-Jean area. As you probably know, the Minister of National Defence (Mr. Beatty) is about to occupy or expropriate a large territory in the province of Quebec, to use it as a shooting range. I do not have to remind you that many people from the Saguenay—Lac-Saint-Jean area have protested vigorously against this military project and the way the Government is juggling with the issue. Mr. Speaker, when I spoke on that subject last June, over 85 local and regional organizations were unconditionally opposed to the shooting range. Today, the Coalition against the shooting range is supported by more than 150 groups including 14 municipalities, seven regional school boards and the Quebec provincial NDP.

In spite of that massive opposition, the Conservative Government is persisting in trying to sell this insane project. They persist in acting unilaterally, without holding the public hearings requested by local people and NDP supporters.

It is obvious that instead of studying the viability of a shooting range, this Conservative Government finds it more essential to launch a vast disinformation campaign that borders on blackmail.

The Minister of National Defence, the Secretary of State for External Affairs (Mr. Clark) and Conservative Members representing the area have all pushed that project very hard. Instead of protecting the interest of their constituents, these people have been vigorously trying to impose their militaristic views. Once again, the Conservatives are failing to keep their promises about consultation. They stoop to threatening people by implying that if they voice opposition to the firing range they will endanger the Saguenay—Lac-Saint-Jean economy and the Bagotville base. Mr. Speaker, I should have said the Minister of Employment and Immigration (Mr. Bouchard) instead of the Secretary of State.

• (1805)

This attitude on the part of the Government is totally unacceptable. It is an insult to the residents of Saguenay—Lac-Saint-Jean as well as a violation of such basic democratic principles as consultation and respect for citizens, men and women alike. Indeed, the Coalition, the Jeannois and the people of Saguenay easily convinced me that the whole firing range has become a moot issue and that funds earmarked for this purpose must be channelled towards more useful endeavours. By this I mean education, health care, day care, environmental protection and, of course, the creation of permanent jobs.

Investments must be made in the local community to promote regional socio-economic development instead of exporting our financial resources to acquire costly and noisy bombers which can only play havoc with our environment, scare away our tourists, destroy local fishing and hunting industries, and seriously threaten our safety.

In this respect, Mr. Speaker, allow me to point out that the Conservative firing range fits beautifully within a comprehensive Saguenay—Lac-Saint-Jean militarization strategy which flies in the face of our pacifist ideals and puts military interests ahead of those of the population. Should the Conservatives fail to retreat, as far as I know this will be the first time in Canadian history that a major firing range would be established in this country in peacetime. For a growing number of people this firing range has become an obsessive fear, and you can take my word for that. In fact, everyone knows that the Conservatives want to make us swallow another can of tainted tuna. Eat it, you'll like it, is what they are saying.

Mr. Speaker, it all means that today we have yet to see a thorough impact study that can give us some reassurance about this firing range. The Government has discreetly released bits of information to support its cause. However, the information thus released has raised a number of questions. For instance, Mr. Speaker, when we know that the firing range and its air approaches will have an impact covering up to one fifth of the province of Quebec, why didn't the Government assess potential economic, social and environmental disruption? What would be the intensity of the sound impact of these low-altitude exercises? What about the risk of ricocheting projectiles? And why does the Government insist on setting up a firing range so close to populated areas?

Mr. Speaker, considering all these questions and many others that have remained unanswered, and considering the adverse impact the firing range will most certainly have in any case, I find it necessary to challenge the establishing of a fire range and to insist forthwith on the holding of joint public hearings in the Saguenay—Lac-Saint-Jean area. As a member of the NDP, I feel this is a reasonable proposal, very much in line with our democratic principles. And I deplore the fact that the present Conservative Government has found a far less constructive way to deal with public discontent. It has decided to play deaf and to tell people, as did the Hon. Member for Roberval not long ago, to stop trying to sex mosquitoes.

If the Government is that interested in mosquitoes, I think it ought to know that the people in the area are not particularly keen on them and are even less keen on seeing a squadron of F-18s invading their skies.

I would have thought the Government would be in a blue funk about the next election, when voters in the Saguenay and Lac-Saint-Jean area will have their say.

Mr. Speaker, we in the NDP agree with the people in the area that the only acceptable response to the firing range is no, not here and not anywhere else.

• (1810)

[*English*]

Mr. J. M. Forrestall (Parliamentary Secretary to Minister of Regional Industrial Expansion): Mr. Speaker, I suppose it is honourable to want to withdraw from our NATO and NORAD obligations, but that does not happen to be the position of the Government of the day. I think the Hon. Member should pay at least some tribute to the fact that there is legitimacy with respect to the concerns for the safety of our nation and the preservation of its sovereignty.

I note with some interest the continuing interest of the Hon. Member for Burnaby (Mr. Robinson) in the establishment of an air weapons range in the Lac St. Jean area. However, this subject appears to have become somewhat of an obsession, I would suggest, to the Hon. Member and perhaps to some of his colleagues.

The very issue the Hon. Member raised appears to have been dealt with more than adequately on three previous occasions during Question Period, during an adjournment debate, during a meeting of the Standing Committee on National Defence and finally through a written petition on the Order Paper. Notwithstanding the Hon. Member's efforts and those of his colleagues to convey the impression that the local population opposes the establishment of this essential firing range, it is a fact that 60 mayors in the area, in writing, have expressed their strong support. It is our understanding that the vast majority of the people in this region do not agree with the position stated this afternoon and in the past by the Hon. Member.

I refer the Hon. Member to the adjournment debate of June 16 where I fully addressed the environmental issue directly by stating that "environmental concerns have been paramount in our search for a suitable location for this range". Indeed, I may add that all relevant aspects which could have any impact on the population, the fauna, the flora, the creatures and birds have been very closely looked at. The fact is that this is a clean range area. It is an effective area in which pilots of the F-18 can demonstrate this state of the art equipment.

TRADE—CANADA-UNITED STATES NEGOTIATIONS—
PARLIAMENTARY DEBATE ON POSSIBLE TREATY

Mr. Alan Redway (York East): Mr. Speaker, I know you are a very busy person. I know you are busy looking after the affairs of the House and presiding in the Chamber. You are busy solving the problems of your constituents. You are busy answering the mail and the telephone, I suspect that you may even find time for the odd game of golf. However, because you are such a busy person, Sir, I would not be surprised if you missed the opportunity to read the newspapers lately and probably you have missed an article this weekend about a company in Cornwall, Ontario, which was prosecuted by the Ontario Government for polluting the St. Lawrence River. This particular company was convicted and fined some $15,000 for polluting the St. Lawrence River.

That article brought back to my mind experiences I have had. In fact, it brought to mind a series of trials I had when I practised law for a living. My client in a particular case was a smelter. He melted down scrap metal, separated and recycled it and turned it into a useful purpose. Every once in a while that smelter let off a little puff of smoke. The Ontario Government alleged that that puff of smoke was air pollution, so it laid charges against my client and prosecuted him.

This went on for some period of time. Every time there was a puff of smoke, there would be another charge laid. Every time there were two puffs of smoke, there would be two charges laid. As I thought about all of that, it brought to mind as well the position of Ontario Hydro.

Here is a large Ontario Crown corporation which, because it produces power to a large extent through coal burning thermal generating stations, is one of the greatest causes of air pollution, of acid rain emissions, in the entire Province of Ontario.

• (1815)

It struck me as strange, and I expect it will strike you as strange, Mr. Speaker, that here is Ontario Hydro causing all this air pollution and these acid rain producing emissions, yet it is not being told to shut down. It is not being told to stop. It is not being prosecuted by the Government of Ontario, led by Premier David Peterson. All that seems awfully strange to me.

It seems to me awfully strange that Ontario would be treating private industry that it has alleged is causing air pollution one way but treating its own closely-held Crown corporation, Ontario Hydro, in an entirely different way. That seems very strange to me. I am not suggesting for a moment that we should not be prosecuting private polluters. I am not suggesting that we should lay off them; we should be prosecuting them. We should be getting them to stop polluting. But why, then, are we not getting one of the biggest air polluters and one of the biggest causes of acid rain in Ontario to stop as well?

Mr. Speaker, you know, I know, and Ontario Premier David Peterson knows that our Prime Minister (Mr. Mulroney) and our federal Government are doing a great deal about the question of acid rain. As we know, the Prime Minister has placed this issue at the top of his own personal agenda in discussions with the President of the United States. In fact, it is the first time ever that that has been done by a Prime Minister of Canada. We also know that he has been trying to get the United States to stop acid rain producing emissions and air pollution. He has been successful in getting many of the provinces to agree to cut back on their acid rain producing emissions. The Government has brought down new auto emission standards that will come into play in September to help cut down on acid rain.

In addition to that, the Government has committed some $300 million to the fighting of acid rain. As well, it commissioned a study which reported last summer that if Ontario Hydro would only start using low-sulphur western coal instead of high-sulphur American coal that it could cut its own acid rain producing emissions by some 50 per cent. So the federal Government has been doing a great deal about acid rain. Why then is Ontario Premier David Peterson and his Government not taking any action with Ontario Hydro when it is a Crown corporation? It is a Crown corporation of the Province of Ontario. Why is it not putting its own house in order?

We know that Premier Peterson has said that Ontario Hydro is locked into its contractual arrangements with the United States for at least five years. Is that any excuse? Would the Premier take that excuse from private industry? I know that you are a lawyer, Mr. Speaker. It has been said that any contract can be broken, that any contract is made to be broken. I know that Your Honour is a pretty good lawyer. Have you been asked to take a look at this contract to see if there is a way out of it? Premier Peterson is a lawyer. I wonder if he has taken a look at this contract to see if there is a way out of it. I know darn well that if this were a private industry that, for sure, Premier Peterson would be telling it to get out of that contract and start using low-sulphur coal.

In addition, the Premier says that it costs too much money to transport coal from western Canada. He says that it costs 47 per cent more to bring it from western Canada than to get it from the United States. Would the Premier accept that excuse from private industry? Not on your life, Mr. Speaker. You know as well as I do that he would be telling private industry, no matter what it costs, to clean up its act. I do not know why the Premier and the Government of Ontario would ever treat Ontario Hydro in a different way from the way they treat private industry in their own province as far as air

pollution and acid rain producing emissions are concerned. I do not know. I can see by the look in your eyes, Mr. Speaker, that you do not know. But the Parliamentary Secretary is sitting across from me. Perhaps she knows.

• (1820)

Mrs. Pauline Browes (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, it is always a pleasure to participate in the adjournment debate and in particular to reply to a very active Member of the House of Commons, the Hon. Member for York East (Mr. Attewell), my colleague in Metro Toronto. He has spoken about the acid rain agreement with the United States and the position of Ontario Hydro. This issue is most interesting and we must compliment the Deputy Prime Minister (Mr. Mazankowski) for his active participation in meeting with the Premier of Ontario and establishing a committee to get western coal to Ontario, where it is most needed.

However, the question scheduled for the adjournment debate today deals with trade with the United States. The Hon. Member asked a question in the House concerning negotiations between Canada and the United States about possible treaties. We are negotiating with the United States on acid rain, but we also have a very important agreement with the United States with regard to free trade. The member spoke to this issue on March 16 and asked whether we would have an opportunity to discuss this in the House of Commons. That will indeed be the case, as was stated very clearly by the Prime Minister (Mr. Mulroney) on the issues of acid rain and trade.

Once a draft agreement with the United States has been reached on trade, the question of provincial involvement will still be open, given that the scope and content of an agreement has not yet been settled. The ratification of international agreements is clearly an exclusive federal responsibility. It is recognized, however, that there may be areas of a Canada-U.S. trade agreement which will involve matters under provincial jurisdiction. In this case, provincial legislation to implement the agreement in those areas may be required.

For this reason the provinces have been extensively and continuously consulted, both at First Ministers and senior official levels as the negotiations progress. The progress and issues of the negotiations were addressed at the recent meeting of First Ministers on March 11. Further meetings are scheduled for June and September of this year. As the Prime Minister has already stated in the House, Members of the House of Commons will be apprised of and given an opportunity to speak to any trade agreement with the United States.

APARTHEID—SOUTH AFRICA—PRIME MINISTER'S SCHEDULED MEETING WITH PRESIDENT OF AFRICAN NATIONAL CONGRESS

Mr. Bill Attewell (Don Valley East): Mr. Speaker, on March 25, 1987, I rose in this House to ask a question of the Secretary of State for External Affairs (Mr. Clark) with regard to the immediate future of Canada's relations with South Africa and our policy against the repugnant system of apartheid. More specifically, I was concerned about the state of communications between our two Governments.

The Secretary of State assured me that Canada will keep the lines of communication open. I would like to commend the Minister for expressing this constructive attitude as well as add some of my own thoughts with regard to the unfortunate but complex situation of apartheid.

Many residents of my riding of Don Valley East have expressed their concern and interest in this subject. It seems to me that this is particularly important now given the set of regressive measures announced this past weekend by the South African Government. It may be said that Canadians, as well as most civilized people in the world, agree that apartheid, the institutionalized system of racial discrimination, is a principle alien and repugnant to supporters of liberty and democracy. Although in a formal sense the term emerged only in 1948, systematic racial discrimination has existed in what is now South Africa for centuries.

• (1825)

According to the World Guide on Human Rights based upon a number of universal criteria for freedom, South Africa's index out of 100 is only 32 per cent, whereas Canada's, by comparison, is 94 per cent.

Given the overwhelming consensus on the existence of a problem, unfortunately no unanimity has surfaced, either among the outside observers or even among the very South Africans affected by apartheid, on how to resolve it. Considering its long history and the lack of substantive progress on the part of the South African Government in this area, an obvious feeling of frustration has emerged. Unfortunately, this condition often tends to breed reactions characterized by a simplistic evaluation as well as by emotional and extreme measures which at best express strong condemnation and at worst incite violence. Fortunately Canada, both in the past and at present, has taken a balanced approach which warrants a brief explanation.

Because the Canadian Government still believes that peaceful change is possible, our approach incorporates two basic premises. First, the Canadian Government and people oppose and abhor apartheid. Second, we leave the way open for contacts and dialogue which in themselves increase Canada's capacity to influence progressive changes in South Africa.

The Canadian Government rejects the concept that total isolation of South Africa would somehow promote fundamental reform in that country. Racist mentalities feed on isolation. We, therefore, must maintain diplomatic relations with that country. Canada also supports the right of South Africa to participate in the activities of the United Nations.

Given this expression of a strong but balanced commitment, we can see that our deeds have matched our words. By examining the record, the consistency of our concern dates to

the days of Prime Minister John Diefenbaker who, in 1961 during a Commonwealth Conference, initiated a proposal for a joint communiqué saying that apartheid ran against the ideals of the alliance. At that time South Africa had just become a republic and was applying to become a member. However, it withdrew the request since it did not want to comply. Subsequently Canada has continued to put pressure on the regime through the auspices of the United Nations.

Recently Canada's role of leadership within the Commonwealth regarding this issue was reasserted. During the Summit in London last August, the Prime Minister (Mr. Mulroney) again made clear our country's repugnance toward apartheid and explained the purpose of our limited sanctions. During his most recent trip through the front line states, the Prime Minister further reiterated our commitment not just toward fighting apartheid but also toward helping the citizens most adversely affected by it. Canada has tried to give support, for instance, in the form of education and training to those who advocate peaceful change.

There is no doubt sanctions can and do serve an important symbolic purpose by making a statement both to the South African Government and to other nations that we take the problem seriously. By the same token, this does not mean that such a course should be taken to its extreme, aside from the fact that we may be harming economically the very people we are trying to help.

In addition to calls for the rupture of commercial relations, there have been outcries to do likewise on the diplomatic front. In response, the Secretary of State for External Affairs has said:

> If we eventually decided to cut all our trade and diplomatic relations, we would have to recognize that whatever leverage we had in the situation would also end.

This is precisely the point. Channels of communication and mechanisms for encouraging positive action and reform are absolutely crucial.

One must also consider innovative means. The Prime Minister has taken a unique step by agreeing to talk to the representatives of the African National Congress, an anti-apartheid group which has been associated with violence and terrorism, and the Secretary of State for External Affairs indicated the following:

> We have to face some decisions as to whether or not we would associate with groups such as the ANC that are still involved in violence. We have had to take the decision, and it is a new one that had not been taken by Canadian governments before, that we would in fact deal with the ANC because they are going to be part of the solution in South Africa whenever it comes and however it comes. We believe there is a greater chance of contributing to a more peaceful solution more quickly working with them than not.

● (1830)

By the same token, negotiations and discussion with the ruling regime, for instance, in the form of official visits are also being considered. As the Secretary of State for External Affairs pointed out at the human rights committee meeting regarding the value of visits:

> I think it is not a very helpful attitude for someone to assume that he is going to be shown a false picture and consequently not go. If we all made that assumption, none of us would ever go anywhere, and none of us would ever learn anything.

At the same time, any new knowledge or understanding of the problem could be helpful toward the remedy. Unfortunately, considering how deeply apartheid has been entrenched, it is obvious that an immediate solution is not possible. Rupturing all links with the regime, however strongly we disagree with its policies, would only amount to a fatalist statement of disapproval. That is not enough. What is worse, the resulting instability may provoke violence as well as communist intervention. The Soviet Union tends to be quite opportunistic under precisely such circumstances. Given that Canada can and does have influence in the region, in concert with other nations, we must not allow that to happen.

At the same time, by maintaining our balanced and open-minded approach, we must actively and constructively seek ways to pressure the South African Government to dismantle the monster of apartheid. Last evening, the Prime Minister announced a plan in a television appearance whereby the seven major industrialized countries would form a new eminent persons group to press for an end to apartheid in South Africa. The Prime Minister intends to present this plan during a meeting in Venice in June of this year. I applaud this new initiative toward constructive dialogue with the leaders of the seven largest industrialized countries and the leaders of South Africa.

[*Translation*]

Mr. Jean-Guy Hudon (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, while maintaining pressure on South Africa to make fundamental changes in its racist system, Canadian policy emphasizes the importance of dialogue between the Government and Opposition. To that end, we are keeping open lines of communication to all groups in South Africa. There is a channel for contact with the South African Government through the Canadian Embassy in South Africa and the South African Embassy here in Canada.

The Secretary of State for External Affairs (Mr. Clark) has indicated that he would be prepared to visit South Africa if it would serve a constructive purpose towards bringing an end to apartheid. There has not been any evidence to date, however, that the South African Government has changed its position since it rejected the negotiating concept put forward by the Commonwealth Eminent Persons Group 10 months ago and gave no satisfaction to Sir Geoffrey Howe, the British Foreign Secretary when he went there last summer. The Botha Government is not prepared to enter into constructive dialogue with authentic black leaders leading to the dismantling of apartheid and the establishment of a non-racial and representative government.

In the Government's view, the African National Congress will be part of the solution in South Africa, however and whenever that comes about. Both the Prime Minister (Mr.

Mulroney) and the Secretary of State for External Affairs have agreed in principle to meet with Mr. Oliver Tambo, the President of the ANC when he visits Canada. No dates have been set for these meetings.

Mr. Deputy Speaker: It being 6.34 p.m., this House stands adjourned until tomorrow at 2 p.m., pursuant to Standing Order 2(1).

The House adjourned at 6.34 p.m.

HOUSE OF COMMONS

Wednesday, April 15, 1987

The House met at 2 p.m.

Prayers

STATEMENTS PURSUANT TO S. O. 21

[*Translation*]

YOUTH

NECESSITY FOR GOVERNMENT TO ENCOURAGE YOUNG PEOPLE IN THEIR SEARCH FOR INDEPENDENCE

Mrs. Lucie Pépin (Outremont): This Sunday, April 19, Mr. Speaker, thousands of Canadian men and women will celebrate Easter. For many of us Easter is a sign of resurrection and rejuvenation. But for many others, although it signals the onset of nice weather, Easter Sunday will not be cause for celebration. I have in mind those people who are without shelter, particularly youths. In Montreal alone there are close to 10,000 homeless youths between the ages of 15 and 30. For them there will be no special festivities to mark Easter. Without a permanent address, without gainful employment, without a decent income, and without any hope of improving their living conditions, they while their time away in bus shelters, in public parks, or in already overcrowded accommodation centres, the testimony to Government assistance.

Youths want to improve their situation. They seek encouragement in their search for independence. In this respect the Government should make a serious commitment to them by setting up employment and education programs. Youths are the future of this country. Are we not prepared to lend them a hand? If so, we must act now because tomorrow will be too late!

* * *

OFFICIAL LANGUAGES

USE OF FRENCH IN AIR TRANSPORT

Mrs. Suzanne Duplessis (Louis-Hébert): Mr. Speaker, last Saturday I attended the twelfth convention of the Gens de l'air, the famous group of people who made a name for themselves by fighting for the use of French in air transport. I was told that although there has been some progress in this field, there is still a long way to go. Francophone pilots cannot land in French in Ottawa, and if they insist on doing so they must be prepared to face lengthy delays.

I take this opportunity to congratulate Captain Wilfrid Allard who retired from Quebecair in 1982 and who was given the Roger Demers award for his outstanding career—33,000 hours of flight time, often under very difficult conditions.

I also commend Nordair Metro Vice-President of Operations Captain Michel Goyette for his brilliant career, to whom I had the pleasure of presenting the Bilcom award.

* * *

[*English*]

LABOUR RELATIONS

DIFFERENTIAL BETWEEN EXECUTIVES' SALARIES AND EMPLOYEES' WAGES

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, in light of the fact that the employees of CN and CP, as well as many other workers, have been asked to accept wage rollbacks as part of their contract negotiations, it is interesting to note that Canada's top executives enjoyed caviar and champagne type pay increases last year.

While organized workers negotiated wages averaging a 3.4 per cent increase—the lowest increase in 19 years—the *Financial Times (of Canada)*, through sources in the United States, indicates that, when bonuses are included, the top executives in Canada received an average 1986 salary increase of 19.7 per cent.

The chairman of the auto parts giant, Magna International, earned $2.2 million, or an average wage rate of $1,074.22 per hour during 1986.

• (1405)

The chairman of Rio Algom earned $1.3 million, which is a 25 per cent increase over the previous year.

The president of Alcan earned $1.2 million, up 64 per cent over last year.

This certainly demonstrates that the motto of the top executives is: "Do as I say, not as I do". While asking their employees to accept modest increases, hold the line, or take wage rollbacks, the top executives bask in pay increases averaging 19.7 per cent. To them I say shame!

We expect more from Canada's top business executives. When they request sacrifices from their employees during

these difficult economic times, yet accept excessive salary increases themselves, they fail to provide leadership by example, something which is so dearly needed today.

* * *

LAW DAY

IMPORTANCE OF COUNTRY'S LAWS

Mr. David Daubney (Ottawa West): Mr. Speaker, today is Law Day, once again sponsored by the Canadian Bar Association. This year the theme "Legal Awareness for All" is the focus of activities being held across Canada by the association and by lawyers, lawmakers, and a variety of organizations involved with the law.

Our laws are more than paper and words; they are the embodiment, the essence of our values. They have been distilled from the process of public debate, the conflict of ideas, and the synthesis of different beliefs. Our laws reflect the variety and the complexity of our culture and our history. To understand what it means to be a Canadian, we have to understand how our laws affect us.

On the fifth anniversary of the establishment of our Charter of Rights and Freedoms, a Charter which continues and extends the legal rights of all Canadians, let us work together to ensure that all Canadians know what rights and what obligations we have under our law and our Constitution.

* * *

ENERGY

INCREASES IN PRICE OF GASOLINE—IMPACT ON TOURISM

Miss Aideen Nicholson (Trinity): Mr. Speaker, with the summer holiday season approaching, the tourism industry will be watching to see how many Canadians can still afford to take to the road after the latest gas tax increases.

Since coming to power the Conservative Government has raised gas taxes by a whopping 4 cents a litre, or 18 cents a gallon. That means higher costs, not only for transportation but also for home heating, food, and a range of goods and services—in other words, a disincentive for the travelling public and a bigger bite out of the incomes of Canadians already trying to cope with the galaxy of tax hikes imposed by a Government that finds it all too easy to raise revenues by raising taxes.

But people who are so heavily taxed have no spare cash to spend. It is inevitable that this shortsighted policy of "tax now, tax some more later", will put a damper on economic growth. The proof is in the Government's own dismal forecast of 2.8 per cent economic growth this year, the lowest rate in four years, in what is supposed to be a time of economic recovery.

HISTORIC EVENTS

ANNIVERSARY OF ARMENIAN GENOCIDE

Mr. Bill Attewell (Don Valley East): Mr. Speaker, since Parliament will not be sitting next week I want to recognize the 72nd anniversary of the Armenian genocide which began on April 24, 1915.

The masterminds of this despicable crime were the Minister of the Interior Talaat, and his associates.

The genocide was carried out in three stages. First, intellectuals, clergymen and other Armenian community leaders were arrested.

Phase two of the plan was to disarm Armenian soldiers serving in the Ottoman Empire armies and arrange for their wholesale murder.

Phase three was to collect and drive leaderless Armenians, village by village, and from town to town, to be forced to march to the Syrian Desert and ultimately to their death.

Now, 72 years have passed since the tragic beginning of this genocide. More and more people, institutions and Governments, are being made aware of the horrendous scope of this crime. We must do everything possible to ease the memory of those who survived while at the same time teach the young generation that a crime ignored is a crime encouraged.

In closing I would like to quote the words of a famous American-Armenian writer, William Saroyan, who said:

> I should like to see any power of the world destroy this race, this small tribe of unimportant people, whose wars have all been fought and lost, whose structures have crumbled, whose literature is unread, music is unheard, and prayers are no more answered. See if you can do it. Send them into the desert without bread or water. Burn their homes and churches. Then see if they will not laugh, sing and pray again. For when two of them meet anywhere in the world, see if they will not create a new Armenia.

* * *

• (1410)

NARCOTICS

FINDINGS OF STUDY ON MANDATORY DRUG TESTING

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, last fall the Parliamentary Library did an excellent study for me on mandatory drug testing. The study reviewed this issue under the Charter of Rights, human rights legislation, and labour standards. The study concludes: "In the final analysis, most employees in Canada are left with private remedies in contract or in respect of defamation as a sole means of recourse against drug testing by employers".

Mandatory drug testing in Canada is on the rise. Air Canada, CNR, American Motors and other companies are all known to demand urine samples for drug analysis.

Last week the Minister of Transport (Mr. Crosbie) said that there will be mandatory testing for train crews. I call upon the

Government to tell the House just what safeguards for individuals it is considering.

Many responsible organizations such as the Canadian Civil Liberties Group and many trade unions oppose mandatory drug testing for employees. There are many reasons to oppose drug testing, and among them are the reliability of the test and whether or not a person's private lifestyle is a concern of an employer unless it impairs the person's ability to carry out the job.

* * *

MINES AND MINING

VALUE OF CANADIAN MINERAL PRODUCTION

Mr. Bill Tupper (Nepean—Carleton): Mr. Speaker, Canada is the third largest mineral producing country in the world. Each year it produces some $15 billion of mineral products. That production comes from some 280 mines in 65 communities across the country. The industry creates some 400,000 jobs, and 80 per cent of our mineral production in Canada is exported.

Furthermore, last year the industry raised about 70 per cent of its funding for exploration through the flow-through share arrangement, a program that the Government has enhanced.

The Canadian mining industry and all Canadians are asking if the Liberal Party and New Democratic Party are abandoning the mining industry in Canada. They voted in the House against free trade with the United States, and many New Democrats are not supportive of our flow-through share program for financing the mining industry. Are these Parties abandoning such communities as Bathurst, Murdochville, Val d'Or, Sudbury, Timmins, Kirkland Lake, Esterhazy, and Mayo in Yukon Territory? My Party and the Government are not. We want to build the mining industry into a world-class industry and keep it there. That is the objective of our Party.

Some Hon. Members: Hear, hear!

* * *

VISIBLE MINORITIES

ANNIVERSARY OF BREAKING OF RACIAL BARRIER IN MAJOR LEAGUE BASEBALL

Mr. Sergio Marchi (York West): Mr. Speaker, it was 40 years ago today that the legendary Jackie Robinson became the first black player to play major league baseball, thus breaking a racial barrier dating back to the birth of baseball in the mid-1800s. This event influenced the beginning of a movement against racial segregation and the oppression of civil rights which eventually culminated in the great success story of Doctor Martin Luther King.

Canada's multicultural society remembers and cherishes the efforts of a pioneer like Jackie Robinson, and today on the fortieth anniversary of his symbolic first game it would be fitting for all members and all Canadians to recognize and pay tribute to this human rights champion.

He proved that courage and perseverance will bring down all barriers to change. It is my hope that we, as a Parliament, apply the same conviction to the parliamentary reports "Equality Now" and "Equality For All", so that all Canadians, from all regions of the country, can be full and equal partners and enjoy the rewards and opportunities that Canada has to offer to one and all.

* * *

DISASTERS

FIRST ANNIVERSARY OF CHERNOBYL NUCLEAR ACCIDENT

Mr. William G. Lesick (Edmonton East): Mr. Speaker, Sunday, April 26, 1987, will mark the first anniversary of one of the most tragic and frightening events in modern history, that of the Chernobyl nuclear accident in the Soviet Ukraine.

Literally tens of thousands of Ukrainian citizens will suffer from the after effects of the tragedy, with an estimated 6,500 cancer deaths over the next 50 years in 11 regions of the Soviet Union affected by the fallout.

Studies by the International Atomic Energy Agency have stated that between 5,000 and 150,000 extra cases of cancer will occur around the world during the next half century as a result of the Chernobyl accident.

Women who were pregnant and lived near the nuclear plant will have a 50 per cent greater chance of giving birth to mentally disabled children.

Nuclear energy and nuclear reactors are part of our lives, but they must be made safe for the future. For the sake of our children and for our future generations, it is imperative that we remember and learn from this senseless and careless tragedy.

* * *

• (1415)

DISASTERS

FATAL ACCIDENT AT LEVACK MINE

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, today we are saddened by the deaths of four Inco miners who were killed yesterday in a tragic accident at Levack mine in the Nickel Belt.

These workers are Rene Bedard, 41, married with three children; Wilbrod Gauvin, 43, married with three children;

Donald Knight, 48, married with one child; and Germain St. Amour, 37, married with two children. They were inspecting the skip shaft at the 3,750-foot level when broken ore fell 900 feet on to the workers' platform, killing them.

There is no other occupation which is fraught with more danger than the miner's job. Yet, in spite of increased awareness for tougher occupational health and safety rules and practices for the mining industry throughout Canada, we experience tragic accidents like the one in Levack yesterday and Murdochville some weeks ago.

In fact, yesterday's fatalities bring to five the number of deaths at Inco for the month of April.

From time to time the House correctly recognizes the deaths of Canadians who have contributed to the building of our country. Well, Mr. Speaker, Rene Bedard, Wilbrod Gauvin, Donald Knight, and Germain St. Amour are representative of the millions of men and women who, without great fanfare, go about their daily work in building a better Canada yet face grave dangers to life and limb.

In fact these four men are a part of all of us, so we do not ask for whom the bell tolls. It tolls for us.

On behalf of all Hon. Members of the House I should like to extend our deepest sympathy to the families of these four brave men who died in the line of duty, and I would hope that we do the appropriate thing here and now.

Mr. Speaker: I ask Hon. Members to stand for one minute's silence as a gesture of faith, hope, and solidarity with the families of the victims of this terrible tragedy.

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

Mr. Speaker: Oral Questions. The Hon. Member for Vancouver Quadra.

Mr. Turner (Vancouver Quadra): Mr. Speaker, of course we join in the eloquent tribute of the Hon. Member for Nickel Belt (Mr. Rodriguez) in mourning the four dead miners and wishing their families our warmest sympathy.

ORAL QUESTION PERIOD

[*English*]

FINANCE

PROPOSED DOME PETROLEUM TAKEOVER—ADVANCE TAX RULING

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I should like to return, if I might, to the Minister of Finance about Dome Petroleum, following upon the answers which he gave in the House yesterday.

Is he claiming that he knows nothing about what could be the largest tax ruling in Canadian history? Is he telling the House that he is not involved in a tax decision which profoundly affects the economy of western Canada? Is he telling the House that he is not involved in a tax decision which could affect thousands of jobs in western Canada, Canadian ownership of our oil and gas industry, and could involve billions of taxpayers' dollars?

If he is, I am saying to him that it will not wash because it is not credible. What is he really trying to hide and who is he trying to kid in this House?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I am not trying to kid anybody. What I am saying is that tax rulings are the responsibility of the Minister of National Revenue. That is what I said yesterday.

A proposal has been put forward by TransCanada PipeLines to Dome Petroleum. It has not been accepted by Dome Petroleum. Until the time that a specific proposal is accepted by Dome Petroleum, I think we should wait to see what happens.

• (1420)

Mr. Turner (Vancouver Quadra): Technically, Mr. Speaker, the ruling has to issue from the Minister of National Revenue. The Minister knows full well that a tax decision of this magnitude must cross the desk of the Minister of Finance, he must be involved in it and he must know about it.

[*Translation*]

EXTENT OF MINISTER'S KNOWLEDGE

Right Hon. John N. Turner (Leader of the Opposition): Does the Minister of Finance mean to say he is not aware of discussions regarding a tax ruling that may be the most important one in Canada's history, or of the fact that these discussions have been taking place since the beginning of March? Does he not know that his Assistant Deputy Minister, Mr. Ian Bennett, is one of the two senior officials who know all about this question? Doesn't the Minister know what is going on in his Department or doesn't he want Parliament to know?

[*English*]

Hon. Michael Wilson (Minister of Finance): Yes, Mr. Speaker, I am aware of what happens in my Department. I have not made any statement that would suggest that that is not the case. What I said in my previous answer and what I say again is that the responsibility for tax rulings is the responsibility of the Minister of National Revenue. I would have thought that the Right Hon. Member would know that, as a Minister of Finance himself at some time in the past.

Mr. Turner (Vancouver Quadra): The Minister is correct, Mr. Speaker. I would have known about a decision of this magnitude had I been sitting on his side of the House.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

REQUEST THAT ISSUE BE DEBATED IN PARLIAMENT

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I would like to put a final question to the Deputy Prime Minister, if he can speak on behalf of the Prime Minister. The Deputy Prime Minister knows that this type of ruling is a purely discretionary decision. It does not flow from the Income Tax Act. He also knows that the Prime Minister claims to have made the final decision in the Gulf matter.

Will the Prime Minister have the final say on whether or not a tax ruling will be issued in favour of Dome Petroleum or a purchaser of Dome Petroleum? Will he undertake—I do not want to interrupt the hurried consultations on the front bench—

Mr. Mazankowski: That is a silly question.

Mr. Turner (Vancouver Quadra): "A silly question", the Deputy Prime Minister says. It is a silly question involving thousands of jobs and Canadian ownership of our oil and gas industry! Oh, a silly question?

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Gauthier: That was a silly comment.

Mr. Turner (Vancouver Quadra): I think the Deputy Prime Minister needs the next 10 days to reflect on that particular interjection. Will he give an undertaking that before that discretionary decision is made by the Prime Minister and his Government he will bring the issue before Parliament, because the Canadian taxpayer has a right to know what has happened?

Hon. Elmer M. MacKay (Minister of National Revenue): Mr. Speaker, if the Right Hon. Leader of the Opposition would permit me, I would say to him that he knows that this kind of a ruling is made according to well established processes. A taxpayer who wishes a ruling communicates with our Department, to the Deputy Minister or to the proper official. They seek to bring themselves within the income tax law. They set out the kind of proposition they have. We have the resources of the Department of Justice who assist in this very—

Mr. Turner (Vancouver Quadra): And the Department of Finance.

Mr. MacKay: We have the resources within the section in our Department as the Opposition Leader knows, having been Minister of Finance, to make a proper decision based on the law and in an arm's length fashion. He knows the way this thing works.

Mr. Turner (Vancouver Quadra): That is why I am asking.

GOVERNMENT POLICY QUERY

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, my question is for the Minister of Finance. Yesterday the Minister of Energy said that when an offer is made to Dome Petroleum it will be considered by the Government in accordance with policies in place at the time. Policies, Mr. Speaker. What policies? The next policy of this Government on Dome Petroleum will be its first.

Why is the Government refusing to consider the problems and the choices affecting Dome Petroleum? They could have a devastating effect on 4,000 jobs in this country directly and probably another 20,000 jobs indirectly.

• (1425)

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I would ask the Hon. Member if he spoke out in the same way some five years ago in October, 1980.

Some Hon. Members: Hear, hear!

Mr. Wilson (Etobicoke Centre): That is when the decision was made by the previous Government to put Dome in the position it is in today.

Mr. Rossi: You're skating around. You're trying to fool the Canadian people.

Mr. Wilson (Etobicoke Centre): The Hon. Member does not like the truth. He is very sensitive about this because he knows full well that the position Dome Petroleum is in today started right there on October 29, 1980.

Mr. Rossi: He's skating around and he knows it.

Some Hon. Members: Oh, oh!

Mr. Speaker: I know Hon. Members are aware that when we get into an unsolicited exchange it is taking away time from Hon. Members who are here to ask questions.

MINISTER'S POSITION

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, I can assure the Minister of Finance that a Liberal Government would not back away from this problem and would not try to wash its hands of this very serious situation.

Why is the Government trying to have us believe that Canadians do not have a right to know about these choices and the proposals that are being made to the Government? Why is he refusing to keep Canadians informed of what is going on?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, we are not backing away from these problems and certainly we are not causing problems the same way the Hon. Member's Government did some six years ago.

Let me leave one thought with the Hon. Member so he can mull it over in his mind in the next week and a half. There are certain transactions which are under way right now that, and

possibly the Hon. Member might agree with me, are still confidential at this stage. Until that degree of confidentiality has been removed, I am not in a position to say anything more in the House than the Hon. Member.

REQUEST THAT CABINET MAKE DECISION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is also for the Minister of Finance and I preface it by saying that he is quite correct in pointing out the hypocrisy of the Liberal Party which gave away $1 billion to Dome Petroleum without bringing it before Parliament at all.

Mr. Penner: Save your sermons for Sunday, Ed.

Mr. Broadbent: They are a little sensitive, Mr. Speaker.

On October 17 the Minister of Finance said in the House with reference to the Gulf Canada deal that this was discussed in Cabinet, "and discussed at some length because of the importance of that deal". If he said that with reference to the Gulf decision, will he assure us that this decision will be one that is made by the Cabinet as a whole because up to $2.4 billion of taxpayers' money is involved and that after Cabinet reaches a decision, he will, unlike the Liberal Government, bring it before Parliament?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Hon. Member is jumping ahead of things. Two private sector companies are talking today. We have been told, and it is in the newspaper this morning, that two other companies might be possible contenders for this company. However, decisions have not been made by those companies.

We do not have a specific proposal with requests from either company or the other before us on which we can make decisions. Until that time, there is really nothing to talk about. A lot of hypothetical questions are floating around in the House, but until we receive specific requests we are not able to make any decisions.

REQUEST FOR GUARANTEE OF CANADIAN OWNERSHIP

Hon. Edward Broadbent (Oshawa): Mr. Speaker, we are looking for a specific commitment from the Government that it will bring the matter before the House.

There is a recent report in the *Financial Times* of London and, according to this news story, there has already been a deal negotiated to sell Dome to a foreign concern. Whether or not that report is true is beside the point I want to make in my question.

• (1430)

Will the Minister assure this House that the ownership of this important petroleum resource will remain in Canadian hands? In addition, because of the millions of dollars of taxpayers' money involved, will he see that the decision is brought before the Parliament of Canada?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Hon. Member says there is a report out there that says a deal has been made. I can assure him that as of 12.30 this afternoon a deal has not been made. In that sense all of the questions are hypothetical.

The Hon. Member says we should bring the deal before the House or before Cabinet. We do not know yet whether we have a deal. We do not know what the relationship of the Government of Canada might be to that deal.

The Hon. Member then goes on to say we must have a Canadian buyer and we have to make sure that no decisions be made relating to taxpayers' funds which confer a benefit here. The Hon. Member has to understand which way he is going on this. For that reason I think he should wait and be a bit more patient and understand what the circumstances are before he starts making all these requests.

Mr. Broadbent: Mr. Speaker, we know which way we are going but we are afraid the Government has put Canada up for sale. That is what we disagree with.

REQUEST THAT DECISION BE REFERRED TO PARLIAMENT

Hon. Edward Broadbent (Oshawa): Mr. Speaker, it is a perfectly straightforward question. Will the Minister assure this House that Dome will not be allowed to fall into foreign hands? Because about 20,000 jobs and $2.4 billion of taxpayers' money are involved, will he also guarantee the elected representatives of the people of Canada, namely, this Parliament, that when the decision is made it will be brought before Parliament?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I cannot give him that assurance because I do not know what the deal might be.

Some Hon. Members: So what?

Mr. Wilson (Etobicoke Centre): Hon. Members say "so what?".

Mr. Broadbent: When you make the deal come and tell us about it.

Mr. Wilson (Etobicoke Centre): Possibly the Hon. Member should reflect on the fact that all we are talking about now is speculation. We do not know whether there will be a non-resident company negotiating a deal with Dome Petroleum. We do not know whether a tax concession will be requested. Until we know these things there is no point in making specific responses to hypothetical questions.

DISARMAMENT

U.S.S.R. OFFER ON REMOVAL OF NUCLEAR WEAPONS

Hon. Donald J. Johnston (Saint-Henri—Westmount): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. Mr. Gorbachev appears to have made one of the most significant disarmament proposals in post-war history because it deals not only with intermediate-range nuclear weapons but also short-range, and we understand tactical battlefield weapons. The U.S. has said it is going to consult with its allies.

Will the Minister tell us whether the Prime Minister has contacted the President of the United States and encouraged him to respond favourably to this Soviet initiative?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, it does indeed appear, on the basis of news reports available to us, that there has been another significant step taken. The Americans have agreed to consultations and have indeed put in place arrangements for consultations. I will be flying tonight to Brussels and meeting tomorrow morning at nine o'clock Brussels time with Secretary Shultz and other Foreign Ministers of the North Atlantic Treaty Organization.

[*Translation*]

Mr. Johnston: Mr. Speaker, I hope the Secretary of State will take this opportunity to persuade our American friends to give a positive answer.

REQUEST GOVERNMENT ENCOURAGE PRESIDENT REAGAN TO ACCEPT DEFINITION PROPOSED BY MR. GORBACHEV

Hon. Donald J. Johnston (Saint-Henri—Westmount): Mr. Speaker, it seems that Mr. Gorbachev has made a new proposal about the extent of laboratory research on star wars.

Could the Secretary of State inform the House whether the Government will encourage the President to accept the definition proposed by Mr. Gorbachev?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, before either encouraging or discouraging, we would like to know the details of any proposal made by Mr. Gorbachev.

I hope that tomorrow, when I meet Mr. Schultz in Brussels, I will be able to get more details on the Soviet position and the position of the Alliance.

[*English*]

FINANCE

PROPOSED DOME PETROLEUM TAKEOVER—REQUEST FOR REFERRAL OF DECISION TO PARLIAMENT

Mr. Simon de Jong (Regina East): Mr. Speaker, I wish to ask the Minister of Finance some further questions regarding Dome Petroleum. I believe he implied in his answers that there has been no request by TransCanada PipeLines for either a tax ruling or tax concessions. He is telling us there is no deal and until there is such a deal the Government will not know about it. However, I wonder how TransCanada PipeLines can make an offer or arrange a deal without knowing what the tax implications are. Surely TCPL is anxious to know what the tax concessions and rulings will be.

Can the Minister tell us whether TCPL is asking for tax concessions or a tax ruling? In any event, would the Minister assure the House that a decision of that magnitude, affecting public revenues of up to $2.4 billion, will be discussed and scrutinized by the House of Commons? It is a question of parliamentary control over tax expenditures.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think I answered that question previously. We do not have a specific proposal in front of us endorsed by TransCanada and Dome. There have been some statements in the newspapers today. However, until we have action from both sides there is no position that we can take. We are going to follow this closely as we have been doing. As soon as there is a specific proposal to respond to we will do so.

INQUIRY WHETHER ADVANCE TAX RULING SOUGHT FROM REVENUE CANADA

Mr. Simon de Jong (Regina East): Mr. Speaker, my supplementary is directed to the Minister of National Revenue. Has his Department been asked by TCPL for an advance ruling? If so, would the Minister also keep in mind the opinion of his chief advisers and management who, in a report produced in August, 1982, stated: "It is the opinion of senior management that the focus of tax avoidance has switched from implementing schemes to obtaining departmental approval through the advance ruling process and that legislation branch is now the frontline of tax avoidance"?

Hon. Elmer M. MacKay (Minister of National Revenue): Mr. Speaker, certainly I will keep in mind that thought he has so ably expressed. I will also tell him, and he knows this, that it is a tradition, for good and sound reasons, and I believe the policy is well-founded, that the Department does not make any disclosure of any aspect of tax rulings, whether or not they are asked for, or any of the details surrounding them, particularly when, as the Minister of Finance pointed out, it is at such a preliminary and speculative stage.

[*Translation*]

FINANCE

ACQUISITION OF STOCKBROKERAGE FIRMS—GOVERNMENT POSITION

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, the answers we got yesterday and even today in the House are certainly not reassuring. Yesterday, the Minister of Energy, Mines and Resources said from his seat that the Government had no intention of making any objections if Dome Petroleum were purchased by foreign interests. And yesterday, the Minister of State for Finance said that he was not worried at all about Canadian brokerage firms being taken over by American firms, for up to 50 per cent between now and June 30, 1988 and 100 per cent after June 30, 1988. I would like to ask the Minister of Finance, who is responsible for our financial institutions and who is the senior minister in this area: Is the Government going to wait until three quarters of our brokerage firms, the Wood Gundys, the McNeil Manthas, and the Richardson Greenshields are acquired by German, U.S., or Japanese firms, before it decides to intervene? What does it take for the Government to act before it is too late?

• (1440)

[*English*]

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, the Government is not giving foreign firms unrestricted access to Canadian financial markets. On December 18 I brought forward our policy on this matter which included three principles. The first is to maintain a strong and healthy Canadian presence in the sector. The second is to foster competition within Canada, which includes some foreign entry which has occurred in various financial institutions over the years. The third is that, to protect the ability of our world-class financial institutions abroad, we must give them some sort of access domestically.

Those are the three principles on which we are working. Our world-class institutions want access internationally because they can do very well internationally. Those are the principles which will guide our decision.

[*Translation*]

PURCHASE OF STOCKBROKERAGE FIRMS BY BANKS—JUNE 30 DEADLINE—GOVERNMENT POSITION

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, in his statement in December he said himself that as of June 30, foreign firms would be able to come and purchase our brokerage firms. What he just told the House is not only unsatisfactory, but there is also the fact that the big Canadian banks cannot purchase a controlling interest in a Canadian brokerage firm because they cannot get reciprocity in other countries.

So my question to the Minister of State for Finance is this. It will soon be June 30. If no action is taken, not only will our big banks not be able buy brokerage firms in Canada, because they cannot conduct transactions abroad, but we are also leaving the door open to a wholesale take-over of our brokerage firms by American, German, or Japanese interests.

[*English*]

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, I have to ask the Hon. Member to listen carefully to my answer.

Mr. Garneau: I did.

Mr. Hockin: Access of non-resident firms to the financial sector in Canada must reflect the kind of access that our firms are given abroad. That is the principle.

Mr. Garneau: You didn't answer the question.

Mr. Benjamin: Tell that to Crosbie on his deregulation.

Mr. Blaikie: Quiet, Les.

Mr. Andre: That's the smartest thing you've said all year.

* * *

AGRICULTURE

FUTURE OF MANITOBA SUGAR-BEET PRODUCERS

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, my question is for the Minister responsible for the Wheat Board. Time is running out for the game of political chicken which the Minister is playing with the Government of Manitoba over the future of the sugar-beet industry.

Two years ago he assured the Government of Manitoba that it would not have to make any further contributions to the stabilization of the sugar-beet industry. Why is he now insisting that that Government share in any future deficits as a result of the tripartite agreement which the Minister wants that Government to enter into? Why is he insisting on that and thereby breaking the promise he made to the Manitoba Government in 1985?

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, no one is playing political chicken. Growers find themselves in the very unfortunate position of being caught in a dispute between two levels of government. We think that the offer which we have on the Table is very reasonable.

The Hon. Member will know that in June, 1985, this House passed a Bill calling for tripartite stabilization in agricultural programs. He will also know that his NDP cohorts in Manitoba have already negotiated, with our very distinguished Minister of Agriculture, a tripartite scheme in hogs. If the Minister of Agriculture for Manitoba wants to talk about tripartite agreements with regard to hogs, I do not understand why he does not want to talk to the federal Government about tripartite agreements on sugar-beets.

We think the offer is reasonable. Everyone is accepting it except the Province of Manitoba. I urge the Hon. Member to do something with his cohorts in Manitoba in order that we can get away from this unfortunate position.

Some Hon. Members: Hear, hear!

Mr. Blaikie: Mr. Speaker, the Minister did not answer the question. He knows that the Manitoba Government has made some concessions. It has offered to continue contributing what it began to contribute in 1985.

DEFICIT SHARING—GOVERNMENT POSITION

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, I want the Minister to address the question of deficit sharing which is clearly the most unreasonable demand the Minister is making of the Manitoba Government. Why is he insisting on that and, in so doing, putting at risk the sugar-beet industry in Manitoba?

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, no one except the NDP Government in Manitoba thinks it is an unreasonable offer. The Province of Alberta would have signed this agreement over a year ago and will sign it tomorrow. As I said, no one except the NDP in Manitoba thinks it is unreasonable. It is very, very unfortunate that the NDP in Manitoba chooses this issue simply to attack the federal Government.

I concur with the comment in the Winnipeg *Free Press* that it is unfortunate that the NDP in Manitoba is using this as "an excellent opportunity to do some Ottawa bashing while saving a relatively small amount of money" at the expense of a very important industry to Manitoba producers. That is a very serious situation and we are trying to do what we can to break the log jam, as I said yesterday.

Mr. Murphy: You make a promise and you don't keep it. Your word is not worth a damn thing in Manitoba. Not worth a thing.

Some Hon. Members: Oh, oh!

Mr. Hnatyshyn: Ed, make a phone call. Make him shape up.

Mr. Garneau: There is no discipline there.

An Hon. Member: Show respect.

* * *

EXTERNAL AFFAIRS

DEATH OF CANADIAN REPORTER IN LIBYA

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, my question is directed to the Secretary of State for External Affairs and is with regard to the tragic death of Southam reporter Christoph Lehmann-Halens in Libya yesterday under most peculiar circumstances. JANA, the official news agency for Libya, made the outrageous statement that Mr. Lehmann-Halens "committed suicide under the effects of what he saw of the damage caused by the American aggression".

We know the Government sent an envoy to Tripoli yesterday. Can the Minister tell the House what really happened? Can he inform us what has been determined by his Department as to the real cause of death of Mr. Lehmann-Halens?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I am sure that all Members of the House share my regret and that of the Hon. Member for Ottawa—Vanier at the death of Mr. Lehmann-Halens in Tripoli. The member is correct that I have dispatched a consular official from Rome who is now in Tripoli and is carrying out investigations and conversations with authorities of that country and with other diplomatic authorities. I do not yet have a report from that consular official but, knowing the Hon. Member's interest, I will make that information available to him as soon as I have it.

REQUEST THAT SECOND INDEPENDENT AUTOPSY BE CONDUCTED

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, we share the Minister's sympathy for the family. Will he advise the family that they can indeed assist the inquiry by requesting that a second autopsy be done by a third party independent of Libya to establish the real cause of death?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I will certainly consider doing that. I will report to the Hon. Member any responses which may result.

* * *

AGRICULTURE

TIMING OF ANNOUNCEMENT OF INITIAL GRAIN PRICES

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, my question is also for the Minister responsible for the Wheat Board. He is aware that there is a considerable amount of confusion among western grain producers because no announcement has been made with regard to initial grain prices. We understand that the Minister has made a recommendation to the Cabinet. Can he tell us whether he or the Government intends to announce the initial prices today or this week?

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, I thank the Hon. Member for his question. We are well along in the decision-making process and will probably be in a position to announce initial payments next week.

WESTERN GRAIN STABILIZATION ACT—INTERIM PAYMENT INQUIRY

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, the Minister was a Member of the House when it passed legislation which allowed interim payments under the Western Grain Stabilization Plan. Could he tell us when the farmers may expect an interim payment under this plan and how soon such payments will be made?

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, we are also well along in the decision-making process with regard to what level the initial payments under the Western Grain Stabilization Act will be made. We hope to be in a position at about the same time to announce the size of the interim payment. We also hope that the cheques will be in the mail and the producers will have them prior to May 1.

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INDUSTRY

SYDNEY STEEL CORPORATION—MODERNIZATION PROJECT

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, in the absence of the Minister of Regional Industrial Expansion I will direct my question to the political Minister responsible for Nova Scotia who is intimately aware of the Sysco modernization.

• (1450)

The people of eastern Nova Scotia have been waiting since July of 1984 for the Government to honour its commitment with regard to the modernization program.

On Monday, the Minister of Regional Industrial Expansion added two new conditions with which the Government of Nova Scotia must comply before the feds would participate; a new universal mill and the cost to cover the cost of restructuring the debt. In response to this, the Premier of Nova Scotia said: "The universal mill and debt were not part of the modernization agreement—never made a commitment to Ottawa on either item".

The Minister is responsible and ought to be intimately aware of all the deals and items on modernization. Would he tell us who is telling the truth, the Minister or the Premier of Nova Scotia?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, the Hon. Member knows, I am sure, that the federal Government is still committed to assisting Sysco in terms of improving its production and efficiency as well as to reduce its annual operating costs. Those discussions are taking place with the Government of Nova Scotia. The manner in which this assistance will be provided, and the most appropriate form, are part of the debate which is going on. However, the commitment is clearly there and I am sure that it will be resolved satisfactorily.

REQUEST THAT MINISTER MEET PREMIER OF NOVA SCOTIA

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, in response to that answer my supplementary question is directed to the Deputy Prime Minister. I wish to quote the Premier of the Province of Nova Scotia in regard to the statement of his own Minister: "Getting tired of Ottawa and some of their foolish statements".

Some Hon. Members: Oh, oh!

Mr. Dingwall: Members opposite may laugh but the people of eastern Nova Scotia are not laughing. They want to see—

Some Hon. Members: Hear, hear!

Mr. Dingwall: I ask the Deputy Prime Minister on behalf of labour, the business community and all those citizens of eastern Nova Scotia, will he dispatch the political Minister from Nova Scotia to Nova Scotia to meet with the Premier and resolve this issue this weekend?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, the Minister of National Revenue has taken an active interest in this issue and has been intimately involved. I simply want to advise the Hon. Member that the business plan which is comprised of several points is being considered. I can assure the Hon. Member that the assistance which is committed will be provided in the best form possible so that this particular steel mill can be efficient, productive, and provide long-term jobs.

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UNEMPLOYMENT INSURANCE

PARLIAMENTARY COMMITTEE RECOMMENDATIONS

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. The standing committee studying the Forget Commission report tabled a report in this House on March 18. The report made 90 recommendations, 89 of them unanimously. The Minister promised that the report of the Standing Committee will be given adequate consideration when he replies to the Forget Commission Report on May 15.

I have been reliably informed that the Minister appeared before the Cabinet Committee on Social Development and proposed a slashing of $600 million to $1 billion from the unemployment insurance program as well as recommending only four of the 89 recommendations of the standing committee. How does the Minister justify recommending to Cabinet

the slashing of $600 million to $1 billion from the unemployment insurance program at a time when this country is experiencing 1.5 million people unemployed?

[*Translation*]

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, all I can say is that the Hon. Member for Nickel Belt has lots of imagination and that he is misinformed.

[*English*]

AMOUNT OF BENEFITS—REQUEST FOR MINISTERIAL COMMITMENT

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, if the Minister thinks it is my imagination, perhaps he can give us all an assurance. In light of the fact that the present unemployment insurance program in the present fiscal year is scheduled to generate a surplus of $1.7 billion, will the Minister stand in this House now and make a commitment that in fact, whatever he announces on May 15, will not be a cut-back in payments to unemployment insurance recipients?

[*Translation*]

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, I will certainly not make any commitments, especially not on the basis of calculations by the New Democrats. I don't think that is the way to have a healthy economy in this country, especially where the Unemployment Insurance Fund is concerned.

* * *

STATISTICS CANADA

1986 CENSUS—POSSIBILITY OF MISTAKE CONCERNING QUEBEC—EQUALIZATION PAYMENTS—GOVERNMENT POSITION

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, my question is directed to the Minister responsible for Statistics Canada.

The Minister is aware of the fact that the Government of Quebec, through the Minister of Finance, has said that the 1986 Census is wrong and that its estimate of the population of Quebec is short by 86,000 people, which means that Quebec is being deprived of $30 million in equalization payments.

I would like to ask the Minister responsible for Statistics Canada—if her colleague would stop shouting so she can understand my question—what specific measures she intends to take to ensure that the 1986 Census data are accurate and that none of the provinces will be penalized as a result of the StatsCan data?

Hon. Monique Vézina (Minister of Supply and Services): Mr. Speaker, the quality of the work done by Statistics Canada, which is a federal agency, is well known both nationally and internationally.

We have here a technical and statistical matter and I certainly do not want to turn this into an occasion for political rhetoric.

[*English*]

Mr. Boudria: Mr. Speaker, it is not Statistics Canada which is on trial, it is the way this Government has been running it.

DATA COMPILATION

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, given the fact that when the census people were appointed last year some people failed the tests with results of only 8 per cent or 9 per cent but were appointed anyway because they were relatives of Tory riding association presidents—

Some Hon. Members: Oh, oh!

Mr. Boudria: —and given the fact that the Government had initially cancelled the census and reinstated it only at the last minute, can the Minister tell us what the Government is going to do to repair the damage caused by the previous Minister, who is now the Minister of Public Works, when he allowed that kind of political patronage to damage Statistics Canada the way he did?

[*Translation*]

Hon. Monique Vézina (Minister of Supply and Services): Mr. Speaker, it is an insult to the students of Canada to assume the census was not properly taken because most of the work was done by students.

Yesterday, on the occasion of—

Mr. Boudria: That was not what I said.

Mrs. Vézina: —I assume the Hon. Member wants an answer . . . Yesterday I heard an evaluation of our census. It was very well done, and I have every confidence in the quality of the data collected by StatsCan.

* * *

[*English*]

APARTHEID

SOUTH AFRICA—PROPOSED SALE OF PREFABRICATED HOUSES

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, my question is addressed to the Secretary of State for External Affairs. What is the Government's reaction to the proposed sale of 20,000 prefabricated houses at a cost of $200 million to South Africa for the use of the South African Government, this sale being entered into by Canadian businessmen?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, that sale is permissible under the existing law of Canada.

REQUEST THAT FULL ECONOMIC SANCTIONS BE IMPOSED ON SOUTH AFRICA

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, given the promise of the Prime Minister a little over a year ago that, if there was no progress in the dismantling of apartheid, the Government would impose complete economic sanctions on the South African Government, does the Secretary of State for External Affairs not think it is about time to take that list of sanctions out of his pocket and impose complete economic sanctions right now, instead of allowing Canadian businessmen to profit by building houses so that people will be moved out of their homes at the behest of the South African Government?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, this particular question has been previously discussed between the Hon. Member and myself and others in the House, both in committee and in the House. The Hon. Member knows my view that it would be better for us to wait until the election, South African style, is concluded in South Africa. I think there are a variety of reasons for countries like ours not acting before that election.

I share what I am sure is the profound regret of the Hon. Member and the House that the Government of South Africa continues to take steps which become more ridiculous every day, leading to a situation now where it is illegal to carry a flower and illegal to sign a petition.

* * *

[*Translation*]

STATISTICS CANADA

CENSUS DATA CONCERNING QUEBEC—POSSIBILITY OF ACCELERATING REVIEW PROCESS—GOVERNMENT POSITION

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, I wish to direct my question to the Minister of Supply and Services, and it has to do with the Quebec census which allegedly underestimated the number of people. I am surprised that the Minister should be so categorical concerning the quality of the census, bearing in mind that the Chief Statistician himself states that he cannot now express an opinion on the quality of the census and would rather wait for the fall data review, and considering that his assistant, Mr. Petrie, says the number of Quebecers may indeed have been underestimated.

My question to the Minister is this: Would it not be possible to accelerate the review process with a view to ascertaining the real Quebec population figures at an earlier date so that this province, hers and mine, would not be penalized under the Established Programs Financing? Could the review not be made earlier?

Hon. Monique Vézina (Minister of Supply and Services): Mr. Speaker, a moment ago I could have alluded to the low percentage of mistakes that can be made in gathering such important data as those of the census. But I thought it was self-evident, that the Opposition would understand, that there is always room for slight differences in a census. That is the question. Data quality is good. The evaluations made by Quebec are different, while ours are final figures based on the official and national census which was carried out.

INQUIRY WHY GOVERNMENT DOES NOT COMMIT ITSELF TO ACCELERATED REVIEW OF DATA CONCERNING QUEBEC

Mr. Jacques Guilbault (Saint-Jacques): A supplementary, Mr. Speaker.

Mr. Speaker, you would think the Minister herself took the census. Her Chief Statistician says he is not sure about the quality of the data. Deputy Chief Statistician Petrie says the number of Quebecers may have been underestimated. I fail to see why the Minister cannot commit herself now to accelerate the data review process so that Quebec, her own province, will be treated fairly with respect to transfers under the Established Programs Financing. We are talking about a $30 million revenue loss, not peanuts by any means!

Hon. Monique Vézina (Minister of Supply and Services): Mr. Speaker, he understands very well and he knows that the differences in earlier census were practically the same or, I am told, even much more significant in the last census taken in the 80s.

• (1500)

[*English*]

Mr. Speaker: I wish to advise Hon. Members that there will be a single question from the Hon. Member for Cowichan—Malahat—The Islands, and then single questions from two government Members, the Hon. Member for Calgary South and the Hon. Member for Mackenzie.

* * *

FISHERIES

FISHERMEN'S USE OF WHARF AT HORSESHOE BAY, B.C.

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, my question is for the Minister of Fisheries and Oceans. Will the Minister tell the House what he is prepared to do in conjunction with his colleague, the Minister of Transport, to ensure that there will be continued access by fishermen and other users of the Department of Transport wharf at Horseshoe Bay which has been used by fishermen for over 40 years? As of today fishermen are being told that they have to vacate it by Dan Sewell whom the Minister has just appointed to his regional advisory committee. What will the Minister do to ensure continued access to this public facility?

Hon. Thomas Siddon (Minister of Fisheries and Oceans): Mr. Speaker, this problem results from a complex deal

involving a water lot owned in the name of the Municipality of West Vancouver which Mr. Sewell has leased from a previous marine operator. I can assure the Hon. Member that Transport Canada and the new owner, Mr. Sewell, are making every effort to ensure that these fishermen continue to have adequate moorage in that location.

* * *

FINANCIAL INSTITUTIONS

INDUSTRIAL MORTGAGES IN ALBERTA—ALLEGED DIRECTIVE FROM INSURANCE COMPANIES

Mrs. Barbara Sparrow (Calgary South): Mr. Speaker, my question is for the Minister of State for Finance. Is the Minister aware that certain large Canadian insurance companies which have mortgage departments have informed their branches recently that so far as industrial mortgages are concerned no new money is to be lent in Alberta due to the province's economic difficulties? If the Minister knows about the situation, is there any action that he can take to ensure that industrial growth in Alberta is not curtailed as a result of this directive?

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, I am very glad that the Hon. Member has asked that question. It gives me an opportunity to tell her that I have been able to make some preliminary inquiries. I have not yet found any instances of any blanket lending freezes in Alberta, or anywhere else, although I have found some instances in which institutions will be reviewing their lending practices in light of certain regional economic problems.

I wish to take this occasion to tell the Hon. Member that the Minister of Regional Industrial Expansion and the Federal Business Development Bank are studying this matter. The Federal Business Development Bank hopes to be very active in this regard. Both the bank and the Minister are looking at this situation very carefully.

* * *

BANKS AND BANKING

CHARTERED BANKS' USE OF VARIABLE INTEREST RATES

Mr. Jack Scowen (Mackenzie): Mr. Speaker, my question is directed to the Minister of State for Finance. What is the Government advising individuals and companies to do who feel that Canadian chartered banks have overcharged them interest and, in some cases, most substantially? As the Minister is aware there has been at least one court case in which the court has agreed with the bank customer.

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, last week I answered questions similar to the one asked by the Hon. Member. To repeat the answer, the courts have proven to be the best place to deal with these situations. In come cases variable rates have been upheld and in others fixed rates have been upheld. The question of a constituent having to put down a deposit with the bank in order to have an inquiry made is something that concerns me. The issue is whether these charges are reasonable and reflect the actual costs of doing this type of research.

I want to say to the Hon. Member that if he has a constituent who feels that he has been wrongfully dealt with in this way, will he please get in touch with me. Perhaps after that it might be useful for me to get in touch with the institution concerned.

* * *

EASTER RECESS

MR. SPEAKER'S INVITATION TO RECEPTION

Mr. Speaker: I would like to advise Hon. Members that in view of the fact that Parliament is breaking for the Easter recess there will be the usual reception in Room 16. I hope that Hon. Members who wish to meet together might be there from 5.30 p.m. on.

I now have a ruling to deliver, one which has been long awaited by the Hon. Member for Ottawa—Vanier.

* * *

[*Translation*]

PRIVILEGE

THE RIGHT OF MEMBERS TO HAVE QUESTIONS BEFORE THE HOUSE PUT TO A VOTE—MR. SPEAKER'S RULING

Mr. Speaker: On December 4, 1986, the Hon. Member for Ottawa—Vanier (Mr. Gauthier) raised a point of order concerning the right of members to ask for a recorded division, notwithstanding Standing Order 9(1). The Hon. Member also asked for clarification of the Chair's decision to declare a motion lapsed at the usual time of adjournment. On April 9 last Thursday, the Hon. Member raised another point of order when the Chair declared another motion lapsed at the time of interruption for lunch.

In the course of his comments, the Hon. Member for Ottawa—Vanier quoted Section 49 of the British North America Act which to him means that when a question is before the House, it shall be decided by a recorded division. The Hon. Member for Ottawa—Vanier also referred to Beauchesne's, Citation 217, which describes the practice of having the Party whips march up the aisle and bow to the Speaker to indicate their members are ready to vote.

[*English*]

The Hon. Member for Ontario (Mr. Fennell) argued in support of the Hon. Member for Ottawa—Vanier stating that he felt on December 4 the Deputy Speaker's decision was premature and that the division ought to have taken place.

I should first like to deal with the question of the time. I have reviewed the record and have come to the conclusion that the Chair intervened at the proper time. Second, the lapsing of motions is not new to this House and, in fact, pre-dates the 1982 bell ringing incident referred to by the Hon. Member for Ottawa—Vanier.

On July 23, 1969, Speaker Lamoureux refused to put a motion to the House after having put an amendment to it because by the lapse of time the main motion had become a nullity. Speaker Lamoureux felt that to put and divide on a motion that would in fact be inoperable was a waste of the time of the House. I refer Hon. Members to page 11513 of the debates of that day.

• (1510)

More recently, to quote only one of many precedents, Madam Speaker Sauvé, on May 17, 1983, as reported at page 25530 of *Hansard*, ruled as follows on a motion to adjourn the House when the ordinary time of adjournment had been reached:

> As the House had not seen fit to vote on this motion by 6 p.m., I have decided that Standing Order 8(1) must come into force.

Standing Order 8(1) was the Standing Order then dealing with the ordinary time of adjournment.

[*Translation*]

On December 3 last year, the motion before the House was: That the House do now proceed to Introduction of Bills. At 6 p.m., the usual time of adjournment, it would have been impossible for the House to proceed to Introduction of Bills, even if it had agreed to do so.

[*English*]

On April 9, 1987, the motion before the House at one o'clock was similar in that, if adopted, the House would have proceeded to Introduction of Bills. However, on Thursday it is not possible to proceed to Introduction of Bills after one o'clock because of Standing Order 19(4).

Previous Speakers have ruled consistently that motions such as to adjourn the House, to adjourn the debate, to proceed to the Orders of the Day, that an Hon. Member be now heard, are all inoperable beyond the ordinary hour of adjournment which is set by Standing Order 9(1). Such demanded divisions when the bells are ringing at six o'clock are therefore quite unnecessary and the application of Standing Order 9(1) supersedes their taking place.

The motion moved on April 9, 1987, was equally inoperable at the hour of interruption for lunch.

[*Translation*]

The Chair does not believe this practice infringes on our constitutional rights. The relevant sections of the Standing Orders prevail and render such motions null and void. A recorded division is, therefore, entirely useless.

[*English*]

Prior to the new rules, my predecessors have taken, from time to time, the initiative to suspend the sitting of the House when the bells were ringing beyond the ordinary time of adjournment on a substantive motion. This was done only after consultation with the Whips.

This approach was subsequently confirmed in a Standing Order which now allows either the Opposition or Government Whip to ask the Chair for a deferral. This can only be done on motions of substance.

[*Translation*]

I want to thank the Hon. Members for Ottawa—Vanier (Mr. Gauthier) and Ontario (Mr. Fennell) for raising the matter and for giving me this opportunity to comment on the subject. I therefore declare that the rulings made at 6 p.m. on December 3, 1986, and at 1 p.m. on April 9, 1987, conform to the letter and the intent of the Standing Orders and also to rulings made by my predecessors. I also want to thank the Hon. Member for Ottawa—Vanier for his comments.

[*English*]

The Hon. Member for Ottawa—Vanier wishes to rise on a question of privilege. I think I should advise Hon. Members that the Hon. Member came to the Chair during Question Period and advised that he wished to raise this.

His difficulty, of course, was that the proceedings about which he wishes to raise the question of privilege did not conclude until approximately one-thirty this afternoon, if my facts are right. The Hon. Member will indicate if I am wrong.

However, the rule is that notice in writing must be received and I do not want to be in the position of having the Hon. Member's question of privilege interrupted on that account. Therefore, I would ask that the Hon. Member perhaps give me written notice and this will be raised immediately upon the House resuming.

I understand, having had discussion with the Hon. Member, that this is not something of vital import that would have to be settled before that day. In other words, the committee and the proceedings will not be functioning during the break.

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, since we will not be sitting on Thursday this week, has the Government House Leader informed the Parliamentary Secretary to the President of the Privy Council (Mr. Lewis) what we will be doing when we return on Monday, April 27, 1987? Will he give us the menu and state exactly what it is that we will be asked to proceed with?

Mr. Doug Lewis (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I can give a Wednesday answer to the Thursday question. When the House returns on Monday, April 27, through Friday, May 1, we will call Bills C-22, C-37, C-42 and the motion respecting capital punishment. The exact order of these items will be announced at a later date.

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

GOVERNMENT RESPONSE

Mr. Doug Lewis (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, pursuant to Standing Order 106(8), I have the honour to table, in both official languages, the Government's response to petitions, Nos. 332-1280 to 332-1298 inclusive, 332-1339 to 332-1342 inclusive, 332-1418 to 332-1420 inclusive, 332-1454, 332-1456, 332-1511, 332-1515, 332-1525 to 332-1528 inclusive, 332-1533, 332-1536, 332-1537, 332-1546 to 332-1553 inclusive, 332-1562, 332-1571, 332-1652 and 332-1753.

I also move:

That the House now proceed to motions.

Mr. Speaker: Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

Mr. Speaker: All those in favour of the motion please say yea.

Some Hon. Members: Yea.

Mr. Speaker: All those opposed please say nay.

Some Hon. Members: Nay.

Mr. Speaker: In my opinion, the yeas have it.

And more than five Members having risen:

Mr. Speaker: Call in the members.

Tabling of Documents

The House divided on the motion (Mr. Lewis) which was agreed to on the following division:

● (1520)

(Division No. 91)

YEAS

Members

Andre
Belsher
Bernier
Bertrand
Blais
Blenkarn
Blouin
Brisco
Browes
Caldwell
Clark
(Brandon—Souris)
Clifford
Cochrane
Collins
Comeau
Cook
Cooper
Corbett
Cossitt
Côté
(Lac-Saint-Jean)
Crofton
Crosby
(Halifax West)
Darling
Daubney
de Cotret
Della Noce
Desjardins
Duguay
Duplessis
Edwards
Fennell
Ferland
Fontaine
Fretz
Gass
Gervais
Gottselig
Gray
(Bonaventure—Îles-de-la-Madeleine)
Greenaway
Grisé
Guilbault
(Drummond)
Hamilton
Hawkes
Hicks
Holtmann
Jacques
James
Jardine
Jourdenais
Kempling
King
Lawrence
Layton
Leblanc
Lesick
Lewis
Malone
Mantha
Marin
Mazankowski
McCain
McDermid
McKenzie
McKinnon
Moore
Nickerson
Nowlan
O'Neil
Oostrom
Pennock
Peterson
Porter
Ravis
Redway
Reid
Reimer
St. Germain
Schellenberg
(Nanaimo—Alberni)
Schellenberger
(Wetaskiwin)
Scowen
Sparrow
Stevens
Taylor
Thacker
Tremblay
(Lotbinière)
Tupper
Turner
(Ottawa—Carleton)
Vankoughnet
Vincent
Wenman
White
Wilson
(Swift Current—Maple Creek)
Winegard
Witer—94

NAYS

Members

Althouse
Angus
Axworthy
Benjamin
Blaikie
Broadbent
Cassidy
de Corneille
de Jong
Dingwall
Garneau
Gauthier
Guilbault
(Saint-Jacques)
Heap
Hopkins
Hovdebo
Keeper
Killens
Langdon
Lapierre
MacLellan
Manly
Murphy
Nicholson
(Trinity)
Nunziata
Nystrom
Orlikow
Parry
Penner
Pépin
Prud'homme
Riis
Robinson
Rodriguez
Rossi
Skelly
Tobin
Turner
(Vancouver Quadra)
Waddell
Young —40

● (1550)

Mr. Speaker: I declare the motion carried.

Motion agreed to.

Time Allocation

Mr. Speaker: Motions. The Hon. Minister.

Some Hon. Members: Point of order!

* * *

PATENT ACT

ALLOCATION OF TIME TO CONSIDER REPORT AND THIRD READING STAGES OF BILL C-22

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, I move:

That in relation to Bill C-22, an Act to amend the Patent Act and to provide for certain matters in relation thereto—

Some Hon. Members: Point of order!

Mr. Gauthier: Point of order!

Mr. Andre:

—one further sitting day be allotted to the consideration of the report stage and two sitting days to the consideration of the third reading stage of the Bill; and

That fifteen minutes—

Mr. Gauthier: Point of order!

Mr. Andre:

—before the expiry of the time provided for government business on the day allotted to report stage consideration and on the second and final day of third reading stage consideration of the said Bill, any proceedings before the House shall be interrupted, if required, for the purpose of this Order and, in turn, every question necessary in order to dispose—

Some Hon. Members: Shame!

Mr. Andre:

—of the stage of the Bill then under consideration shall be put forthwith and successively, without further debate or amendment.

Some Hon. Members: Hear, hear!

Some Hon. Members: Shame!

Mr. Gauthier: Point of order!

Mr. Speaker: I find that the Hon. Minister had the floor.

Mr. Gauthier: I don't see you standing, Mr. Speaker!

Mr. Speaker: Mr. Andre, seconded by Mr. Mazankowski, moves that in relation to Bill C-22, an Act to amend the Patent Act and to provide for certain matters—

Mr. Gauthier: Point of order!

Mr. Speaker: —in relation thereto, one further sitting day be allotted to the consideration of the report stage and two sitting days to the consideration of the third reading stage of the Bill;—

Mr. Gauthier: Is that fair play in the House of Commons?

Mr. Speaker: —and that 15 minutes—

Mr. Gauthier: Is that common sense and fair play, Mr. Speaker?

Mr. Speaker: —before the expiry of the time provided for Government business—

Mr. Guilbault (Saint-Jacques): There is a point of order here.

Mr. Gauthier: Point of order!

Mr. Speaker: —on the day allotted to report stage consideration and on the second and final day of third reading stage consideration of the said Bill, any proceedings before the House shall be interrupted, if required, for the purpose of this Order and, in turn, every question necessary in order to dispose of the stage of the Bill then under consideration shall be put forthwith and successively, without further debate or amendment.

Some Hon. Members: Shame!

Mr. Gauthier: Point of order.

Mr. Speaker: The Hon. Minister of Consumer and Corporate Affairs (Mr. Andre).

Some Hon. Members: Oh, oh!

Mr. Andre: Thank you, Mr. Speaker.

Mr. Penner: Order!

Mr. Andre: Mr. Speaker, it is a pleasure for me to finally have this opportunity—

Some Hon. Members: Order!

Mr. Speaker: The Hon. Member for Ottawa—Vanier (Mr. Gauthier) on a point of order.

Mr. Gauthier: Mr. Speaker, I have never seen such behaviour on the part of a Speaker.

Some Hon. Members: Oh, oh!

Mr. Gauthier: Either your sight is wrong or your hearing is not there. I was trying to rise on a legitimate point of order after the vote. I immediately rose in my place and asked to be recognized. You did not see me. You preferred to see that Minister over there, which I think affects my privileges as a Member of this House.

Some Hon. Members: Hear, hear!

Mr. Gauthier: Why did you see that Minister over there and not see me? Under what rule did you see him rather than me?

Some Hon. Members: Shame!

Some Hon. Members: Out!

Mr. Gauthier: I am asking questions because my privileges have been infringed upon—

Some Hon. Members: Shame!

Mr. Gauthier: It is not shame. I want to know from that Speaker why he recognized that Minister when I was up on a point of order. Mr. Speaker, the Hon. Member for Comox—Powell River (Mr. Skelly) came in after the question was put by you, sat in his place and voted. That is not regular. Citation 223 of Beauchesne's Fifth Edition makes the point very clearly and I want to read it to you:

> A Member must be within the House and hear the question put in its entirety, in one of the official languages, or his vote cannot be recorded. It is not sufficient for him to hear it while he is in a gallery or behind the curtains.

• (1600)

I submit, Mr. Speaker, that the Member for Comox—Powell River was not in his seat, did not hear the question and that, therefore, his vote should be scratched. That should have been dealt with before you recognized the Minister over there who, I do not know why, got the floor. It was a fix as far as I am concerned.

Mr. Rossi: It's a fix.

Mr. Speaker: I will hear the Hon. Member for Ottawa—Vanier (Mr. Gauthier), of course. He may want to rise again. He makes a very fine contribution to this place and is more knowledgeable about rules than many other members. However, I should indicate that there is a plethora of precedent for recognizing the Hon. Minister. I refer specifically to May 16, 1984, when Mr. Speaker Francis was in the Chair. He said:

> In accordance with established practices, when the Chair is to make a choice between a representative of the administration and the Government and another Member of the House, it is clear from Bourinot and parliamentary practice that the precedence goes to the representative of the administration who seeks to be recognized. That is the practice of Parliament and I am a servant of Parliament.

Some Hon. Members: But not on a point of order.

Mr. Speaker: The Minister was recognized on Motions. I am indicating to all Members of the House that that is certainly not without precedent. There may be additional points of order raised and I am quite prepared to hear them. I will listen to the Hon. Parliamentary Secretary for a few minutes.

Mr. Lewis: Mr. Speaker, with specific reference to my colleague, the Member for Comox—Powell River (Mr. Skelly), I believe the Hon. Member was within the bar of the House when the vote was called. He was not in his seat, but as far as I am concerned—and I think I speak for my Party—the Hon. Member was certainly within the confines of the House when the vote was called and I think his vote should be counted.

Mr. Riis: Mr. Speaker, I realize that we are taking up valuable time on the closure motion which has been dragooned into the House of Commons, I think inappropriately.

I want to ask a question and seek clarification from the Speaker. When the result of the vote was announced I rose in my place on a very important question of privilege. It has always been my understanding that a question of privilege takes precedence. Will the Speaker indicate whether that is the case and under what conditions he chose to ignore my question of privilege?

Mr. Robinson: Mr. Speaker, I want to make a brief intervention as well.

Your Honour quite properly recognized the Minister under Motions. I do not think any Member of the House would disagree that that was in order. The difficulty is with respect to what followed. As I understand it, as the Minister rose and began to speak under Motions Members rose in the House with questions of privilege and points of order. Your Honour chose to allow the Minister to conclude reading the motion. That is one thing. However, I would submit that what happened at that point is totally unprecedented and really quite remarkable.

Instead of turning at that point to those members who had been seeking the floor on questions of privilege or points of order, your Honour chose to return to the Minister for debate. I respectfully suggest that when Members of this House are standing and attempting to seek the floor on questions of privilege and points of order, for your Honour to turn a blind eye to those members and instead recognize the Minister for debate at two minutes to four is not only unprecedented but completely out of order.

I have one further point to make, Mr. Speaker. The Parliamentary Secretary to the President of the Privy Council (Mr. Lewis) gave notice of a motion. He indicated that he wished to proceed to Motions. My understanding is that the motion which was read by the Minister of Consumer and Corporate Affairs (Mr. Andre) was in fact a Government Notice of Motion. It was not a Private Member's Motion but a Government Notice of Motion.

Your Honour will note that under Routine Proceedings there is provision for Government Notices of Motions and following that there is provision for Motions. The Parliamentary Secretary to the President of the Privy Council did not move that the House proceed to Government Notices of Motions. The Parliamentary Secretary moved: "That this House proceed to motions". In doing so he clearly bypassed all of the intervening proceedings including Government Notices of Motions.

Mr. Tobin: Point of order, Mr. Speaker.

Mr. Speaker: The Hon. Member for Burnaby (Mr. Robinson) has the floor and I am listening carefully to what he has to say and taking notes. While he is speaking I am consulting with the Table Officers. I heard somebody call for a point of

order. I hope it will not be necessary to interrupt the Hon. Member for Burnaby. The Hon. Member for Burnaby has the floor and I am listening.

Mr. Robinson: Just to conclude, Mr. Speaker, there are two fundamental points which I would ask the Chair to address. The first, with respect, is the totally unprecedented decision of the Speaker to ignore both points of order and questions of privilege which were pending before the House and to recognize the Minister for debate, knowing full well that other members were seeking the floor on questions of privilege and points of order. As I say, in my view that is both unprecedented and really quite unacceptable.

Mr. Speaker: It is my understanding that the period of debate for time allocation commences when the motion is presented.

Mr. Benjamin: We know that.

Mr. Speaker: This is the advice the Speaker has available. The period of debate commences when the motion is put, not when I recognize the Hon. Minister for debate. As a consequence, it is difficult for me to understand what difference it would have made even if I could have distinguished one shout from among the others. I think all Hon. Members are witness to the fact that there were a great number of members rising and expressing their points of view. In any event, it seems to me that it makes no difference because I am now entertaining any point which any member wants to make. As I said, I will courteously hear them.

Mr. Robinson: Mr. Speaker, just to conclude, the point is surely not whether or not the two hours for debate on closure began to run at a particular time. The point is that there were members on their feet attempting to be recognized throughout the time that the Minister was reading the motion. Your Honour chose to ignore those members at that point.

Even more seriously, your Honour chose to continue ignoring those members and then to return to the Minister for debate. That is the point, not when the two hours start to run. With respect, I think the Speaker should explain to the House why those members who were on their feet with questions of privilege and points of order were completely ignored, and preference given to the Minister commencing his debate.

The second point—

Mr. Speaker: Allow me to answer that.

Mr. Benjamin: Let him finish.

Mr. McDermid: He's repeating himself. He said it all before.

Mr. Speaker: It seems to me that immediately after recognizing the Minister for debate I interrupted him to hear these points of order.

• (1610)

Mr. Robinson: Mr. Speaker, without belabouring the point, the question is why the Speaker recognized the Minister in debate at all while those other points were pending.

My second point is the one I want to conclude with, that is the point I made with respect to the propriety of accepting this motion at all. As I said, there can be no doubt that the motion of which the Minister gave notice is in fact a Government Notice of Motion. It is not a Private Member's Motion. It is a Government Notice of Motion. Under Routine Proceedings we have obviously skipped over Government Notices of Motions.

Yesterday the President of the Privy Council and Deputy Prime Minister (Mr. Mazankowski) moved that we proceed to Government Notices of Motions. Had that been done today, and had the vote been positive, obviously, we would have done so. However, I would submit we have passed not only Petitions and Introduction of Bills but we have also passed Government Notices of Motions. Therefore, the motion which was introduced by the Hon. Minister was improperly accepted, with respect, by the Chair. We should have proceeded to Motions not to Government Notices of Motions as per the motion of the Parliamentary Secretary.

Mr. Nystrom: Mr. Speaker, I have been in this House for some eighteen and a half years. I have now seen six different Speakers. I want to suggest to you, Mr. Speaker, with respect, that what we saw this afternoon was something which was without precedent. In the 18 years I have been here, after every vote was taken, because of practice, convention, or precedent, Hon. Members were allowed to rise on points of order or questions of privilege to point out possible irregularities in the voting. There was that possibility today with two Liberal Members who walked around during the vote and the Hon. Member for Comox—Powell River (Mr. Skelly) who came in during the voting procedure.

In my 18 years in this House, there has been a practice, precedent and perhaps a convention that that be done. Today two Members of this House rose on a point of order or question of privilege to make those very points and the Chair did not recognize them. As far as I am concerned, Mr. Speaker, and I say this with great deference and respect, I think your action was unprecedented and unacceptable for the House of Commons.

Mr. Guilbault (Saint-Jacques): Mr. Speaker, I would like to begin by saying that I also have been sitting in this House for close to 19 years. I have never once seen a person rise either on a point of order or a question of privilege, not having precedence over any Member of this House who seeks permission to speak on debate or on Motions. I have never seen that happen with an Hon. Member, let alone a Minister.

I do not know how this came about. However, I would like to refer to yesterdays *Hansard* at page 5120. At the bottom of the page Your Honour is describing the function of the Speaker as follows:

> One of the functions of the Speaker is to ensure that the House is able to transact its business. This does not mean that the Chair plays any part in assisting the Government in the management of its business agenda.

I do not know if I have the attention of the Chair but I will continue. The Speaker then said:

> I want to repeat that; this does not mean that the Chair plays any part in assisting the Government in the management of its business agenda.

An Hon. Member: He just did.

Mr. Guilbault (Saint-Jacques): A Member has said that the Speaker just did. One thing which makes this suspicious is that Your Honour had a ready made ruling by a previous Speaker sort of handy, which comes as a surprise because this has never happened. Now, after we have had a pledge from the Speaker, the pledge I just read—and I do not know if I have Your Honour's attention but I would like to read it again— you said, Mr. Speaker, that the role of the Speaker is to ensure that the House is able to transact its business, and I quote:

> This does not mean that the Chair plays any part in assisting the Government in the management of its business agenda.

I am not sure whether this is what you were trying to do, Mr. Speaker, but all I am saying is that you are treading on thin ice. As a Speaker whom we respected from the time you took that office this is probably the first occasion that the Official Opposition may have to disagree with one move you have made.

I would like the Chair to reflect on this. Meanwhile, my colleagues and I will not be attending the reception Your Honour is giving at the end of this day in protest.

Mr. Mazankowski: Mr. Speaker, what we have heard from Hon. Members opposite is indeed quite unfortunate. I have heard, if not direct, at least indirect challenges to the Speaker's ruling. The Hon. Member who just spoke said that in his 19 years he can never recall such an action. Those Members have short memories, Mr. Speaker, because I recall very clearly when we were debating the Western Grain Transportation Act, more familiarly known as the Crow debate, we were engaged in this same kind of exercise. I got into a bit of a dispute with the Speaker at that time because I tried to be recognized on a point of order.

Mr. Nystrom: Have fun, Don.

Mr. Young: You can have the whole thing, Don. Debate it yourself.

Mr. Mazankowski: The then Minister, the Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy)—

Mr. Keeper: Call an election.

Mr. Mazankowski: —was seen by the Speaker, moved the motion and spoke.

Some Hon. Members: Oh, oh!

Mr. Mazankowski: I take exception, particularly, Mr. Speaker, to the comments from members opposite to the effect that the fix was in. If there was clearly any fix in, it was the deliberate actions of members opposite who were moving around during the course of the vote being taken deliberately attempting to interfere with the orderly process of the vote so that they could stand after and raise a question of privilege. In fact, two Liberal Members moved around quite freely and it was quite obvious it was deliberate because they are well-seasoned members, having been around here for a long period of time.

The Hon. Member for Comox—Powell River (Mr. Skelly) came in later, very deliberately. That was going to create an occasion where a point of order could be raised, to engage in more frivolous, dilatory tactics, which is really interfering with the orderly process of this House.

Some Hon. Members: Hear, hear!

Mr. Mazankowski: It is quite clear, Mr. Speaker, that members opposite cannot have it both ways. What is sauce for the goose is sauce for the gander. What we have seen today is a clear and deliberate attempt on the part of the Opposition to frustrate the orderly progress of this House.

Some Hon. Members: Oh, oh!

Mr. Speaker: Order, please. It might make it easier for the Chair, under not particularly easy circumstances, if all Hon. Members kept their remarks to themselves unless they want to stand and be recognized and put a motion through the Chair.

First, I have listened to admonishments from certain Members in the Chamber in the last few minutes directed toward the Chair. Those members are respected members of this place and members for whom I have a very high regard. I would, of course, consider those admonishments and hope that in due course, perhaps, the fervour of them might be somewhat muted. However, it is not unusual, at times when there are matters of considerable division in this place, that feelings run very high. As a consequence, it is always a possibility that the Chair can be in the centre of that cross-fire. I do not feel that I am that much different from any other Speaker, knowing that it can happen to me as it can happen to others. I hope that most of the time it will not happen.

• (1620)

It seems to me that what has irritated some Hon. Members and made them feel that the ordinary practices were not followed in this place is specifically the question of whether or not the Chair should have recognized the Minister. The Hon. Member for Burnaby (Mr. Robinson) indicated that it was not appropriate for the Minister to introduce this motion on "Motions", that it should have been introduced on "Government Notices of Motions". Time allocation motions have been moved under "Motions" since as long ago as 1971, as I am informed, so this is not something new.

Second, I would like to try to give some indication, especially to the public, that what we saw this afternoon has happened before in this Chamber. When I say "has happened before in this Chamber" I mean that a number of members have felt that they had points of order or questions of privilege to raise at a certain stage in the proceedings. I want to remind Hon. Members that on October 26, 1983, as reported at page 28349 of *Hansard*, the following is indicated:

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

The following is what is shown in *Hansard*, and those who work for *Hansard* may well have missed some of it:

MADAM SPEAKER: Motions.

AN HON. MEMBER: A point of order—

MR. MAZANKOWSKI: A point of order.

MADAM SPEAKER: The Minister of Transport.

MR. AXWORTHY: Madam Speaker, I move—

MR. MAZANKOWSKI: A point of order.

MR. NIELSEN: A point of order.

MR. EPP: A point of order.

MR. MCKNIGHT: A point of order.

MADAM SPEAKER: The Hon. Member for Vegreville.

HON. DON MAZANKOWSKI (VEGREVILLE): I move:

That the Hon. Member for Yukon be now heard, Madam Speaker.

MR. PINARD: —

Mr. Pinard was the House Leader of the Liberal Government at that time.

MR. PINARD: A point of order.

AN HON. MEMBER: There is a motion on the floor.

MR. PINARD: A point of order.

An Hon. Member: Where is this leading us?

Mr. Speaker: I am just trying to give some indication that while some members may not have been happy with the fact that the Chair recognized the Minister, it is not the first time that it has been done. Mr. Pinard said:

Madam Speaker, with due respect, you are aware that I may raise a point of order before the Chair puts the motion, which it has not yet done. The Minister of Transport (Mr. Axworthy) had already started to speak when the Member opposite was recognized on a point of order, and consequently, he is out of order and does not have the right to move his motion at this time.

MR. NIELSEN: The motion must be put, Madam Speaker.

Then, on the next day, on October 27, 1983, the Hon. Member for Vegreville (Mr. Mazankowski) rose and raised this entire matter. Madam Speaker dealt with it, and I will not go into all of what was said. I want to indicate to Hon. Members, and I will continue to hear debate on the point of order, that it just may be that what happened here in the House this afternoon is not as unprecedented as some Hon. Members have thought.

The Chair recognizes the Parliamentary Secretary to the Deputy Prime Minister (Mr. Lewis), and will then recognize the Hon. Member for Saint-Denis (Mr. Prud'homme).

Mr. Lewis: Mr. Speaker, I would like to say that my associate Parliamentary Secretary and I have worked long and hard with the Hon. Member for Vegreville (Mr. Mazankowski) and we are seeing definite signs of improvement.

I wish to touch on one or two matters, Mr. Speaker. First, with respect to the Hon. Member for Comox—Powell River (Mr. Skelly), he was, as I indicated earlier, definitely within the confines of the House. He was in the House when the vote was called by the Chair. I very clearly felt that he should have the right to cast his vote, whether or not he was technically in his seat, since he was making an effort to get to it, albeit a belaboured one.

With respect to recognition by the Chair, I think the precedent which Your Honour has cited is very exact in regard to what does happen in fact in this Chamber; that is to say, we all rise to make an effort to be recognized. I do not think there is any Member in the House now or any member who has served in the House prior who was recognized first every time he or she thought he or she should be recognized first. Those are the breaks of the game and it happens.

I respectfully suggest that the operative words, the words which in fact started the clock ticking on this motion, and which were placed as I understand it from the Table at 3.56 p.m., were the words: "I move". The Minister for Consumer and Corporate Affairs (Mr. Andre) used those words as quickly as he could.

Finally, I would like to deal with the comments of my colleague, the Hon. Member for Burnaby (Mr. Robinson), who takes issue with the exact position on the *Order Paper and Notices* where this motion was moved.

Mr. Speaker, in your ruling yesterday you specified that you could best serve the interests of the House by allowing the motion moved yesterday by the Hon. Parliamentary Secretary to the President of the Privy Council. That motion was to move to Motions. I point Your Honour to Standing Order 117 which states:

A Minister of the Crown who from his or her place in the House, at a previous sitting, has stated that an agreement could not be reached under the provisions of Standing Order 115 or 116 in respect of proceedings at the stage at which a public bill was then under consideration either in the House or in any committee, and has given notice of his or her intention so to do, may propose a motion—

It does not state "may propose a motion under Government Notices of Motions". It seems to me that the results of Your Honour's ruling are very definite. Once we got to Motions, and abiding by the tradition that a Minister of the Crown is normally recognized first, then it was entirely in order that my colleague, the Minister of Consumer and Corporate Affairs, be recognized first and, second, used the words "I move", and therefore set the clock ticking on this two hour debate.

In closing, I suggest that this two hours would be better spent by members of the Opposition arguing the merits of whether or not time allocation should apply. The real merits of a time allocation motion are, first, is the amount of time appropriate, that is, the amount of time left to complete the Bill; and, second, is it appropriate that the Government place

the motion at this point. I submit, Mr. Speaker, I could read into the record the figures with respect to the amount of time but, in fact, most of that is referred to in your ruling. I do not believe in repeating things that are already in *Hansard*. In Your Honour's ruling you referred to the amount of time that has been spent on this Bill to date. If I were a member of the Opposition disputing the question of whether or not there should be time allocation, then during this two hours in which I had a chance to debate I would be debating whether or not there should be time allocation rather than trying to split hairs.

I leave the floor with those remarks.

Mr. Prud'homme: Mr. Speaker, I am pleased that the Hon. Member for Simcoe North (Mr. Lewis) said that he will leave the floor. I find it extremely arrogant that the Hon. Member should tell members of the Official Opposition and members of the other Party—

Mr. Lewis: I suggest!

Mr. Prud'homme: —how we can use our time. We do not need to be told by the Deputy House Leader—

Mr. Lewis: Just trying to save you from yourself.

Mr. Prud'homme: —how we should use our time. It is as arrogant as the Minister saying: "It will be my way or else". We have had such an experience before. I am sorry to say to you, Mr. Speaker, that the events of today will poison for quite some time the relationship that we have with the Chair and with the Government.

I would now like to say to you, Mr. Speaker, that we have to get back to the series of events which took place. We all know that it was at 3.56 p.m. We all know that the motion means two hours of debate. However, we also know that as soon as a vote has taken place there has been a long practice in the House, which I have never seen broken, where a member could get up and say: "I did not vote for the following reason . . . ', "I was late, therefore strike my name", or "I have seen a member who had no right to vote therefore he should not have voted". That has always taken precedence as a point of order. More particularly, when a Member of the House such as the House Leader of the New Democratic Party rises on a question of privilege, I submit that surely that takes precedence over anything else, even my point of order.

• (1630)

We saw, in an extreme arrogant and *bouffon* way—and the television will prove what I am saying—the Minister of Consumer and Corporate Affairs (Mr. Andre) bent over and talking into the microphone. You will see that this is not the best day in the House of Commons. I suggest that members watch the television later and see how the Minister introduced his Bill in the most *bouffon* way I have seen in the House of Commons. Before members quarrel with me, I suggest they watch the television and ask if that is how they want to conduct the affairs of the House of Commons. We do not have lessons to learn—

[*Translation*]

Mr. Côté (Lac-Saint-Jean): You would be so puritan!

Mr. Prud'homme: The Hon. Member for Lac-Saint-Jean (Mr. Côté) says that—

[*English*]

Mr. Speaker: The Hon. Member for Saint-Denis (Mr. Prud'homme) has the floor and, as a senior member of this place who has a great deal of experience, is certainly entitled to be heard. The Hon. Member for Saint-Denis.

Mr. Prud'homme: Mr. Speaker, I want to put on the record that we have rules in the House and we just want and expect them to be followed.

It is not every day that we see the Member for Ottawa—Vanier (Mr. Gauthier) rise in such an outrage. I have never seen him like that. Some may say that it is a show, but there are shows and there are shows in political life. He was on his feet and the Minister insisted on keeping the floor in order to put the motion which should have been put at least after hearing the question or privilege of the House Leader of the New Democratic Party about the right of a Member to vote or not to vote.

We know that it was 3.56 p.m. and that the Government decided to get rid of this today before six o'clock no matter how it does so. I want to say that the Government may get rid of it, but people at home should know, because I checked with the Chair, that while I am debating I am taking up the two hours. These questions of privilege are taking away from the two hours for the time allocation debate. That is probably why the Hon. Parliamentary Secretary to the Government House Leader is asking why the time is not used better, but there is a more important matter than a two-hour debate. It is the rules of the House and how we conduct ourselves.

Without a shadow of a doubt, the Speaker must always remain out of the debate. It is for Members of the House to decide on how they want to dispose of matters.

Many abuses by the Official Opposition took place in the past when we were in government. Surely no one can say that we have done so since September 4, 1984.

I can say to the House Leader, my respected friend, that if the affairs of the House are to be run this way he, or whoever takes his place, will have a hell of a time from now on. That is not in the best interest of the Government in conducting its own affairs and it is not in the best interests of the Minister who imagines that he will ram this Bill through the House. That fight is far from over.

I submit that today's events should never have occurred. There are ways in which to conduct the affairs of the House and we know when there is abuse. We wanted to make our point and there was no abuse. I ask my respected friend, the

House Leader, what difference it would have made to have given another 15 minutes and completed the two hours of debate on the Bill on April 27 or later. Is it not possible to wait a few more days in light of the great passion in this debate?

Of course, the Government was elected and has the right to govern its own affairs. However, it must also understand the frustration of Members on this side of the House who have worked in the committee for months.

The spirit of the McGrath report was to give more power to the members and, at long last, give them an input into legislation. The Opposition put 43 amendments, and 43 amendments were rejected by the Government. I respectfully submit that if that is the spirit of the McGrath report, we might as well bury it today.

Our representative, the Hon. Member for Cape Breton—East Richmond (Mr. Dingwall), devoted all his time in committee in the belief that he could make the Bill better. I accept that many of the amendments are not acceptable to the Government, but surely a few of them could have been acceptable. Since they are not acceptable we are using the last resort.

If the Government wants to pass its Bill as is, if it does not want members to work in committee and propose amendments, and then rams it through when it returns here so there will be no chance to expose the amendments that were rejected in committee, I say to the House Leader that he will be in trouble because the Bill is far from finished. The spirit of today will be reflected in the months to come. I dare say to the Minister that if he thinks he will have his Bill sooner as a result of his actions today, he is wrong because it is far from finished. I very much regret the events that took place today.

Mr. Dingwall: Mr. Speaker, I am rising on the same question that my colleague, the Member for Ottawa—Vanier (Mr. Gauthier), raised earlier before you did what you did.

I guess that it is with a great deal of sadness that you refused to acknowledge my colleague and, indeed, the Member from the New Democratic Party on a question of privilege and proceeded as you did. I have had great respect and admiration for the Chair, but particularly for the individual who occupies the chair.

I suppose what is particularly difficult about your recent behaviour on this aspect is the fact that, just by coincidence, you were well prepared to cite precedents, as you say—

Mr. Turner (Ottawa—Carleton): Order.

Mr. Mazankowski: Order.

Mr. Dingwall: Perhaps the Deputy Prime Minister (Mr. Mazankowski)—

Mr. Speaker: I think I asked Hon. Members that, unless they stand and put questions to the Chair, they keep remarks to themselves. The Hon. Member is making a point. It might be more helpful if the Hon. Member confined his comments to exactly what it is that may or may not have been done correctly. The Speaker is not omnipotent and may well make a mistake. However, I know that the Hon. Member, no more than he would want to impugn the motives of any Hon. Member, would not want to impugn the motives of the Speaker. It should not be surprising that a Speaker who is trying to pay attention to the complexities of this place will often have authorities available. I would ask the Hon. Member to continue.

• (1640)

Mr. Dingwall: Mr. Speaker, I thought I was being heckled by the Deputy Prime Minister who does it quite regularly, despite his assertion.

Mr. Mazankowski: Yes, Mr. Speaker, I did, if you want to call it heckling. I do not think any Hon. Member has the right to impute motives to any other member, particularly the Speaker, and he should recognize that.

Mr. Dingwall: Mr. Speaker, I should like to respond—

Mr. Speaker: I will hear the Hon. Member, but the point which is being argued here is basically whether or not the Speaker was right or wrong in giving the floor, under the circumstances, to the Minister. That is the point.

I have suggested that that has been done in the past. I am listening to Hon. Members. Those of us who have been in this place a long time will recognize when people feel very strongly about something. The Hon. Member for Saint-Denis (Mr. Prud'homme) referred to this particular Bill evoking strong emotions. The Chair knows that and understands that.

However, surely at this stage we could call upon our collective experience and allow Hon. Members to make their statements. The only thing the Chair is asking is that comments be directed to the specific point. No Chair will make the right decision all the time; the Chair could well be in error, but I am listening to the points which are being made.

Mr. Dingwall: Mr. Speaker, in my view the Deputy Prime Minister continuously likes to take cheap shots. The only one in this Chamber today who has impugned the motives of other members is the Deputy Prime Minister who sits over there. It is not Members on this side of the House; it is the Deputy Prime Minister. What can you expect, Mr. Speaker, from a used car salesman?

Some Hon. Members: Oh, oh!

Mr. Dingwall: What can you expect, Mr. Speaker? The civility about which he likes to talk in the scrums is just not there.

Some Hon. Members: Shame.

Mr. Dingwall: With regard to what happened, the Hon. Member for Ottawa—Vanier stood and repeatedly called to the order of the Chair—

Mr. Nowlan: If you are going to get that personal, you will have to take it too.

Mr. Speaker: Perhaps Hon. Members would leave it to the Chair to decide what is—

Mr. Gauthier: Two years to go, Pat, the longest two years you guys will ever see.

Mr. Rossi: Go back to sleep.

An Hon. Member: Don't lose your hair over it.

Mr. Speaker: I ask all Hon. Members, unless they have the floor, to constrain themselves, please. The Hon. Member has the floor and the Chair is listening to the Hon. Member. I ask Hon. Members to co-operate in letting me listen.

Mr. Dingwall: As I was saying, the Hon. Member for Ottawa—Vanier rose and shouted to the Chair to be recognized. In addition, the House Leader of the New Democratic Party did likewise. For whatever reasons, the Chair chose not to look. Either the Table Officers did not inform him, intentionally or unintentionally, but Members rose on questions of privilege and points of order which they believed, and still believe, were important. For whatever reasons, the Chair chose to recognize the Minister of Consumer and Corporate Affairs (Mr. Andre).

You well know, Mr. Speaker, as a result of your ruling yesterday in this Chamber, that the Bill on which the closure motion has been put to the House evoked a great deal of emotion on all sides, so much so that numerous amendments have come forward, some at the legislative committee and most, if not all, at report stage of Bill C-22.

I find it to be particularly odd in view of all the circumstances—the rising of the Minister, your having quick access to information to support your decision, the refusal to recognize Hon. Members who stood in their places and begged for the attention of the Chair, and nothing happening from the Table to inform the Speaker as to who was trying to seek the floor. All these events are quite annoying, in view of what was said yesterday in the ruling in terms of the common sense, fairness, and civility you wished to have in the Chamber.

I am ashamed to have to rise and speak the way I am. This is an important piece of legislation. For Hon. Members opposite to construe as they have this particular course of action, I find to be despicable.

Mr. Nowlan: Mr. Speaker, I will be very brief, but I do not know how sweet. I am not very happy about what I have been exposed to this afternoon.

I did not intend to participate in this question of privilege. I understand the opinions on the Bill. Quite frankly, Hon. Members opposite may be very surprised at even how I may finally vote on the Bill.

I am absolutely bothered, as we head toward the Easter recess, to hear the sham and hypocrisy we have heard in the House this afternoon on what occurred about an hour ago.

The reason I am standing is not a result of the remarks of the last speaker who got most personal. I uttered from my seat some personal remarks too, which do not make me happy. However, when one starts to reflect upon the backgrounds of Members of Parliament in an attempt to support one's argument and starts to reflect upon the heritage of Members of the House, it shows how weak the argument is.

I would say, never having been a used car salesman but having been from the last of the priesthoods, the law, that used car salesmen in the country most likely are held in higher repute than lawyers, in view of all the shysters in the world.

I am completely and absolutely horrified that a colleague from Nova Scotia would stoop to such low tactics when he has the ability to conduct himself in a logical way. However, that was not the reason I rose, although I was listening. I rose because—and I am glad he is here—the crown prince of self-righteousness, the Hon. Member for Yorkton—Melville (Mr. Nystrom), tried to pull the shrouds of experience by standing in his place and piously saying: "Mr. Speaker, I never saw this happen before. I never saw a Minister recognized when Members of the Opposition were standing on points of order, questions of privilege". They were points of garbage.

I will update the Yorkton—Melville prince of righteousness, the Prince Dauphin of the New Democratic Party of Saskatchewan that he would like to be. With three more years in the House than he has, with 21 years in the House, I understand the frustration of Hon. Members opposite. Frankly I do not know if I have made the transition. I am not in the Government. I am not in the Opposition. I am just a government back-bencher.

I understand the Hon. Member for Saint-Denis (Mr. Prud'homme) whom I respect thoroughly. However, his argument falls flat on its face. He referred to the "passions of this debate". Why not let the debate get on? That is what the Minister wants, and we use procedural tactics perhaps to bring it into focus.

As I said, the Hon. Member for Yorkton—Melville said that this had not happened before. I sat where my hon. friend sat for many years, and often I would rise on a question of privilege, sometimes real, sometimes sort of suspect. Sometimes it was a political question of privilege. Sometimes it was a real point of order. Sometimes it was sort of a partisan point of order. And do you know, Mr. Speaker, what happened? The Speaker sometimes recognized me, whether he or she—usually she didn't because I never got along with that Speaker—

• (1650)

Some Hon. Members: Oh, oh!

Mr. Nowlan: I certainly had problems with other Speakers, Speaker Jerome, for instance. Speaker Lamoureux was my

first Speaker. He was my trainer, in effect. Sometimes he recognized me and sometimes he did not. But if he did not recognize me, Mr. Speaker, I did not stand up on another spurious point of order, cast aspersions and reflect on the character of the Government House Leader who was trying to carry on the government debate. Many times I did not get recognized, but I took my lumps and vowed to come back another day.

That is what members opposite with integrity do, and most of them have integrity. Unfortunately, perhaps the passions of the debate have carried everybody too far, but let us not get down into the lower swampland and cast personal aspersions on people who are are trying to do the nation's business. No wonder this institution is in such a state of ill repute when this type of thing goes on, together with the sham and the hypocrisy. What about all those members opposite who have been here 18 years? The Hon. Member for Yorkton—Melville (Mr. Nystrom) cannot say on a stack of Bibles that it has not happened X number of times that a Speaker quite properly, when there were a lot of members talking and standing, recognized the Minister of the day.

Some Hon. Members: Hear, hear!

[*Translation*]

Mr. Lapierre: Mr. Speaker, like my colleagues I was able to witness an incident which is regrettable indeed and which will certainly be noted in the records of this Parliament. Any impartial observer, a Member on either side of the House—perhaps we had a purpose, but I am convinced that people in the press gallery or visitors in the galleries did realize that something happened in this House when the Minister of Consumer and Corporate Affairs (Mr. Andre) was recognized, that it was certainly not as fair and as obvious as some Government Members would have us believe.

Mr. Speaker, it is a fact that it did look as though the Chair—if it did not act in connivance—was so much aware of the intentions of the Minister of Consumer and Corporate Affairs that it gave him a practically privileged opportunity. I think that Members of the Opposition who are witnessing the tyranny of the majority are saying to themselves: If Mr. Speaker has a problem with his left ear he cannot hear points of order or questions of privilege, and he is already prepared to justify his action. Mr. Speaker, I think the whole institution stands to suffer from it.

And when a clown like the Minister of Consumer and Corporate Affairs who made us . . . I can hardly wait for the public to pass judgment on him, Mr. Speaker.

Mrs. Duplessis: Look at yourself before calling others clowns.

Mr. Lapierre: I am anxious to see how the public will judge the attitude of the Minister of Consumer and Corporate Affairs. As far as I am concerned, Mr. Speaker, I feel this is not to the benefit of this institution and certainly not to the benefit of this Government, because there is a principle that all Members in this House are equal. And normally, whether a Member is a Minister of the Crown or not, he has no privileged access to the Chair.

And my personal impression, Mr. Speaker, which I hope in your final remarks you can correct, my impression is that you were aware of the intentions of the Minister of Consumer and Corporate Affairs, and that if you did not favour him, at the very least you meant him no harm. Frankly, Mr. Speaker, I suggest that any member who witnessed that unfortunate exercise, and more still the attitude of the Minister of Consumer and Corporate Affairs himself, will ensure that the Minister of Consumer and Corporate Affairs, in view of his attitude, certainly will have tremendous problems having his legislation passed. Because if he thinks he will use majority tyranny along with, whatever the term may be, some kind of perceived complicity, I believe that the minister, who should know all the rules of fair play, should remember that it is not with that kind of little tricks that he will push his legislation forward.

There are other means which the Opposition may use to bring the Minister of Consumer and Corporate Affairs to his senses and to make sure that he does not benefit from his petty attitude. When I hear my hon. friend opposite mention democracy, I feel that democracy itself should make it possible for us to be heard just as much as a Minister of the Crown. Yet, Mr. Speaker, the impression we had, perhaps wrongly, is that there were hearing problems on the left side and that the Minister of the Crown was quite prepared to make his little show, move his motion and that he was more lucky than the rest of us.

For the relevancy of the institution and especially for the recognition of the justice and fairness principles generally, Mr. Speaker, I suggest this is a dark day indeed. Personally, as a member of this House . . . I am sure that from now on several of my colleagues will seriously question the objectivity of the Chair's rulings. This situation is deplorable, because ever since your appointment to this noble position, Mr. Speaker, you had shown a high level of objectivity and fairness, and everybody had praised your efforts so far. I find this deplorable, especially in the context of a Government with a 211 member majority. If the Opposition starts feeling persecuted and unfairly treated, the atmosphere in the House will automatically deteriorate. I feel the Minister of Consumer and Corporate Affairs should be the person most directly concerned about this, because in my opinion he has abused your kindness, Mr. Speaker. I dare hope that following the debate on this point of order, you will show your fairness about the Minister of Consumer and Corporte Affairs' attitude toward the quite legitimate point raised by my colleague the Hon. Member for Ottawa—Vanier who could not be heard at the proper time. And I think, Mr. Speaker, that if we want to have some order in this House, that kind of puny tricks cannot be allowed and surely the Deputy Prime Minister (Mr. Mazankowski) will deeply regret his attitude today, because I am convinced that he is involved in that scheme. The whole House surely feels

frustrated and finds disrespectful the petty scheming of the Deputy Prime Minister. You may be assured, Mr. Speaker, that this will have a serious effect on our attitude towards the Government and the Chair, because we will make sure in the future that we will not give up an inch because as it is often said: once bitten twice shy. However, Mr. Speaker, the Members of this House will have the opportunity to reflect on the matter during the Easter holiday and even if Easter is supposed to induce generosity, I can tell you that we will not forget it and things will not be easier on our return. The one who will surely most suffer about it is the Minister of Consumer and Corporate Affairs because his contrivance is not consistent with the principles of equity, fair play and give-and-take which should be enforced in the parliamentary process. Mr. Speaker, if we ignore these principles, there is always a price to be paid. The Minister of Consumer and Corporate Affairs has already paid the price in full view of the people of Canada, and we are certainly not going to make things easy for him, because if that is how he operates, Mr. Speaker, we can play that game too, and if he wants to break the rules, Mr. Speaker, two can play at that game.

I would therefore ask the Chair to reflect on these matters and help us restore a semblance of equity to this House, because I must admit that the effect of today's proceedings has certainly not been to make us feel that the principles of consideration and fairness are alive and well in this House.

[*English*]

Mr. Riis: Mr. Speaker, I do not plan to add much to this debate today, only to preface some of my remarks by saying that the rules of any institution, or any set of rules, are only as good as the players. If people choose not to follow the rules but to use other reasons for their conduct, then we will not be able to proceed as we ought to in any situation.

• (1700)

I would like to refer to Citation 81 in Beauchesne's Fifth Edition under the heading Raising a Question of Privilege. Just before four o'clock today, on behalf of a very serious matter we discussed in caucus earlier, I rose on a question of privilege. Citation 81 reads as follows:

> By its nature, a question of privilege is of such importance that it may be raised at any time, and S.O. 17 makes provision for the precedence of a question of privilege over all other business of the House.

I am fortunate enough to sit in the front benches and I have a loud voice. When I rose today, I felt that I was completely ignored. It is clear to me what a question of privilege is and when it should be recognized. I find it very difficult to understand why the decisions made today were in fact made. I respect them, but it seems to me that raising a question of privilege, according to Beauchesne's Fifth Edition, is clearly something that ought to be recognized at all times.

Mr. Speaker: Just by way of comment, I have listened very carefully to the Hon. Member for Kamloops—Shuswap (Mr. Riis), who I think is very well respected in this Chamber. Without making a ruling now, I would just comment that the general rule in most cases is that unless a question of privilege arises out of the proceedings that are taking place right at the moment, there is, in the usual course of events, notice. However, I will try to deal with all of these things when I respond to the points that are being made.

I wonder if Hon. Members would let me note that there were some points that have not yet been made with respect to some Hon. Members and their votes or lack of votes during the division. Perhaps someone could alert those Hon. Members to the fact that I would be pleased to hear from them on those points. In the meantime, we will carry on with the point of order and I will hear Hon. Members.

Mr. Della Noce: Mr. Speaker, I rise on the same point of order. I do not want to get into debate, but I would like to make a point about the remark made by my colleague, the Hon. Member for Cape Breton—East Richmond (Mr. Dingwall), who said: "What do you expect from a used car dealer?" I have been a used car dealer for the last 20 years, Mr. Speaker, and it is one of the most honest things I could do to serve my community. I can tell my hon. friend that I was so honest that I still have all my hair, and I never had a complaint and I brought my family up. I am proud to see that there are some car dealers present in the House, and I think it is an honest job. Everyone has a car. There are more than 22,000 used car dealers in Canada who will be offended by that remark. In my riding, there are many car dealers who will be offended. I personally am offended and I am sure my hon. colleague, the Deputy Prime Minister (Mr. Mazankowski), is as well.

[*Translation*]

Mr. Speaker, my health does not permit me to argue with the Member for Cape Breton—East Richmond (Mr. Dingwall) who I must say has given a most despicable performance in the House today by giving a—

[*English*]

Mr. Speaker: Hon. Members have been rising on a point of order after an incident in which very strong feelings were expressed. I notice that at the wish of the Chair, Hon. Members have been addressing themselves more and more explicitly to the actual point that I must consider. I would ask the Hon. Member for Duvernay (Mr. Della Noce) to leave his remarks where they are. He has expressed, with I think some sincerity and certainly some knowledge, his feeling that people who deal in the motor vehicle trade are respectable Canadians. I think perhaps that is where we can leave it.

I just might say that for centuries there have been opinions about lawyers and none of them have been very complimentary. Lawyers are quite used to being assailed by writers, comics, sometimes politicians, clients and the public. Shakespeare was very aware of this when he said in one of his plays: "The first thing we do, let's hang all the lawyers".

Perhaps I cannot rise in defence of lawyers but I can rise in defence of people in the retail motor vehicle trade. I notice that

courtesies are being extended here, and I would ask that all Hon. Members address each other with the courtesies of which we are all capable. The Hon. Member for Cape Breton—East Richmond (Mr. Dingwall) may want to say something that I hope would be helpful.

Mr. Dingwall: Mr. Speaker, I say to the Deputy Prime Minister (Mr. Mazankowski) that I wish to withdraw from the record the reference I made earlier. This has not been a very easy day for Members of Parliament on this side of the House in view of what has transpired, but I withdraw that remark.

Mr. Speaker: I would hope that Hon. Members would give the appropriate appreciation.

Some Hon. Members: Hear, hear!

[*Translation*]

Mr. Rossi: Mr. Speaker, I appreciate that my honourable colleague for Cape Breton has seen fit to make a clarification with apologies, and I hope the Hon. Member for Duvernay (Mr. Della Noce) can do the same when he refers to gentlemen without hair, because I have no hair and boast of no less honesty than the Hon. Member for Duvernay opposite.

All this to tell you, Mr. Speaker, that even though I do not have the experience of the Hon. Member for Annapolis Valley—Hants (Mr. Nowlan), who has been here for 21 years, I have been here for eight years. Rather than repeating everything that has been said concerning the rules and so forth, I would simply like to say one thing, and this is that I am very much disappointed with what transpired today, because since you have been in office, Mr. Speaker, I have seen with what competence, skill and impartiality you have led the proceedings here. For that you deserve commendation, Mr. Speaker.

When I say I was disappointed, Mr. Speaker, it is because I have witnessed today something that is most improper, for which reason I allowed myself to shout at my good friend, and I do say my good friend the Deputy Minister, and I say very good friend, because I never saw the Deputy Prime Minister (Mr. Mazankowski) act in that way, and I myself got carried away.

All this to suggest, Mr. Speaker, that the farce has been carried so far, and correct me if I am wrong, that the Parliamentary Secretary, the Hon. Member for Simcoe North (Mr. Lewis) went so far as to stand up for the opposition Member, claiming he came into the House on time and he was on time. I have been here for eight years, Mr. Speaker, and never did I see a government Member see an Opposition Member come into the House and suggest everything was alright, he was entitled to vote. As far as I can remember, I have never seen that.

So there was something to defend. This seemed to be pure and simple scheming, and never did I see, since I have been here, anything so fine-tuned, anything so well prepared—in some aspects of the Criminal Code, there is reference to complicity before and after the fact.

Well, Mr. Speaker, I hope that this kind of incident will never happen again. About the question of privilege, I feel personally that the New Democratic Party House Leader was on its feet long before the Minister, and so was the Whip of my Party. Mr. Speaker, I want to tell you quite frankly that until today, you had managed to fascinate me by the way you had conducted the proceedings, your command of the French language and everything you have done. Today, however, I must quite honestly, objectively and sincerely admit that I am disappointed with the way the House Leader and Deputy Prime Minister has behaved—without accusing you of anything, Mr. Speaker, and you can believe me when I say that I admire enormously the way you operate—I am disappointed with what happened in the House.

I hope that in the future the Government will not use again these underhanded tricks, because that's what they are. They are the underhanded tricks of the Deputy Prime Minister, of the Minister and of most everybody; if the House had listened to the NDP House Leader and the Whip, I dont think that this incident would have happened and I am sorry it did, Mr. Speaker. I sincerely hope that it will never happen again.

• (1710)

[*English*]

Mr. Tobin: Mr. Speaker, I want to add a few comments on this point of order. In the day-to-day deliberations in this place there is no question, as the Speaker is well aware, that the various Parties have their own agendas. The Government has an agenda, which is to move legislation through this place as expeditiously and responsibly as possible. We hope that included in that agenda is the belief that legislation ought to be given a fair and proper hearing both in committee and in this House. The Opposition has an agenda, which is to ensure that its views, and that of the people it represents, with respect to legislation are heard and, if possible, amendments made where necessary. That applies to both opposition Parties. Whatever the agenda of the Government and whatever the agenda of the Opposition at any given time, and notwithstanding our respective priorities, there is a much larger principle which concerns the proper operation of Parliament. Notwithstanding different points of view or different agendas, different aims and different objectives, Parliament can work and enjoy the goodwill of its members, and by extension the goodwill of the people of Canada, only when it operates according to a set of predictable and dependable rules. Those rules should, notwithstanding the nature of a given question or crisis which may confront Parliament, stand the test of time. No matter how important my agenda is, no matter how important the agenda of the Minister of Consumer and Corporate Affairs (Mr. Andre) is, both of us must be subservient to the rules of this place. There was a feeling today in this House, and not only on one side, that the rules to which all of us must be subservient were expeditiously put aside in some manner.

I want to tell you that I do not vent my frustration at the Chair. It needs to be said, at a time of anger, emotion and crisis, that Members on this side of the House, in fact I am sure on all sides, have come to have a great deal of respect for the Chair. I regret that the Government, because of its short-term agenda for getting this Bill through the House, has used and abused the rules of this Chamber. I regret that the Government has put the Speaker of the House of Commons in this position today. It is no easy task to come to a position in an adversarial forum where members of all Parties, whatever their views, have a high degree of respect for the Chair. The greatest asset to the proper working of any Parliament is a high degree of respect for the Chair.

You have had that respect and I hope you continue to have that respect. However, I believe what the Government has done today, the way in which this matter has been resolved today, has seriously strained, soiled, poisoned, and dissipated much of the fundamental goodwill and confidence in the rules which govern this place and which we have seen exercised under your wise guidance.

I regret that the Government—I can almost hear the sound of jackboots in the background this afternoon—has abused the rules of Parliament. I regret that the Government has put the Speaker in an untenable position. I regret that the Government prevailed upon the goodwill that members opposite have had for the Speaker, and in some measure—and I hope I am wrong—called into question the properly earned and richly deserved confidence that Members on this side of the House have had in the Speaker of this Chamber.

I say to the Government that this kind of trickery, this kind of expedience in handling this Bill may have met its short-term objective, but in the long term it has taken a serious and substantial step towards poisoning the atmosphere of this place. The Government has put the Speaker, who has exemplified the very best over the last number of months, in a position he does not deserve to be in.

Having said that, I leave this Chamber because I can no longer participate in this debate.

Some Hon. Members: Have a nice weekend.

Mr. Speaker: In view of the fact that some Hon. Members may have wanted to make statements as to how they voted or why they did not vote, I am wondering if anyone wishes to rise on that matter because, as I said, I will hear these points. With respect to at least one of the members I think I can identify, I will deal with the matter at the next sitting of the House.

Are there no further members rising on the point of order? The Hon. Member for Trinity (Miss Nicholson).

Miss Nicholson (Trinity): Mr. Speaker, I would like to speak on the time allocation motion and Bill C-22.

Mr. Speaker: The Chair has listened with care and perhaps some anguish to what has been said here this afternoon, but that is my responsibility. I want all members to know that I, too, have been in this place a long time. I understand that at times feelings can run very high. I have said things at times when, while I wanted to make the point, I wish perhaps I had said it in another way. I know Hon. Members have been doing everything they could in the last little while to be more courteous, with each other and therefore more respectful, I suppose, of the dignity of this place.

• (1720)

I will consider very carefully the points that have been made. I will come back to the Chamber and deal with them as they have been made. I have never suggested nor, do I think, would anyone else, that it is not possible to make a mistake here. I may have or I may not have. I will consider it very carefully, and if I have been in error, I will indicate that to the Chamber. After having listened to what Hon. Members have said, I think it might be helpful that the Chair return at an appropriate time to deal with some of the points which were made and to lay out as clearly as possible the proper procedural rules to apply in such a situation.

I will only say at this time that there is ample precedent for recognizing the Minister under the circumstances in which the Minister was recognized. That has been done by Speakers in the past, and I moved upon that basis. There are some Hon. Members who are not happy with the way in which I did that. I will consider that very carefully because when all is said and done I have to remain the servant of all members. The Hon. Minister has the floor for debate.

Mr. Andre: Mr. Speaker, I thought I was recognized first because you were going in alphabetical order.

This motion ought not to be necessary. I completely concur with those sentiments. Unfortunately, there was no alternative left to the Government. Not once, not twice, but on three different occasions at this stage alone the Government House Leader and Parliamentary Secretary to the President of the Privy Council (Mr. Lewis) approached opposition spokesmen and asked how many days would be required to dispose of this stage, whether they would require 5 days, 10 days, 15 days, or how many days.

On three different occasions the Opposition House Leaders would not discuss the matter. They did not make a counter offer. There were no negotiations. They refused to discuss the possibility of terminating debate at some time. Therefore, the Government had no choice. We cannot continue in perpetuity. Much was said this afternoon about this place working through negotiations and discussions. It ought to, but if the Opposition refuses to discuss the possibility of terminating a debate, the Government has no choice.

Let me deal with the question of how much time has been spent debating this legislation. As everyone knows, the draft legislation for Bill C-22 was made public at the end of June of last year, nine months ago. In the fall the Government attempted to bring the Bill forward. A precedent was set at that time and we will rue that day. It has been a longstanding,

ancient tradition of this institution and our predecessor institutions that no matter how opposed an individual may be to a motion or a Bill everyone has the right to introduce such motion or Bill.

So much is that a part of the tradition that even though the Speaker utters the words: "Shall the member have leave to introduce the Bill", since time immemorial there has been an automatic "yes" from Members of the House of Commons. When those words were spoken with respect to Bill C-22, the Opposition said "no" and demanded a standing vote. It is a time-honoured tradition that no matter how you feel about a Bill you recognize that everyone, including the Government, has the right to introduce it. It is fundamentally anti-democratic to vote against introduction and first reading, yet the Opposition did that as a dilatory tactic.

The Opposition did it again at first reading. The next thing the Speaker asks is whether the House will permit first reading of the Bill. That is never voted on in keeping with the principle that first reading and printing of a Bill is a time-honoured right of every Member of the House. The Opposition voted against that.

After those dilatory tactics we had 28 hours of debate at second reading, hardly a miniscule amount of time. We then discussed with the Opposition how many hours would be necessary to complete second reading and whether they would be content with four days, five days, or six days. They refused to negotiate. It was necessary for the Government to introduce time allocation because there was no willingness to discuss the orderly conduct of the House. We have no choice but to introduce time allocation when the Opposition refuses to negotiate.

There were 82 hours of study in the committee, hardly a quick passing glimpse. Sixty-five hours were spent hearing witnesses. The idea of the new rules with respect to legislative committees was that since the House had decided on the question of principle we need not discuss the principle any longer but, rather, should go to a legislative committee to discuss the details. The Opposition did not want that. They wanted to hear whether witnesses were opposed or in favour of the general principle of the Bill. Government Members on the committee agreed to that.

[*Translation*]

Mr. Rossi: Mr. Speaker, I rise on a Point of Order.

Mr. Speaker: The Hon. Member for Bourassa (Mr. Rossi) rises on a Point of Order.

Mr. Rossi: Let us see if we have a quorum, Mr. Speaker.

Mr. Hudon: Will you count, please?

Mr. Rossi: Mind your own business!

Mr. Hudon: I behave the way you do.

Mr. Rossi: There is no opposition.

[*English*]

Mr. Speaker: I have heard the Hon. Member and I have observed the House. I declare there is a quorum in the House.

Mr. Andre: Mr. Speaker, 46 different groups were witnesses before the committee, a total of 98 different individuals. The purpose of a legislative committee is to discuss in detail the legislation and study and discuss amendments to clauses. The Opposition proposed 11 amendments in committee, three of which were proposed by the New Democratic Party. One of the three was adopted by the Government. The other two amendments were technical and the Hon. Member representing the New Democratic Party was satisfied that the Act took care of those concerns.

At report stage, 47 amendments were moved. If Hon. Members of the Opposition were keeping with the traditions of respect for this institution about which they talk, those 47 amendments would have been moved at committee. That is the purpose of legislative committees and the new rules, which we ought now to re-examine in view of the behaviour of the Opposition.

The Bill then came back before the House at report stage and there were more dilatory tactics. Five days were wasted on the dilatory tactics of the Opposition. There were petitions brought forward last week and the week before which were signed in August. Members presenting them sanctimoniously stated that they were following the time-honoured tradition of representing their constituents by bringing forward their concerns. How can anyone make a statement like that with a straight face?

Since the 1984 election there has never been a piece of legislation which has had more discussion in Parliament, outside of Parliament, and in various domains across the country than this piece of legislation. If there is anyone in this House who can suggest that they have not had an opportunity to examine this legislation, that they have not heard about it from the people concerned and received their reactions, they must have been living in some sort of cocoon. According to the Hon. Member for Beaches (Mr. Young) and the Leader of the New Democratic Party (Mr. Broadbent) 300,000 letters were sent out in opposition to Bill C-22. The CLCs, the auto workers and the generic manufacturers sent out brochures. Tens of thousands of brochures were sent out. The Hon. Member for Cape Breton—East Richmond (Mr. Dingwall) toured the country appearing on talk shows trying to get people agitated and upset. The Opposition spared no effort to criticize and condemn this legislation in hopes of upsetting the people of Canada so that they would be willing to demand that the Government stop this legislation.

• (1730)

How successful was the Opposition? A recent opinion poll by Decima asked the question: "I would support the Bill if the Government put in place a way of making sure that the drug price increases would not be higher than the rate of inflation".

Eighty-two per cent agreed, and that is exactly what the Bill does. So for all of the efforts of the Opposition, the public of Canada understands that this legislation is to their benefit.

While I regret that we have had to bring in this motion of time allocation—and I sincerely regret that—we really had no choice. The Opposition refused to negotiate any reasonable allocation of time. Regrettably, I had to put the motion. I look forward to the vote, and I look forward to our getting away for a few days' holiday to recuperate from some of the emotional activity which has taken place here. Hopefully, we will come back in a better mood and ready to proceed with other business for which the people of Canada have elected us.

Mr. Lesick: Mr. Speaker, I would also like to speak on the time allocation motion with respect to Bill C-22. My constituents in Edmonton East who are watching us must be wondering what is happening in this good House. Over 200 members of the Government were elected. They were asked to put in legislation which they believed was in the interests of the citizens of Canada. We were asked to do that because our constituents believed that we as a Progressive Conservative Party, we as the Government, would be a good governing Party. They believed that we could do good things for this country and in the past two and a half years we have.

We have brought forward Bill C-22 which is to the benefit of all Canadians. We have spent much time in Parliament and in committee discussing the legislation, yet we still have this difficulty with the Opposition. Bill C-22 is for the benefit of Canadians. We need a better health system. With this Bill we can do a better job for the citizens of Canada by providing better medications. As the Minister has just mentioned, we have devoted 82 hours in committee to this legislation. Day after day, for three hours, four hours, with all its expense, we have discussed this Bill which is for the benefit of Canadians. We have devoted the time to hearing 46 groups and 98 individuals, we have spent all this time on debate, and it seems most awkward that we should not be able to come to this House and make a decision.

The majority of Canadians have asked this Government to do a job, which it is doing. We have respected the Opposition. We have bent over backwards in order to do everything possible to respect the minority Opposition. It is time the Opposition began to respect the governing body. There are over 210 Members of Parliament who represent every segment and every region of this country. We obviously have the ear of the public. We have the understanding and confidence of Canadians to pass a Bill of such importance and of such great value for Canadians. For the Opposition to put up these delaying tactics over and over again is almost despicable.

In the latest poll more than 82 per cent of the people said they want the Government to pass this Bill. They want to reap the benefits of health that this Bill will provide for us in the future. We have assured the public, our senior citizens, those who are handicapped and those who are in need, that this Bill will not raise the price of drugs. We have given this assurance to the provinces, and they agree that this is an excellent Bill. Universities are waiting for this Bill to be passed so they can reap the benefits, so that graduate students can start working to improve the health of this nation through their investigative work. Why should this not be done in Canada? Why should we have to depend on other countries for the medications which we import? They do the work, we do the manufacturing and present the drugs to the public. When are we going to have the pride within ourselves to do this type of work, and in so doing provide jobs for our university graduates and our researchers?

It is long past the time when we should pass this Bill. I commend not only our Government but the Minister for standing up in his place and deciding it is time we had time allocation. We offered the Opposition virtually all the time in the world to discuss this Bill thoroughly. The amount of $800 million is waiting in the wings for research. But what are we doing? We are arguing in this House whether we should pass the Bill today, tomorrow, or next month. If I read the Opposition rightly, it wants this Bill passed next year. Our Government is the best Government Canada has had in a decade. Why should the people of Canada not reap the benefits of good Government? Why should they not reap the benefits of Bill C-22? Why should they not reap the benefits of what the Government believes is the best we have to offer for greater and better health care for Canadians?

My constituents have asked me what this Bill is all about. I said that it was for better health care, and the sooner it is dealt with the better. They said to me: "What is the problem?" I was in my riding last week, and I said that the matter is still being discussed. They said: "But you have a majority. Why can you not do anything? We are disappointed in you". I had to tell them that the disappointment has to be not with the Government but with members of the Opposition. There is time for opposition. We have listened to members of the Opposition. We have respected them and it is now time for us to act.

• (1740)

I suggest that when this Bill is passed it will be not only for the benefit of all Canadians but members of the Opposition will see that the Bill they have been arguing against is a good Bill. But it will take them some time because the Opposition is that way. Members of the Opposition take time to learn. Hopefully, they will see the light when they see the advantages of this Bill in two years or in five years' time.

We know that members of the Opposition were up to their old tricks when they placed before the House at report stage some 47 amendments. The country realizes that they are up to their old stunts. In 1984 the people of Canada said: "We want a new government". They want a good government. They wanted the Progressive Conservatives to govern. We are here to govern to the best of our abilities. I assure you, Mr. Speaker, that even members of the Opposition, as hard as they will try, must bend and realize that we are right. We have not always been perfect, but we have always listened to what they

had to say. We have acted because we have consulted with our constituents. We believe that Bill C-22 will be the best law for Canada.

Mr. Fennell: Mr. Speaker, I believe that you will find there is unanimous consent to ring the bells now and take the vote in 15 minutes. I have that agreement from members of the other Parties.

Mr. Speaker: The Hon. Member for Ontario has indicated to the Chair that there is an agreement in the House to commence the ringing of the bells. Is it agreed?

Some Hon. Members: Agreed.

Mr. Speaker: The question is on the motion of Mr. Andre. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

Mr. Speaker: All those opposed please say nay.

Some Hon. Members: Nay.

Mr. Speaker: In my opinion the yeas have it.

And more than five Members having risen:

Mr. Speaker: Call in the Members.

The House divided on the motion (Mr. Andre), which was agreed to on the following division:

(*Division No. 92*)

YEAS

Members

Andre
Belsher
Bernier
Blais
Blenkarn
Blouin
Brisco
Caldwell
Cardiff
Clark
(Brandon—Souris)
Collins
Comeau
Cooper
Corbett
Côté
(Lac-Saint-Jean)
Darling
de Cotret
Della Noce
Desjardins
Duplessis
Edwards
Fennell
Ferland
Fontaine
Fretz
Gass
Gray
(Bonaventure—Îles-de-la-Madeleine)
Greenaway
Grisé
Guilbault
(Drummond)
Hamelin
Hamilton
Hawkes
Hicks
Holtmann
Hudon
Jacques
James
Jardine
Jourdenais
Kempling
Kindy
Lawrence
Layton
Leblanc
Lesick
Lewis
MacDonald
(Kingston and the Islands)
MacKay
Mantha
Marin
Mayer
Mazankowski
McCain
McDermid
McKenzie
McKnight
Merrithew
Moore
Nickerson
Nowlan
O'Neil
Pennock
Peterson
Porter
Redway
Reid
Reimer
Schellenberger
(Wetaskiwin)
Scowen
Siddon
Sparrow
Stevens
Taylor
Tupper
Turner
(Ottawa—Carleton)
Vankoughnet
Vézina
Vincent
Wenman
Wilson
(Swift Current—Maple Creek)
Witer—82

NAYS

Members

Allmand
Althouse
Axworthy
Benjamin
Blaikie
Boudria
Cassidy
de Corneille
Dingwall
Garneau
Gauthier
Guilbault
(Saint-Jacques)
Hopkins
Hovdebo
Keeper
Lapierre
MacLellan
Manly
McDonald
(Broadview—Greenwood)
Murphy
Nicholson
(Trinity)
Nystrom
Orlikow
Parry
Penner
Prud'homme
Riis
Robinson
Rodriguez
Rompkey
Rossi
Skelly
Tardif
(Richmond—Wolfe)
Tobin
Turner
(Vancouver Quadra)
Waddell
Young —37

● (1800)

Mr. Speaker: I declare the motion carried.

It being after six o'clock p.m., pursuant to Standing Order 4 this House stands adjourned until Monday, April 27, 1987, at eleven o'clock a.m., pursuant to Standing Order 3(1).

The House adjourned at 6.08 p.m.

HOUSE OF COMMONS

Monday, April 27, 1987

The House met at 11 a.m.

Prayers

ROUTINE PROCEEDINGS

[*Translation*]

PETITIONS

GOVERNMENT RESPONSE

Mr. Doug Lewis (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, pursuant to Standing Order 106(8), I have the honour to table, in both official languages, the Government's response to Petitions Nos. 332-1613, 332-1614, 332-1622, 332-1623, 332-1628 to 332-1646 inclusive, 332-1650, 332-1651, 332-1656 to 332-1659 inclusive, 332-1661, 332-1664 to 332-1669 inclusive, 332-1671 to 332-1673 inclusive and 332-1676 to 332-1680 inclusive.

* * *

[*English*]

INTERPARLIAMENTARY DELEGATION

PRESENTATION OF REPORT OF DELEGATION TO POLISH PEOPLE'S REPUBLIC

Hon. Steven E. Paproski (Deputy Chairman of Committees of the Whole House): Mr. Speaker, pursuant to Standing Order 101, I have the honour to present, in both official languages, the report of the Canadian parliamentary delegation which paid an official visit to the Polish People's Republic from March 14 to March 19, 1987.

* * *

TRANSPORT

PRESENTATION OF FIRST AND SECOND REPORTS OF STANDING COMMITTEE

Mr. Darryl L. Gray (Bonaventure—Îles-de-la-Madeleine): Mr. Speaker, I have the honour to present the first report of the Standing Committee on Transport concerning Bill C-18, an Act respecting national transportation, with amendments, in both official languages.

[*Translation*]

Mr. Darryl L. Gray (Bonaventure—Îles-de-la-Madeleine): Mr. Speaker, I have the honour of tabling, in both official languages, the Second Report on Bill C-19, an Act respecting motor vehicle transport by extra-provincial undertakings.

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

* * *

[*English*]

PETITIONS

OPPOSITION TO PROPOSED CHANGES TO PATENT ACT

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, it is my pleasure to present a petition, pursuant to Standing Order 106, concerning the Government's intention to move to complete the debate on amendments to the Patent Act concerning prescription drugs.

The petitioners from Port Alberni, Gibsons Landing, Sechelt, Prince Rupert, Pritchard, Kamloops and Barrière, British Columbia, are concerned that the changes to the Patent Act will result in a significant increase in drug prices for the Canadian consumer who requires prescription drugs.

Therefore they are asking the Government at this late moment to reconsider what it is doing and to cease proceeding with this legislation. They register the fact that they believe that this is part of a whole set of Canadian government concessions to the United States at the expense of average Canadians in the free trade negotiations. They are deeply concerned regarding this critical matter.

RIGHT TO LIFE OF UNBORN BABIES—PROTECTION OF CHARTER OF RIGHTS AND FREEDOMS

Mr. Barry Turner (Ottawa—Carleton): Mr. Speaker, I too have a petition to present signed by 373 residents of the national capital region from the cities of Ottawa, Nepean, Kanata and Gloucester. This petition is on behalf of the Coalition for Life which is located in Ottawa.

The petitioners humbly pray and call upon Parliament to support Private Members' Motion M-37 which is now before the House which would allow unborn babies protection under the Charter of Rights and Freedoms.

Petitions

REQUEST FOR FREEZE ON HARBOURFRONT CONSTRUCTION PENDING REVIEW

Mr. Alan Redway (York East): Mr. Speaker, at long last I have the honour to present to the House a petition that has been signed by approximately 150 residents of the Harbourfront residential community in Toronto which acknowledges that there is presently a review of the Harbourfront plans for development.

The petitioners indicate their concern with the height, the density, the recreation space and the parking requirements. They also indicate that, notwithstanding the review that is ongoing, buildings are still being constructed without building permits. They call upon Parliament to freeze all of the construction in the Harbourfront area including, in particular, the buildings at 633 Lakeshore Boulevard West, 650 Queen's Quay West and 11 Stadium Road pending the outcome of the review. They also ask that they be allowed input into the review process.

OPPOSITION TO PROPOSED CHANGES TO UNEMPLOYMENT INSURANCE BENEFITS

Mr. Les Benjamin (Regina West): Mr. Speaker, I have the duty and honour to present petitions on three different subjects. The first is from Canadians living in a number of locations in British Columbia.

They humbly pray and call upon Parliament to ensure that the Minister of Employment and Immigration (Mr. Bouchard) reject any recommendations that would deprive fishermen of the right to collect unemployment insurance benefits and to enter into consultations with all representatives of fishermen in order that improvements to the program offered to the fishermen are made.

UNIVERSAL ACCESS TO FAIR ORAL HEARINGS BEFORE REFUGEE BOARD

Mr. Les Benjamin (Regina West): Mr. Speaker, I have another petition from citizens in a number of locations in Saskatchewan, Ontario and British Columbia in which they humbly pray and call upon Parliament to ensure that Government and Parliament enact legislation that would embody the principles of fair and quick oral hearings of refugee claimants before a refugee board independent of the Immigration Commission, universal access to such hearings for every claimant in Canada, and adequate opportunity to arrive in Canada to make this claim.

TRANSPORTATION—ECONOMIC REGULATORY REFORM

Mr. Les Benjamin (Regina West): Mr. Speaker, I have a number of petitions, six to be exact, from many locations in Canada in which citizens petition Parliament and the House of Commons to have the Government withdraw Bill C-18 and to retain public convenience and necessity as a fundamental factor in the development of public transportation policy and to retain licensing in order to restrict market-place activity to a present level functioning in the best interest of the public as a whole.

• (1110)

OPPOSITION TO PROPOSED CHANGES TO PATENT ACT

Mr. Roland de Corneille (Eglinton—Lawrence): Mr. Speaker, I have petitions from many parts of this country, including Prince Edward Island; British Columbia; Mississauga, Toronto and Willowdale in the Province of Ontario; and from Calgary, Alberta.

I present a large number of petitions with a large number of signatories thereto. I also have one from the Province of Quebec in relation to the amendments to the Patent Act.

[*Translation*]

—that the changes in the Patent Act will directly affect all Canadians who are not protected by private or government medicare programs and that the Government's proposals will raise the already high cost of provincial health care programs.

[*English*]

The proposed changes to the Patent Act relating to drugs is a matter of grave concern to these petitioners.

It is my pleasure, on behalf of hundreds upon hundreds of Canadians across this country, to submit these petitions to the House of Commons.

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, on behalf of a number of constituents from the constituency of Prince Albert, I have the honour and the duty to present a petition to the House calling upon the Government to be cognizant of the proposed changes to the Patent Act in relation to drugs, and to in fact reject these proposals, or any proposals which would increase prescription drug prices for Canadians.

OPPOSITION TO PROPOSED CHANGES TO UNEMPLOYMENT INSURANCE BENEFITS

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, I have four petitions to present, the first one being from a number of fishermen from Carbonear, Newfoundland, as well as from British Columbia. It is the concern of these fishermen that the unemployment insurance program might no longer apply to their situation.

These petitioners call upon the Parliament of Canada to ensure that the Minister of Employment and Immigration (Mr. Bouchard) reject any recommendation that would deprive fishermen of their right to collect unemployment insurance, and to enter into consultations with all representatives of fishermen in Canada in order that improvements to the program can be brought about.

OPPOSITION TO PROPOSED CHANGES TO PATENT ACT

Ms. Margaret Mitchell (Vancouver East): I next table a petition in respect of the proposed amendments to the Patent

Act. In this instance the petitioners are from Burnaby and Vancouver, as well as other parts of British Columbia.

The petition calls upon the federal Government to reject the proposals contained in Bill C-22, proposals which would unfairly hurt Canadians, and particularly senior citizens, inasmuch as they would result in an increase in the cost of prescription drugs.

These petitioners call upon the Parliament of Canada to reject the proposals contained in Bill C-22.

HAZARDOUS COMMODITIES—RELOCATION OF TRANSFER POINT

Ms. Margaret Mitchell (Vancouver East): Next I have a petition in respect of the handling of hazardous commodities. This is a petition from the constituency of Vancouver East.

The citizens of Vancouver East request that the Canadian Transport Commission immediately relocate the transfer of all hazardous commodities to a location outside the inner harbour of Vancouver, and that a permanent solution to the movement of hazardous goods be finalized, a solution which is acceptable to the citizens of greater Vancouver and other parts of the Lower Mainland.

CONTINUATION OF WOMEN'S PROGRAM FUNDING

Ms. Margaret Mitchell (Vancouver East): The fourth petition has to do with the Secretary of State funding of women's programs. In this instance, the petitioners are from the City of Whitehorse, Yukon Territory. These petitioners request that the Secretary of State women's program be continued and that there be strong support for it, and that REAL women not be considered eligible for the program, a program whose aim is the equality of women.

OPPOSITION TO PROPOSED CHANGES TO PATENT ACT

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, I have a number of petitions to table today, the signatories to which are from the provinces of Saskatchewan, Ontario, Nova Scotia and British Columbia. These petitioners are opposed to the proposed amendments to the Patent Act.

Because the monopoly granted to innovative pharmaceutical companies will prevent competition from generic companies and thus result in an increase in the cost of drugs, severely restricting the ability of average Canadians to buy necessary prescription drugs, the petitioners call upon the Government of Canada to withdraw the proposed amendments to the Patent Act—amendments which the petitioners believe will negatively affect Canadians, particularly the poor and the elderly.

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, I, too, have a petition in relation to the proposed amendments to the Patent Act.

There is one particular clause in the petition which I should like to draw to the attention of the House, that being the clause that speaks of the proposed changes as yet "another example of Canadian Government concessions to the United States in the free trade negotiations, at the expense of average Canadians".

So, whether we are speaking of lumber, oil, patent drugs, or whatever, these petitioners are concerned about this Government selling out Canada to the United States.

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, I wish to table a number of petitions from Canadians from Richmond and North Vancouver in the Province of British Columbia, as well as a number of petitions from residents of the Province of Quebec, and particularly the Laval area.

These individuals take advantage of their right to petition the Government of Canada to reject the proposed changes to the Patent Act, changes which these petitioners believe will result in increased prescription drug prices for the people of Canada.

* * *

CITIZENSHIP ACT

MEASURE TO AMEND

Mr. Bob Pennock (Etobicoke North) moved for leave to introduce Bill C-254, an Act to amend the Citizenship Act.

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

Some Hon. Members: Agreed.

Mr. Pennock: Mr. Speaker, it is my pleasure this morning to introduce my Private Member's Bill, a Bill to amend the Citizenship Act so that non-Canadian spouses of Canadian Armed Forces personnel and non-Canadian spouses of Public Service personnel of Canada or of a province of Canada be allowed to use the time of the posting abroad toward the residency requirement under the Citizenship Act.

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

* * *

THE CONSTITUTION

CONSTITUTION AMENDMENT, YEAR OF PROCLAMATION (NEWFOUNDLAND ACT)

On the Order: Government Notices of Motions:

April 8, 1987—The Minister of Justice:

WHEREAS section 43 of the Constitution Act, 1982 provides that an amendment to the Constitution of Canada may be made by proclamation issued by the Governor General under the Great Seal of Canada where so authorized by resolutions of the Senate and House of Commons and of the legislative assembly of each province to which the amendment applies:

NOW THEREFORE the House of Commons resolves that an amendment to the Constitution of Canada be authorized to be made by proclamation issued

by Her Excellency the Governor General under the Great Seal of Canada in accordance with the schedule hereto.

SCHEDULE
AMENDMENT TO THE
CONSTITUTION OF CANADA

1. (1) Section 3 of the Newfoundland Act is renumbered as subsection 3(1).

(2) Section 3 of the said Act is further amended by adding thereto the following subsection:

"(2) A reference to this Act, or a reference to the Terms of Union of Newfoundland with Canada set out in the Schedule to this Act, shall be deemed to include a reference to any amendments thereto."

2. (1) Term 17 of the Terms of Union of Newfoundland with Canada set out in the Schedule to the said Act is renumbered as Term 17(1).

(2) Term 17 of the Terms of Union of Newfoundland with Canada set out in the Schedule to the said Act is further amended by adding thereto the following:

"(2) For the purpose of paragraph one of this Term, the Pentecostal Assemblies of Newfoundland have in Newfoundland all the same rights and privileges with respect to denominational schools and denominational colleges as any other class or classes of persons had by law in Newfoundland at the date of Union, and the words "all such schools" in paragraph (a) of paragraph one of this Term and the words "all such colleges" in paragraph (b) of the paragraph one of this Term include, respectively, the schools and the colleges of the Pentecostal Assemblies of Newfoundland."

3. This Amendment may be cited as the Constitution Amendment, year of proclamation (Newfoundland Act).

Mr. Speaker: Pursuant to Standing Order 24(2), this Government Notice of Motion stands transferred to and ordered for consideration under Government Orders later this day or at the next sitting of the House.

* * *

• (1120)

COMMUNICATIONS AND CULTURE

EXTENSION OF REPORTING DEADLINE OF STANDING COMMITTEE

Mr. Doug Lewis (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, there have been discussions among the Parties and I think you would find unanimous consent to pass the following two motions, which I will place individually. The first motion is as follows:

That the Standing Committee on Communications and Culture be authorized to extend from April 15, 1987, to May 6, 1987, its deadline for submitting the report to the House on all matters relevant to the development of broadcasting legislation pursuant to the House Order of Reference dated January 29, 1987.

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

Some Hon. Members: Agreed.

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

Some Hon. Members: Agreed.

Motion agreed to.

RESEARCH, SCIENCE AND TECHNOLOGY

AUTHORIZATION TO STANDING COMMITTEE TO TRAVEL

Mr. Doug Lewis (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, the second motion is as follows:

That the Standing Committee on Research, Science and Technology be authorized to adjourn from place to place within Canada for a total of six days as follows:

Toronto on the evening of Monday, May 11, 1987, after the usual adjournment hour of the House, for public hearings on Tuesday, May 12, 1987, and Wednesday, May 13, 1987;

Saskatoon on the evening of Tuesday, May 26, 1987, after the usual adjournment hour of the House, for public hearings on Wednesday, May 27, 1987, and Thursday, May 28, 1987;

Quebec City on the evening of Tuesday, June 9, 1987, after the usual adjournment hour of the House, for public hearings on Wednesday, June 10, 1987, and Thursday, June 11, 1987;

In relation to its mandate under Standing Order 96(2) to Study Canada's space program, and that the necessary staff do accompany the committee.

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

Some Hon. Members: Agreed.

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

Some Hon. Members: Agreed.

Motion agreed to.

Mr. Riis: Mr. Speaker, I rise on a point of order. Would it be the appropriate time under Motions for a Member to rise to request a special debate?

Mr. Speaker: I should advise the House that I have received from the Hon. Member for Oshawa (Mr. Broadbent) an application under the appropriate Standing Order for an emergency debate.

I will hear that application as soon as we have disposed of the questions on the Order Paper.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Doug Lewis (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 86, 92, 93, and 100.

[*Text*]

TREATY 8 RENOVATION DISCUSSION PAPER

Question No. 86—**Mr. Penner:**

1. Was a discussion paper on Treaty 8 Renovation, prepared by the Hon. Frank Oberle, presented to the Minister of Indian Affairs and Northern

Development in January 1986 and, if so, what follow-up action was taken by the Department?

2. Has the discussion paper been referred to the Department of Justice and, if so (*a*) on what date (*b*) for what reasons?

3. Is the Department of Justice preparing a report for the Government on this discussion paper and, if so (*a*) has a report been completed and which cabinet Ministers have received copies (*b*) if the report has not been completed (i) when will it be completed (ii) which cabinet Ministers will receive copies?

4. Has the discussion paper been considered by the Cabinet and (*a*) if so, what was the outcome (*b*) if not, will it be considered by the Cabinet?

5. What are the Government's intentions with respect to the Treaty 8 Renovation discussion paper?

Hon. Bill McKnight (Minister of Indian Affairs and Northern Development): 1. Yes, the discussion paper was submitted to the Minister of Indian Affairs and Northern Development on January 31, 1986. It was considered by departmental officials concerned. Since the document dealt with a number of constitutional issues, a copy was provided to officials of the Department of Justice for their consideration. Departmental officials subsequently discussed certain non-constitutional matters related to the discussion paper with Treaty 8 representatives.

2. As noted above, the discussion paper was referred to the Department of Justice (in February, 1986) for consideration.

3. No, (*a*) N/A, (*b*) N/A.

4. The Government intends to use the discussion paper as a working document in considering various approaches to dealing with both treaty-specific and national treaty issues.

ENVIRONMENTAL ISSUES

Question No. 92—**Mr. Caccia:**

For each of the fiscal years 1984-85, 1985-86, 1986-87 and projected 1987-88, did the Canadian Embassy in Washington, D.C. have staff assigned to work on environmental issues and, if so, for each year (*a*) how many (*b*) what were or are the tiles/job descriptions for each position?

Right Hon. Joe Clark (Secretary of State for External Affairs): Yes. For each of the fiscal years mentioned above, the Canadian Embassy in Washington, D.C. assigned or will assign: (*a*) four persons, (*b*) one Counsellor (Environment), one First Secretary (Environment), one Environmental Affairs Officer, one Secretary.

In addition, the Ambassador and the Minister (Political) devote considerable time to environment issues. Equally, the Minister (Public Affairs), Counsellor (Congressional Affairs) and Counsellor (Public Affairs) devote some of their time to coverage of environment issues.

OUTREACH PROGRAMS

Question No. 93—**Mr. Parry:**

1. In (*a*) 1983 (*b*) 1984 (*c*) 1985 (*d*) 1986 (*e*) 1987 to date, were Employment and Immigration Outreach projects approved and, if so, how many?

2. (*a*) What are the (i) benefits (ii) salary levels for Outreach co-ordinators (*b*) do all co-ordinators receive the same (i) benefits (ii) amount in terms of salary and, if not, for what reason?

3. Do employees of the Department of Employment and Immigration and Outreach co-ordinators do comparable or identical work and, if so, are there major disparities in salary levels between them and, if so, for what reason?

4. Do all Outreach projects receive an adequate support service budget to hire necessary full-time staff and, if not, for what reason?

5. Are local board members of unincorporated Outreach projects personally liable for the due performance of Outreach contracts and, if so, for what reason?

Hon. Benoît Bouchard (Minister of Employment and Immigration): 1. Yes. Statistics and other information on Outreach are compiled on a fiscal year basis. New Outreach projects were approved as follows:

	Fiscal Year	Number of Projects
(a)	1982-83	63
(b)	1983-84	13
(c)	1984-85	5
(d)	1985-86	21
(e)	1986-87	0

2. (*a*)(i) There is no national policy regarding the provision of benefits for Outreach workers as Employment and Immigration Canada (EIC), while funding the projects, is not the employer. Outreach projects operate under contracts for service and therefore it is up to the sponsors of the project to establish their own benefit package within the approved negotiated funding level.

2. (*a*)(ii) There is no national policy on salary levels for Outreach workers for the same reason cited in 2.(*a*)(i). However, regions have generally established maximum reimbursable salary costs that may be paid to Outreach workers. Co-ordinators of projects would earn higher salaries than Outreach counsellors (who in turn would earn more than support staff) depending upon numbers of points of service, staff supervised and responsibilities.

2. (*b*)(i) No. Benefits can vary from project to project since the project sponsor is the employer.

2. (*b*)(ii) No. Salaries are generally paid in accordance with those paid for similar positions in comparable community agencies and as a result can vary.

3. No. While there are some similarities, there are significant differences as well. For example, Canada Employment Centre (CEC) counsellors have responsibilities over and above those of Outreach workers, such as approval of the expenditure of EIC program funds, which is a major responsibility when one considers the dollar amounts involved. The average annual rate of pay for an Employment Counsellor in a CEC currently is in the range of $29,569 to $33,310.

4. Yes. While it is not always necessary to employ a full-time support staff member, particularly in the case of a small project, CEIC tries to accommodate the needs of the projects based on their forecasts and within the approved allocated level of funding.

5. Local board members of unincorporated Outreach projects who are not part of the sponsoring board are not personally liable for the due performance of Outreach contracts. Only those persons whose signatures appear on the

Starred Question

signature page of the contract are considered to be liable to Her Majesty for the due performance of all matters stated in the contract.

The reason that these persons are personally liable is based on the premise that an unincorporated organization is not a legal entity and as such the Crown does not have any legal recourse against a non-incorporated organization for the due performance of any obligation set out in the contract. The persons signing the contract, therefore, are held personally liable for the due performance of Outreach services to be rendered.

TARIFF ON ENGLISH LANGUAGE BOOKS

Question No. 100—**Ms. McDonald:**

In June of 1986, did the Government impose a 10 per cent customs tariff on English language books and, if so, what were the total revenues collected as a result of its imposition?

Hon. Elmer M. MacKay (Minister of National Revenue): Effective June 6, 1986, the Customs Duty on Books Remission Order (1982), which allowed duty free entry of certain books, was revoked. Consequently, novels, works of fiction, some periodicals, publications to encourage enrolment in educational institutions outside of Canada and books of printed music reverted to being subject to the legislated duty at the rate of 10 per cent ad valorem under the most favoured nation tariff and the U.K. and Ireland tariff.

Other books, including textbooks or works of reference included in the curriculum of any university, college or school in Canada; books for bona fide libraries; books and periodicals in any other than in the English language; books which have been actually printed and manufactured more than 12 years; books for the promotion of medicine, the fine arts, law, science, technical training and the study of languages, were not affected by the change and remained duty free.

The amount of duty collected from June 6, 1986 to December 31, 1986 (date of the latest available statistics) was $12,711,000 (Source, International Trade Division, Statistics Canada 990-9647).

On March 12, 1987, the Customs Duty on Books Remission Order (P.C. 1987-442) was introduced to remit the 10 per cent duty as of February 19, 1987.

[*English*]

Mr. Speaker: The questions as enumerated by the Parliamentary Secretary have been answered.

* * *

STARRED QUESTION

Mr. Doug Lewis (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, would you be so kind as to call Starred Question No. 91.

VISITS OF U.S. NAVAL SHIPS TO B.C.

Question No. *91—**Mr. Manly:**

In 1986, did vessels attached to the United States Navy visit British Columbia and, if so, by month, which ones visited (a) Esquimalt Harbour (b) CFMETR at Nanoose (c) Vancouver Harbour?

Mr. Lewis: Mr. Speaker, this answer is really in two sections. There is a preamble paragraph which I will read and then ask for the indulgence of the House to have the balance of the answer printed in *Hansard*.

During 1986 a large number of United States naval vessels and Coast Guard vessels visited the ports of Esquimalt, Nanoose and Vancouver, many of them in connection with Expo 86. A number of vessels visited the same port more than once in the year or more than once in a month. In addition, many of the visits took place at the end of a month and therefore are listed in both months in which they were in port. Most visits included one or two ships while some involved up to six vessels at the same time. The breakdown of the visits by harbour and by month (including carry-overs (CO) from previous months) are as follows.

At this point I would ask for the permission of the House to have the second section of the answer printed in *Hansard* as read.

Mr. Speaker: Is that agreed?

Some Hon. Members: Agreed.

Mr. Lewis: It is as follows:

	Esquimalt	CFMETR Nanoose	Vancouver
January	USS Conquest USS Ingersoll		USS Ingersoll
February	USS Enhance USS Ingersoll USS Lajolla USS Rentz	USS Ingersoll	USS Ingersoll (CO) USS Okinawa
March	USS Rentz (CO) USS Germantown USS Implicit USS Pledge USS Rentz (twice)	USS Olympia USS Hewitt USS Rentz	USS Curts USS Albert David USS Downes USS Hewitt
April	USS Barbey	USS Barbey	USS Hewitt USS Kinkaid USS Downes USS Curts USS Barbey USS Albert David
May	USS California USS Esteem		USS Kiska USS McKee
June	USS Lynde McCormick USS Guitarro		USS McKee (CO) USS Downes USS Fanning USS Henry B. Wilson USS Denver USS Hepburn USS Haleakala USS Fort Fisher

July	USS Guitarro (CO) USS Reuben James USS Pledge USS Horne USS Roark USS Waddell USS Racine USS Lang USS Gray USS Wadsworth USS George Philip USS John A. Moore USS Buchanan (twice) USS Fletcher	USS Buchanan	USS Fife USS Leftwich USS Worden USS Sample USS Williamette USS Goldsbourgh USS Davidson USS Halsey USS Crommelin USS Buchanan USS Fletcher USS Horne USS Roark USS Waddell USS Racine USS Lang USS Gray USS Wadsworth USS George Philip USS Pigeon USS Badger USS John A. Moore
August	USS Vandegrift (twice) USS Ford USS Esteem USS Hewitt USS Kinkaid USS Curts	USS Vandegrift (twice)	USS Blueback USS Gallant USS Excel USS Gridley USS John Young USS Vandegrift USS Ford USS Esteem
September	USS Curts USS Hewitt USS Kinkaid USS Curts USS Cook USS O'Callahan USS Hawkbill	USS Bremerton USS Hewitt USS Kinkaid USS Curtis USS Hawkbill	USS Esteem (CO) USS Constellation USS Fox USS Ouellet USS Reid USS Crommelin USS Fanning USS Downes USS Joseph Strauss USS Implicit USS Esteem USS Dixon USS Cook
October	USS Barb USS Longbeach USS Pyro USS Esteem USS Enhance	USS Hawkbill (CO)	USS Cayuga USS Ranger USS William H. Standler USS John Young USS Rentz USS Meyer Kord USS Metrill USS Thach
November	USS Esteem (CO) USS Enhance (CO)		
December	USS Esteem		

I ask that the remaining questions be allowed to stand.

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

Some Hon. Members: Agreed.

* * *

MOTION TO ADJOURN UNDER S. O. 29(1)

PROPOSED DOME PETROLEUM TAKEOVER BY AMOCO CORPORATION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I rise under the provisions of Standing Order 29, a matter about which I wrote to you during the Easter break, to ask that the House adjourn to discuss a matter of urgent and pressing necessity, specifically the announcement by Dome Petroleum that it intends to accept a corporate takeover by the Amoco Corporation.

Briefly stated, there are four reasons which I believe should lead to the acceptance of the motion.

First, this will be the largest takeover bid for any sector in Canadian history.

Second, this takeover by an American multinational company would radically increase foreign dominance in the energy sector from 50 per cent to 60 per cent.

Third, during the past decade, the taxpayers of Canada have contributed literally hundreds of millions of dollars in direct and indirect benefits to the Dome Petroleum Corporation.

Finally, there has been a generally established consensus in Canada that more, not less, Canadian ownership in the crucial energy sector is desirable. The principal reason for this has been that multinational corporations, virtually by definition, have profit maximization on a global basis as their operating principle. This in turn means that at times such a global policy can be in direct conflict with Canada's energy requirements.

Mr. Speaker: The Chair has had time to consider the matter of this application, and it would seem that the application is in order. The Chair is prepared to put the question to the House.

Does the Hon. Member have leave to move the adjournment of the House under Standing Order 29 for the purpose of discussing a specific and important matter?

Some Hon. Members: Agreed.

Mr. Speaker: The debate will commence at eight o'clock p.m. this day.

• (1130)

GOVERNMENT ORDERS

[*English*]

CAPITAL PUNISHMENT

ESTABLISHMENT OF SPECIAL COMMITTEE ON REINSTATEMENT

Hon. George Hees (for the Deputy Prime Minister and President of the Privy Council) moved:

That this House supports, in principle, the reinstatement of capital punishment and directs that a special committee on reinstatement, composed of 15 members, be established, hold hearings and make its final report to the House no later than three (3) months following the adoption of this motion, such report to provide recommendations on:

(a) which offence or offences should carry the death penalty, and in what circumstances;

(b) which method or methods should be used to carry out the penalty of death, and in what circumstances;

That, pursuant to Standing Order 107(1), this special committee be hereby appointed as the committee to prepare and bring in a bill no later than three months following the adoption of this motion, founded on the committee's recommendations on (a) and (b) above; such a bill shall be the object of a separate and distinct report of the special committee, and such a report shall be its final report;

That such bill, when reported from such special committee to the House, be deemed pursuant to Standing Order 107(1) to have been introduced and stand on the Order Paper, in the name of the special committee chairman, for first reading at the next sitting of the House; and that subsequent House stages of the bill be considered under "Government Orders", with the bill standing under the heading "Government Business"; and that, when the said bill has been read a second time, it shall stand referred to a Legislative Committee;

That the Striking Committee be empowered to name the Members of the special committee, provided that once the Striking Committee report is laid upon the Table, it shall be deemed concurred in;

That the special committee have the power to sit while the House is sitting and during periods when the House stands adjourned;

That the special committee be empowered to report from time to time and send for persons and papers, and to print such papers and evidence from time to time as may be ordered by the committee and to retain the services of expert, technical, professional and clerical staff;

That the special committee be empowered to adjourn from place to place inside Canada and that, when deemed necessary, the appropriate staff accompany the committee;

That a quorum of the special committee be eight (8) members for any vote, resolution or other decision; and that the chairman be authorized to hold meetings to receive evidence and authorize the printing thereof whenever six (6) members are present;

That any substitution of membership on the special committee be made pursuant to Standing Order 94(4); and

That, notwithstanding the usual practices of this House, if the House is not sitting when the special committee is ready to issue its final report and the said bill, the special committee shall present its report and the bill to the House by filing them with the Clerk of the House provided that the report shall then be deemed to have been laid upon the Table, and the bill shall then be deemed, pursuant to Standing Order 107(1), to have been introduced at the first sitting of the House thereafter and to stand on the Order Paper in the name of the special committee chairman, for first reading at the next sitting of the House; and that subsequent House stages of the bill be considered under "Government Orders", with the bill standing under the heading "Government Business".

Mr. Doug Lewis (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, it is my privilege as the Parliamentary Secretary to the Deputy Prime Minister to lead off the debate on this issue of national importance. I would point out that this is not a government initiative *per se*; the Government neither supports nor opposes the reinstatement of capital punishment. A vote will not be considered a matter of confidence and each Member of the Progressive Conservative Party will be free to vote as he or she chooses on the motion.

In opening the debate it is important that I take some time to explain the background of the debate, the timing of it, the motion, and the process, as well as to present briefly my own point of view as a Member of Parliament. Those members from all sides who follow me will spend far more time than I on the pros and cons of the issue.

The death penalty was abolished in 1976 after a long and, by all accounts, bitter debate in Parliament. Capital punishment was replaced with a mandatory life sentence with no parole for 25 years in the case of first degree murder. However, debate has continued in the country as to whether or not capital punishment should be reinstated. The proponents are concerned that deterrence and protection are not being adequately served under the present law. The opponents continue to argue that capital punishment is not a deterrent. There is a considerable body of public opinion on both sides of the issue.

During the 1984 election campaign, our Government made the commitment to a debate in the House of Commons. Further, the Prime Minister (Mr. Mulroney) made the commitment that there would be no Party line on this issue, that it would be a free vote. The commitment made by our Government was to bring the issue forward for debate during our mandate as a Government.

The House will know that when we took office in September, 1984, Canada was faced with a multitude of social and economic problems, with a complete breakdown of federal-provincial relations and with a deterioration in relations with our neighbour and largest trading partner, the United States. It would have been irresponsible to have proceeded with this debate prior to a resolution or at least a commencement to the solutions of these important problems. We have, fortunately, made considerable progress.

On the economic side we have created jobs in record numbers. Our emphasis as a Government on training and retraining has given hundreds of thousands of Canadians more job opportunities. Government spending has been reduced. Our attack on the deficit is continuing. Naturally, Mr. Speaker, we do not claim complete victory; there are still regional disparities and there is much to be done but we have made a start.

On the social front, we have passed tougher laws for impaired driving and prostitution. We have made divorce easier when marriages have broken down. Equality legislation, plus an aggressive appointment criteria have profoundly increased the opportunities and the influence of Canadian women. Parliamentary reform has increased the influence of the individual Member of Parliament. We have worked hard

to improve federal-provincial relations. While differences of opinion are inherent to our system and continue, the nature of the difference of opinion is, for the most part, philosophical rather than the result of a complete failure to communicate.

Relations have improved with the United States. Prospects are good for a free trade agreement which will ensure access to the markets of our biggest customer. Environment issues are now receiving the attention they deserve. On all of these issues we do not claim victory, but we do claim progress.

Therefore, it is appropriate to commence this debate on the question of reinstatement of capital punishment at this time in our mandate. There are those in the Opposition who say that we are doing it now to curry public favour. That is nonsense for the reasons which I have stated, Mr. Speaker. We are bringing this debate forward now because we said we would bring it forward during our mandate. We are bringing this debate forward now because of the considerable progress we have made on several fronts.

However, although it is appropriate to commence the debate now, it is also appropriate to make certain other points. The Government has other important legislation which should proceed. Among those legislative initiatives are the revisions to the Patent Act, changes to the Criminal Code affecting pornography and sexual abuse of children, transportation legislation which will free up competition and deregulate transportation in Canada, as well as income tax legislation flowing from the recent Budget. There are other policy initiatives, such as income tax reform, child care initiatives and defence policy which may or may not initiate parliamentary debate prior to the end of June.

While we are committed as a Government to the debate on capital punishment, we are not committed to managing the debate with a heavy hand or forcing a vote by a certain date. That would be contradictory on a matter of conscience. One of my colleagues is reported to have said that we will look very weak if the vote does not take place before June 30 this year. With respect, Mr. Speaker, I do not agree. Our Government will, in the final analysis, be measured on our record on all issues, not one issue, and especially not a non-confidence measure which has been designated as a free vote.

• (1140)

Therefore, while there is a disposition and a will to proceed with the debate, the Government is also committed to the continued orderly process of the Government's business. In an effort to have a full debate involving every member who wishes to speak, the Deputy Prime Minister (Mr. Mazankowski) wrote to the opposition House Leaders suggesting that the House sit from seven until 10 each Monday, Tuesday and Thursday and that speeches in debate on the said motion and amendments be limited to 15 minutes with questions and comments in reply limited to five minutes. That suggestion would have allowed for a full and orderly debate, but unfortunately the opposition House Leaders flatly rejected that proposal and had no alternatives.

I have a personal suggestion with respect to this debate which I would put forward. I would suggest that we call the debate every Friday. That way, those who wish to debate the matter, either for or against, would be on notice that they must be here on Fridays. Twenty-five of the obstructionists in the opposition Parties who fear debate would be forced to remain so that the hours of debate would not be extended. Should the debate be extended, everyone present who wished to speak could speak and the vote could be deferred to the following Monday.

Although there has been considerable public debate, parliamentary debate and media discussion concerning the issue of the reinstatement of capital punishment, there has been very little consideration or consensus on the appropriate measure and mechanics for the parliamentary debate. I would like to pay tribute to the Deputy Prime Minister for the time and effort he put into the drafting of this motion. It is the result of considerable thought, review and revision as well as full consultation with members of the Government caucus which, I would point out, includes both proponents and opponents of the motion.

The motion provides an orderly process for the debate of the issue and the decision-making process if the motion is passed by the House. The motion first seeks the opinion of the House on the reinstatement of capital punishment. If the motion is defeated, the matter will end there. If the motion is supported, the motion establishes a parliamentary committee to prepare and introduce appropriate legislation within a certain time frame. As the Deputy Prime Minister stated in the House, the vote will not be considered a matter of confidence by the Government. If the motion is defeated, the Government will not consider it a motion of non-confidence.

I think it is fair to ask why we did not pursue other legislative methods such as a private Members' Bill. A private Members' Bill to reinstate capital punishment would not have allowed for orderly debate on the principle followed by an orderly process of drafting a Bill. Furthermore, the present rules for Private Members' Bills allow for only five hours of debate. That would not be sufficient time for all Members of the House who wished to participate in this debate to do so.

One might also ask why the Government did not bring in a government Bill. We feel that that would not have been appropriate because the Government's commitment was to a full and open debate followed by a free vote. If the motion passes, the members of the committee of the House and not the Government will decide upon the crimes for which the punishment applies and the method of enacting the punishment. We feel this motion is the best possible and most reasonable approach for all Members of the House regardless of their position on the issue.

The motion has been in the public domain since February 12, 1987. This has allowed for constituents to contact their Members of Parliament, as many have. It has allowed for public debate, both organized and unorganized. It has allowed for media consideration and it has allowed for Members of

Parliament to seek out public opinion and formulate their position on either the issue or the process.

When the Deputy Prime Minister introduced the motion, he stated very clearly the following:

> It is our intention to permit the motion to stand on the Order Paper for a period of time to allow those interested parties in the public to make representations to their MPs.

That time has now elapsed. Thus, when we commence the debate now, two and a half months later, we are neither rushing the debate before due public consideration nor delaying the debate unnecessarily.

I touched on this next matter once before and it was the subject of some comment, but I intend to return to it because I think it is important. I would like to address the tone of the debate. Every Member of the House, no matter what his or her position on this issue, owes it to society to debate it on as high a level as possible. This debate will be the ultimate test of every Member of the House. There will be some Hon. Members who are in a fortunate position. Their personal views and the views of a majority of their constituents will coincide. There will be others in a position of conflict. Their views will be at odds with those of their constituents. That is a difficult position for a Member of Parliament. We as elected representatives all know that. We owe it to each other, I believe, to be both passionate and dispassionate in this debate, passionate as we present our personal points of view and dispassionate as we consider the viewpoints of others.

I will be voting for the motion, Mr. Speaker, because I believe in the reinstatement of capital punishment for premeditated murder and the murder of policemen and prison guards. Discussions with my constituents over the past eight years lead me to believe that the majority of my constituents also hold that point of view. People who commit premeditated murder make a conscious decision to take a life. That is the most serious of all crimes for which there can be no excuse. Policemen and prison guards are our nominees. They agree to protect our lives and property from those in society who choose not to obey the law. We owe it to them to provide a deterrent. Murderers decide to opt out of society. I am of the opinion that capital punishment is both an appropriate punishment for those who commit murder and a deterrent.

Public opinion polls conducted from time to time suggest that the weight of public opinion would be in favour of the reinstatement of capital punishment. That puts me in the fortunate position of holding a point of view which coincides with that of my constituents. However, there will be other Members from all Parties who are not as fortunate and I wish to address their position today.

Members of Parliament are elected to exercise their judgment on behalf of their constituents during their term of office. The true measure of an elected representative can be made when his or her opinions conflict sharply with the widely held opinions of his or her constituents. That is one of our most difficult tests as Members of Parliament. We then fly not only in the face of public opinion but in the face of the wishes of our constituents. However, it is necessary to preserve the principle of the independence of an elected representative. To my colleagues from all sides of the House, and to the House, I commend the comments of the famous British parliamentarian, Edmund Burke, made during his acceptance speech in 1774. I think these comments are important in this debate and I wish to read them into the record:

> It ought to be the happiness and glory of a representative to live in the strictest union, the closest correspondence, and the most unreserved communication with his constituents. Their wishes ought to have great weight with him, their opinion high respect, their business unremitted attention. It is his duty to sacrifice his repose, his pleasures, his satisfactions to theirs; and, above all, ever, and in all cases, to prefer their interest to his own. But his unbiased opinion, his mature judgment, his enlightened conscience, he ought not to sacrifice to you, to any man, or to any set of men living. These he does not derive from your pleasure, no, nor from the law and the constitution.
>
> They are a trust from providence, for the abuse of which he is deeply answerable. Your representative owes you, not his industry only, but his judgment; and he betrays, instead of serving you, if he sacrifices it to your opinion.

• (1150)

Burke's comments upon the duties of a member, his trust to his constituents, and his right to put forward his own judgment are still valid today over 200 years later.

This debate will be a great test. It will touch every Canadian; the innocent and the guilty, the judge and the jury, the Crown and the defence. Yet, Mr. Speaker, we will be judged as much by the way we reach the decision as on the decision itself. Therefore, let us all push ourselves to the limit to be worthy of the right to make that decision and to do it in as calm and thoughtful a manner as possible.

Some Hon. Members: Hear, hear!

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I do not support capital punishment and, therefore, I oppose this resolution.

[*Translation*]

I shall explain to the House why I do not believe in capital punishment, but first of all, I would like to express my Party's dismay at the way this Government has tabled the matter in the House and the way it intends to conduct the debate.

[*English*]

I do not believe in capital punishment. I will use the opportunity afforded me this morning to explain to the House, to my constituents and to Canadians why I take this position. However, I would first like to express my Party's dismay at the way in which this resolution has been brought forward, the method which the Government is using to treat and essay Canadian public opinion, and the way in which I believe it will bitterly divide Canadians.

During the election the Prime Minister (Mr. Mulroney) made a promise to the country that he would bring forward a free vote on capital punishment. We anticipated that that meant he would bring it forward in a clear, unequivocal

manner, that he would allow the House to divide, and that the consequences would flow from whatever vote we took.

Instead we have an attempt by the Prime Minister and the Government to disguise their real intentions. Instead of a straightforward motion on the death penalty they are trying to pass responsibility off to a committee of this House. The Deputy Prime Minister (Mr. Mazankowski) told the House of Commons on February 13, when he brought in this motion, that the motion does not indicate that the Government supports or opposes the reinstatement of capital punishment. That position was echoed by the Parliamentary Secretary this morning. Yet the motion which he introduced, and on which we are asked to vote, begins with the words that you have recited, your Honour, "That this House supports, in principle, the reinstatement of capital punishment".

Who does the Government expect to fool—no position is being taken? Ministers are divided on the issue and are not taking responsibility for this motion—yet, the motion is quite clear that this House supports, in principle, the reinstatement of capital punishment.

The issue is to be turned over to a committee of the House of Commons. That committee will have the authority under the resolution to decide what crimes will be subject to capital punishment and what the style of that punishment will be. The committee will have the responsibility of preparing the actual Bill. All three of those items are vital; what crimes should be covered, in what way the ultimate punishment should be meted out, and the drafting of the Bill. That surely should have been the responsibility of the Government, or the Prime Minister, or the Minister of Justice (Mr. Hnatyshyn).

[*Translation*]

Mr. Speaker, no government can resolve the issue of the death penalty by fence sitting, any more than we can execute someone partially. Either the death penalty exists in this country or it does not. The Government must put its cards on the table. The Government must clearly explain its position and take the consequences. But it doesn't want to do this. It wants to keep both sides happy.

[*English*]

To supporters of capital punishment they will say, "We have kept our word, we have brought it before the House". To those opposed to capital punishment they will say, "What could we do? The committee decided. It decided what crimes would be included, the style of the punishment, and it drafted the Bill."

This motion is sheer hypocrisy. It is a crass political move.

Some Hon. Members: Hear, hear!

[*Translation*]

The motion is silent on the royal prerogative of pardon, by which Cabinet can commute the death penalty to life imprisonment. Will the present Government or future Governments who are opposed to the death penalty be able to commute such a sentence, and if so, is not the present debate absolutely meaningless? Is it not ambiguous? Aren't we giving the impression to Canadians who support the death penalty that the House is speaking out on this issue because an execution as understood in this motion or in future legislation may well never take place, because of the powers and prerogatives of Cabinet, even if the death penalty is restored as a result of this motion and subsequent legislation?

[*English*]

By voting for this motion the House of Commons will agree in principle to the return of capital punishment. It will then send a committee criss-crossing Canada debating the merits of garrotte against the firing squad, electrocution against hanging, legal injection against even decapitation. What a ghoulish commission to send our colleagues on across the country.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): The committee will also be obliged to decide what crimes will qualify—will it be only premeditated murder or first degree murder or treason or terrorism or espionage? The effect of this roving committee will be to divide Canadians even more bitterly on the subject and will not add one whit to what we already know about the subject. I anticipate many emotion-filled meetings across the country and very, very little dispassionate discussion.

• (1200)

[*Translation*]

We will not know until the Committee has finished its macabre task and comes back to the House to say what kind of criminals will receive the death sentence and how they will be executed. We must not forget that the Committee will not have to decide whether people will be executed, only how this will be done and for what crimes they are to suffer this punishment. By taking this approach, the Government is showing a shocking lack of responsibility, and Canadians will realize this, whatever their views on the fundamental issue of capital punishment may be.

[*English*]

When the committee returns to the House after 90 days or before, we start the debate all over again. We prolong the issue; we continue to exacerbate the division of the country, and the country remains divided.

What happens to the rest of the country's agenda and the Government's agenda before the House of Commons? It is behaving like some latter day Lady MacBeth, attempting to wash its hands of the issue. However, I say to the Government and the Prime Minister that it cannot absolve itself of this issue, nor can the Prime Minister. That is not leadership; that is playing games with an issue that goes to the heart of the conscience of every Member of Parliament and every Canadian.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): We are told that a majority of Canadians favour the return of capital punishment. We are told that that is justification in itself for bringing back the death penalty. I understand that some Members are polling their constituents to find out how they want them to vote.

I am glad that the Parliamentary Secretary recited those words of Edmund Burke, perhaps too oft-cited but never more clearly put. He is saying that to poll one's constituents and to rely merely on public opinion polls or on commentators is an abandonment of our responsibility as parliamentarians. It is a derogation of what we were elected to do, by exercising our own judgment here and on behalf of the people of Canada.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): If there is one line that I would recite from the words of Edmund Burke put before the House in his famous address to his electors of Bristol: "Your representative owes you, not his industry only, but his judgment; and he betrays instead of serving you if he sacrifices it to your opinion".

The duty to make that judgment is ours. It is our judgment, and ours alone. It cannot be decided on the basis of public opinion polls or in searching out the collective opinion of our constituents. It is a matter for us to listen to reason carefully together, to weigh the arguments pro and con and then, in a matter of conscience and the fundamental values of the country, to tell the country and Parliament in the House of Commons where we stand. That is what we will do.

Let us be perfectly clear. This morning we are not talking about a percentage shift in interest rates. We are not talking in terms of whether the Gross National Product has increased or decreased, or about our trade figures. We are not talking in terms of greys; we are talking about an issue that is clearly black and white. There is no grey area possible when it comes to arguing whether the state should kill or not kill those the state finds guilty of the ultimate crime. The decision, once taken, first by us, then by the courts, judge and jury in the individual cases that will undoubtedly be brought before the country, then carried out by prison officials, is a final and irrevocable decision.

[*Translation*]

Every group of people has the duty to protect the innocent against violence. That is undeniable. Since murder is the height of violence, the state has the duty and responsibility to prevent this most condemnable crime.

Nobody here in the House would question this point. But we certainly do have diverging views on the method we should use to prevent this crime. Death penalty advocates believe that execution by the state constitutes the only real deterrent.

That is not my opinion. I do not think that the evidence we have confirms this.

[*English*]

I repeat that one of the earliest duties of a country was to protect citizens against attacks on their person, their lives, their freedom of movement and their liberty. When these attacks take the form of violence, then it is the duty of the state by way of the criminal sanction to punish. If the sanction against a criminal act is not sufficient or is seen by ordinary people not to be sufficient, then the effectiveness of the criminal law suffers loss of credibility. If a crime is not punished, people lose confidence in our law. If the punishment does not fit the crime, then in the minds of reasonable people the law is sapped of its credibility. Crimes of violence are not to be treated lightly. Sentences must be meaningful, and for murder, we believe that there ought to be a mandatory life sentence and limitation on the parole.

[*Translation*]

Some people claim that executing the murderer protects society because never again will this individual commit murder. True indeed. But since Confederation the number of people who were guilty of murder and went on to commit a second similar offence is infinitely small, and only two of the 473 murderers convicted since 1976 did commit a second murder.

[*English*]

What if a mistake is made? What if the wrong person is convicted? Do we think it never happens? It happened in the case of Donald Marshall who spent 11 years unjustly committed to a Nova Scotia prison for a murder he did not commit. What if we had executed Donald Marshall?

Mr. Shields: Not first degree murder.

Mr. Turner (Vancouver Quadra): What if you execute the wrong person? It has happened before and it can happen again. Who then is guilty of taking that innocent life? Is it the judge, the jury, the prison official, or does the whole responsibility begin with us here in the House of Commons? I ask every Member to weigh that particular decision.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): In this debate we are assessing an individual responsibility for applying to our law and imposing within the criminal sanction an irrevocable, final, irredeemable penalty. When we talk about equality before the law, we are generally proud as Canadians of having moved a great deal toward applying justice equally between rich and poor, between all members of our society.

But there is always the human condition. There is always the human variable, and the accused does not have the choice of those variables. What is the attitude of the particular judge before whom the accused is summoned? What is the particular attitude of that judge toward capital punishment? That attitude unconsciously determines in subtle ways the way that judge presides the trial.

What about the Crown prosecutor? What is his or her attitude toward the prosecution of a criminal offence? Does the Crown prosecutor believe that it is his or her duty to bring the whole facts before the judge and jury or does he or she believe that it is a primary duty to achieve a conviction? Does that sense of justice become diluted somewhat by the personal ambition and career plans of the prosecutor?

• (1210)

What about counsel for the defence? There is a wide variety and talent, persuasion and persistence among counsel. Yet, in most cases, particularly those involving legal aid, the accused does not have the right to choose the particular counsel defending him or her. That range of talents inevitably enters into the facts that are presented before a jury and the jury's assessment of those facts.

The accused has very little control over those human factors. Many accused of the ultimate crime are friendless, alone and without resources. Although we speak of equalizing the opportunity and equality of justice in Canada, there is still little doubt that a person with resources has a better chance.

[*Translation*]

Some capital punishment supporters, including the Hon. Member for Peterborough (Mr. Domm), state that it is worth the risk. They say that even if the state mistakenly kills certain people, it will be worth it since we will thus be getting rid of the guilty. This is a carefree and irresponsible approach which I cannot accept.

[*English*]

Of course we are given the ancient argument's recital of an eye for an eye and a tooth for a tooth—and, a life for a life. Murder is a barbaric act, so should we respond in a barbaric way? What would happen if we carried that to its logical conclusion: burgle the house of a burglar, cheat the embezzler, make obscene phone calls to someone who makes them, kidnap the child of the kidnapper? Of course that is an absurd argument but that is what we are really saying if we are to reply in the same way to an act of barbarism.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): Civilized societies over the centuries have developed codes of law and systems of justice to provide for the punishment of the guilty. It is not a system based on vengeance, retribution or revenge. Surely Canada has risen as a state beyond state-enforced vengeance or state-enforced retribution. Surely we have a system based on a calm, dispassionate review of the allegations so that beyond any shred of doubt within the burden of proof of the criminal law they are converted into facts. If guilt is assessed after due process then a punishment is imposed which will deter the commission of similar crimes. That is our system.

[*Translation*]

The aim of this system is to protect society and rehabilitate criminals. And in a civilized society the penal system must focus on protection, prevention and rehabilitation. We must come to grips with the causes of violent crimes, not only with their consequences.

[*English*]

What we are discussing here this morning is not whether the state has the right to execute but whether it is right for the state to execute.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): The Hon. Member for Peterborough (Mr. Domm) is quoted in *The Toronto Star* as having said:

> A country that puts murderers to death is telling the world that life is not cheap in that country.

I would ask the Hon. Member to reflect on that statement. If we look around the world and see where capital punishment is used we see that it is mostly in countries such as Iran, Saudi Arabia, the Soviet Union, China and South Africa. We must then ask ourselves, are these our models? Are these the societies that we want to emulate? The answer is clearly no. The answer is that the societies with which we feel comfortable are those of western Europe, New Zealand, Australia, and those states in the union of the United States where capital punishment has been abolished.

I do not arrive at my own views on capital punishment from any philosophical belief that there is no inherent right in the state to take a life. Under our moral history, under our law and under our traditions there has always been a right individually to self-defence, even at the cost of taking another's life in legitimate self-defence.

The state has always had collectively the right to defend itself, even by going to war and taking life, even when it involves the killing of others. Execution in the course of individual self-defence or in the course of collective self-defence has always been morally and legally justifiable within our moral and legal principles.

The question then is this. Is state execution justifiable as a response to murder? Is the state exercising a legitimate role of self-defence in that response to murder? It can only justify that as an act of self-defence if it can establish beyond a doubt that it is the only effective deterrent to the recommission of that crime, and in influencing other people as they behave in our society.

Is capital punishment the only such deterrent? That is the issue. It is not only a moral issue; it is a factual and pragmatic issue. There are facts before us.

I think that one of the great speeches made in the House of Commons on this issue was made by the late Arthur Maloney. I commend his speech to Hon. Members. He made it on February 18, 1960 and he pointed out:

> —there are many things which we are morally entitled to do but which we are not morally obliged to do.

As our former Prime Minister, the Right Hon. Pierre Elliott Trudeau, told the House on June 15, 1976, only:

> A preponderance of available evidence showing that executions are likely to deter other murders would serve as an adequate justification for the act, an adequate guarantee that a human life was not being taken capriciously.

It is instructive to note that even the Canadian Association of Chiefs of Police so long in favour of capital punishment no longer argues that capital punishment is the only effective deterrent.

Your Honour the evidence is not there. Statistics have been advanced on both sides of the argument. Numbers will obviously be called into play before the House. But I have never found them to be conclusive, and I do not find them to be conclusive now. They do not remove my doubt. Indeed, in the civilized world there is nowhere any evidence to show that capital punishment has had any significant impact at all on the murder rate.

[*Translation*]

At 2.1 per 100,000 people, last year's homicide rate in Canada was the lowest in 15 years. When capital punishment was abolished in 1976 the rate was 2.9 per 100,000 people. And if we look at the United States, statistics show that those states which still impose the death penalty report a higher number of homicides than do the other states where it has been abolished. That, Mr. Speaker, shows the lack of evidence in support of capital punishment.

If capital punishment does not have a deterrent effect, what other use does it have? Death penalty supporters say that the punishment should be equal to the crime. But if a punishment goes beyond deterrence, it becomes an act of vengeance, retaliation, or personal satisfaction.

As a civilized society, have we not gone beyond the stage of vengeance sanctioned by the state? Has there been no lessening of thirst for revenge which at one time prompted mankind to take the law in its own hands and demand an eye for an eye?

• (1220)

[*English*]

Surely we have moved from retaliation, to a code of impartial justice, with a system of fair hearing and judgment by our peers. Surely by accepting to live under a system of communal justice, we have abandoned the right to individual vengeance; we have abandoned our own right to take personal vengeance. If that be so, how does it advance our cause by handing it over to the state?

I believe that we have entered this debate on fallacious grounds. I believe that there is, in the minds of too many people in Canada, the idea that in the past 10 years, or in the past 20 years, we have somehow changed fundamentally as a society; that we have become more violent, more brutal than was the case when we had the death penalty, 10 or more years ago.

I have tried to assess where that feeling comes from, and I am sure that the prime source for it is what we receive by way of a daily diet of news and television programming. Every night on prime time television we see murder, kidnapping, robbery, assault, and rape. We forget that it is an exaggeration. We forget that these are actors and that the actors do not really die, that the actors are not really the crazed killers they are portrayed to be.

[*Translation*]

But we have a tendency to forget that in recent years there have been more murders in Miami, Florida, than in Canada as a whole, yet capital punishment is still on the statute books in Florida. Not for a moment would I deny the existence of violent and brutal crimes in Canada. I do not deny that people are being assassinated. I do not deny that people commit violent crimes, but I vehemently deny that our society has become more violent and more brutal, and that one of the solutions would be to increase violence by reinstating capital punishment.

[*English*]

What is the message we are trying to send out from this place, Mr. Speaker? What is the message we are going to send out from this place if we once again allow the state to put a fellow member of our society to death?

To me, the message would be clear. We have failed, we have given up. It is a sign that we are willing to indulge our own personal vengeance, our own personal anger again to make violence, violence once again endorsed, and endorsable, by our state. It would be a sign that we have lost faith in ourselves as a society to deal creatively and effectively with those who break society's rules.

I believe that the state must aspire to a higher ideal than simply killing people who cannot be fitted into our scope of conduct. Our society is a dynamic and living thing. It changes, our rules change. One hundred years ago, the number of crimes for which the death penalty could be imposed numbered 200. What was a major crime warranting the death penalty a century ago hardly enjoys a footnote in the Criminal Code today. That is the case in respect of several of those offences.

As is pointed out in the recent report of the Canadian Sentencing Commission, capital punishment was at the center of the penalty structure in England at the end of the 18th century. Since we incorporated the British system, the same attitude applied then in our country. But, the report also points out that even then European penal reformers had already stated the cardinal principle of deterrence, that principle being that it is not the severity but rather the certainty of the punishment which deters potential offenders. A penalty structure which relied on punishment so severe that it could not be applied systematically was in clear conflict with this principle.

I have the profound conviction, Mr. Speaker, that the evolution in our thinking did not come about by accident. It

came about because we continued to push forward our frontiers in terms of understanding and knowledge. As a people, we have made considerable progress. We have taken considerable strides as a civilization. We are more compassionate, more understanding, and more humane. I believe that bringing back the death penalty would once again close the door on that road of progress.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): It would also be an indication that we have given up hope of finding a humane yet effective response to the ultimate crime.

It is for these reasons, Mr. Speaker, that I intend to vote against this motion. It is for these reasons that I intend to urge my colleagues from all quarters of the House to vote against the motion, to vote against the restoration of the death penalty. It is for these reasons that I commend to each and every one of us a thorough review of our conscience and of our dignity as elected representatives of a great people.

Some Hon. Members: Hear, hear!

The Acting Speaker (Mr. Paproski): The Hon. Member for Kamloops—Shuswap (Mr. Riis), on a point of order.

Mr. Riis: Mr. Speaker, in the light of the importance of this debate, and in the light of the custom and tradition of this House, I rise to seek the unanimous consent of the House to allow the Hon. Member for Oshawa (Mr. Broadbent) to speak for a period of time equal to that of the Right Hon. Leader of the Official Opposition (Mr. Turner); and, if necessary, that the hour of one o'clock not be seen by the Speaker, to enable his speech to be completed.

Some Hon. Members: Agreed.

The Acting Speaker (Mr. Paproski): The Hon. Parliamentary Secretary to the President of the Privy Council (Mr. Lewis).

Mr. Lewis: Mr. Speaker, as the House will be aware, we have been trying to work out arrangements for an orderly debate on this subject, arrangements which would ensure that everyone will be heard fully. We have considered this matter, and in the spirit of co-operation—which we hope will endure throughout this debate—we are prepared to give our consent.

The Acting Speaker (Mr. Paproski): The Hon. Member for Windsor West (Mr. Gray).

Mr. Gray (Windsor West): Mr. Speaker, on behalf of the Official Opposition, we are happy to agree to the request of the House Leader of the New Democratic Party.

The Acting Speaker (Mr. Paproski): It is so agreed.

Hon. Edward Broadbent (Oshawa): Mr. Speaker, there is not a subject matter more important for Members of Parliament to debate and deliberate upon than the one that is now before us. As all members on both sides of this issue know, what is at stake here is whether this country will reintroduce into law the right of the state, calmly and deliberately, to take a human life.

It is the importance of this issue that leads me immediately to say to Members of all Parties that I intend to address my comments on this profoundly important matter, not to those who agree with me that capital punishment is wrong, but to those who are either undecided or, up to this moment, believe that it is appropriate for capital punishment to be reintroduced into our laws.

I have concerns about the origin of the resolution, the way it has been brought forward, and I have some concerns about the details of it. But I put those concerns aside to deal with the fundamental question that is at the root of the motion. As the right to experience life, Mr. Speaker, is the most basic of values, so too is the destruction of life, its denial to another, the most horrible of crimes. Whether that destruction is of a child or an elderly person, an invalid or an athlete, a scholar or a cab driver, a man or woman in the home, or whomever, whether that destruction is one of a random mass murder or an act that is premeditated and specific, the result, Mr. Speaker, is the same. The victim's life is snuffed out; it is finished, there is no more. The ultimate impingement on another human being has been carried out.

• (1230)

I am sure everyone in the House agrees that murder is horrible, that we must do all we can to prevent it, and that those who murder must in some sense be punished. However, these are not the central matters before us.

What is central is the obligation of those who want capital punishment to justify that course of action. What is central is their obligation, those who believe that killing our neighbour is morally wrong, to show that the same act of terminal violence when carried out by the state in the name of law is morally right.

Those who want us to approve of the motion, which in its essence, if established, would bring about the restoration of the death penalty, have the obligation to prove their case. If they want to take life, they must provide us with arguments which lead us to conclude that when sanctioned by the state the taking of a life is right.

[*Translation*]

People who are in favour of capital punishment have a moral duty to prove that killing by the State is justified and to argue their case. That is in fact the major moral concern of this debate, since a debate on the death penalty is about the right of the State to kill.

People who are in favour of capital punishment will have to provide moral arguments to justify the right of the State to kill a human being. In my opinion, killing is justifiable only in two situations. One is self-defence. If a man, woman or child is attacked by another person, he or she has a right to kill the

attacker, if necessary, to protect his or her life. The second is when a country or a state declares war or invades another country to forcibly impose its laws on it, thereby making use of violence and death. I think it is right and morally acceptable for the people of that country to defend themselves against the attacker.

The principle involved in these two examples is identical, Mr. Speaker. An individual has the right to protect his life when it is seriously threatened. A State or a community also has that right.

[*English*]

When the only defence against a violent attack on life is the use of violence, then that violence is morally justifiable. Individuals or states have the moral right to survive and to defend that survival when it is being assailed.

However, the question before us is of a different order entirely. It is whether the state is justified in killing a human being, not in active defence, but cruelly, deliberately, in a premeditated way, long after some crime has been committed. Those Members of Parliament who favour this premeditated destruction of human life by the state must make the case for it. It is their responsibility and theirs alone. They cannot shift the moral burden of justifying this kind of violence to those who elected them. They cannot claim they are merely following the wishes of the population.

Some Hon. Members: Hear, hear!

Mr. Broadbent: In this context I say to the government spokesperson who initiated the debate that surely much more is required than simply stating a commitment to one side or the other. Surely the Conservative Member who spoke today had an obligation not simply to restate his position but to give to the people of Canada and to the Members of the House of Commons his moral reason for reaching the conclusion he did. He did not, and to that extent he let down the seriousness of this occasion.

[*Translation*]

Mr. Speaker, some Members of the House are saying that most Canadian men and women, or rather that most of their constituents want capital punishment to be reinstated. You have heard that argument. Several Hon. Members have adopted a position based on the results of public polls which indicate that most Canadians or most of their constituents are in favour of capital punishment. For such an argument to be valid, one would have to recognize that a democratic government should be satisfied simply with counting votes. It is a bad conception of democracy generally and especially representative democracy.

Mr. Speaker, history's major democrats, from Pericles in ancient Greece to John Stuart Mill, the first democrat of the modern era, have always claimed that discussion based on reason and facts is an essential element of democracy. Within a small community, it is possible for all men and women who are affected by a specific situation to legislate. It was possible at the time of the ancient Greek cities, except for women and slaves, who did not have the right to participate.

Within small communities, people could take part in public debates and listen to conflicting opinions. However, it is impossible to hold such a rational discussion in view of the huge population of modern states. The state is not simply a city or a small community. A modern state is a country. That is why we have representative democracy, not direct democracy. In the case of representative democracy, elected representatives must take into account certain basic principles, listen to the opinions of men and women taking part in the debate and look for evidence at home and abroad.

The great majority of our constituents simply do not have time to weigh the pros and cons and analyze the arguments made. They are busy earning their daily bread. That is their preoccupation.

Unlike us in the House of Commons, they do not have an opportunity to analyze the arguments and listen to each of us give his opinion before making a final decision.

As elected Members of Parliament we must accept the consequences of our decisions, not only with respect to capital punishment but also with respect to any other issue.

The principle I uphold does not apply only to the death penalty debate but, as I said before, to all our activities as members.

It is such a basic principle in our system that I was very surprised to hear members say that all we need to do is consult our constituents and add up the numbers, or to conduct a public opinion poll throughout the country.

Democracy is not a poll-taking process. Otherwise we could install a computer in every household and there would be no need for Members of Parliament.

In my opinion such an approach is both erroneous and antidemocratic. Mr. Speaker, such a process amounts to denying that decisions must be made after rational discussions, after hours of persuasion and in-depth examination of the question.

This is why I come to the conclusion that every member, whether for or against capital punishment, has one essential democratic duty, and that is to make his or her own decision. And for the reasons I have indicated, it is the responsibility of those members who want to give the state the right to kill to explain their logic, that is their responsibility.

• (1240)

[*English*]

I submit that none of the reasons given to support capital punishment is sustainable. I want now to deal with those arguments.

First, there is the contention that punishment must suit the crime, and, say some, this means that only by killing a murderer can the punishment fit the offence. The Leader of

the Official Opposition (Mr. Turner) has already dealt with this argument and I can agree totally with what he has said. The logic of the position of those who take this stand can be persuasive only after the most superficial consideration. If someone destroys my car or deliberately breaks my leg, no one would argue that the state should then destroy his car or break his leg. We immediately see, Mr. Speaker, that such a response would not constitute justice. In fact, most advocates of capital punishment would agree with us in these matters in discussing those subjects. They do not advocate breaking the leg of a man who has deliberately done that to another. Many of them would correctly see such punishment for what it would be, namely, vengeance, not justice. It is too bad that these same people do not see that capital punishment is a response to murder of exactly the same logical order.

I want now to turn to the deterrence argument, which most people who have discussed this matter, who have thought about it, consider to be the most serious argument to be dealt with before reaching a decision.

Perhaps at this point I might parenthetically observe and recommend to my colleagues one of the greatest essays, I think, in modern literature, by Albert Camus, a great freedom fighter in the French underground during the World War II, a Nobel prize winner for literature, a man of utter and complete integrity who wrote beautifully and intelligently. I commend his superb essay "Reflections on the Guillotine" to all those who have either not made up their minds or who are, at this point, on the side of capital punishment. He dealt with not only the deterrence question that I now come to, but with many other profoundly related matters to the whole issue of capital punishment in modern society.

The principal argument that could persuade those of us who are on the other side to come over to support capital punishment has to be that of deterrence. If we could be persuaded that lives could be saved by having capital punishment, if it could be seen that individual or mass murders could be avoided by taking the life of an individual with the instruments of state power acting as a deterrent, then many of us could be persuaded to support this motion. But, Mr. Speaker, I appeal to those who have not made up their mind on this issue, or who have made up their mind and are on the other side, to look at the evidence on this question because the evidence is clear in the following sense. If you are going to make any social analysis, any explanation in terms of social change in society and you want to relate that to the notion of deterrence about capital punishment, then the onus of proof is for you to show us that capital punishment acts as a deterrent. It is very clear that no such persuasive argument can be made. I have a few very specific points on this.

In the distant past, as has already been noted in the debate, capital punishment was used for a whole variety of crimes and it was gradually abolished. In some countries, including our own, we abolished it for everything. During the evolution of history in the last 100 years with the abolition of capital punishment for many crimes, we have actually seen the incidence of many of those crimes going down radically and not up. In country after country where there is a variety of experiences with capital punishment and non-capital punishment, again there can be no linear connection between the establishment of capital punishment on the one hand and a decline in the rate of murder on the other.

Just on the weekend we heard the horrible news of a mass murder in the state of Florida. It was a terrible incident. Florida is one of the states that recently brought back capital punishment. Is anyone going to seriously argue that capital punishment would have acted as a deterrent for the kind of man or woman who would indulge in that kind of mass murder? Of course not.

In Canada we last voted on this issue in 1976. According to the most recent figures from Statistics Canada, the homicide rate is now at the lowest level in 13 years. Clearly, renewing capital punishment is not going to improve that situation. The abolition of capital punishment did not lead to an increase in the murder rate.

Another point not widely discussed but which has been understood by classic Greek writers—it was understood by Dostoyevsky, it was certainly understood by Sigmund Freud and modern psychologists—is that for a certain kind of mentality the existence of capital punishment is in fact a lure to crime. There is a kind of sickness in some people, a fascination with the extremes of punishment. So the very existence of capital punishment, I say to those who are supporting it, can be conducive to an increase in a certain kind of criminal violent activity.

Even the more thoughtful of those who defend capital punishment have recently conceded that the evidence cannot be mounted to show that capital punishment is a deterrent. Mr. Don Cassidy, Executive Director of the Canadian Association of Police Chiefs is quoted as saying recently "It cannot be proven statistically". If it is the case that the fundamental argument for the reintroduction of capital punishment, the reintroduction of state violence because that is what it is, cannot be proven statistically, then I would ask what we are doing here. Surely, out of all respect for human life and out of what ought to be our commitment to justice, we ought to reach the appropriate conclusion and say that capital punishment ought not to be restored in Canada.

• (1250)

Some Hon. Members: Hear, hear!

Mr. Broadbent: Many opponents of capital punishment at home and abroad have pointed out that, in the final analysis, those defending capital punishment ultimately fall back and rest their case on vengeance. I was disturbed to hear not long ago a Member of the House of Commons lending support to the idea of vengeance. Vengeance is simply a basic impulse, and I believe that all of us have this impulse from time to time.

However, we must not confuse an aggressive impulse, emotively produced, with justice. Such primordial aggressive, emotional, violent aspects of human nature exist, and I believe will always exist, but as human beings living in society we must guard against these, not indulge them. Surely as lawmakers, we in particular must bear this in mind.

Consider the responses of some people most immediately affected by murder recently. If anyone can be thought to be entitled to act on the impulse of vengeance, it would surely be a member of the family of, or one who is close to a victim of murder. I personally found most moving and touching some of the responses of those victims in our own country to horrible acts of murder inflicted on dear ones and family members.

The daughter of Gerald Ruygrok of Ottawa was brutally murdered at a halfway house, a daughter fondly and deeply regarded by her father. Did he respond with an act of vengeance? Did he say that we must have an eye for an eye? No. He said: "We should use reason rather than instinct". He opposes the reintroduction of capital punishment.

Esther Aucoin is the widow of New Brunswick patrolman Manny Aucoin who was shot on duty not long ago. Did she respond with vengeance? Not at all. She requested that a letter be read at her husband's funeral making it clear that she opposed the reintroduction of capital punishment.

A third example of this is Leslie Parrott of Toronto. Her daughter Alison was murdered in Toronto last year and the killer, the one who committed a brutal, terminal, horrible act, is still at large. Leslie Parrott has written to all Members of Parliament, I believe. I received a letter as did other Hon. Members not long ago. She does not respond with vengeance, seeking an eye for an eye. She knows that she will not be compensated for the loss of her daughter by the loss of the life of the person who killed her daughter and who has not yet even been apprehended. I would like to read a short paragraph from her letter:

> Alison's murder has given me a very personal and agonizing experience of the horror of violence and killing. It has more than ever convinced me that we as a society cannot ever and must not ever condone killing, whether by state or individual, in any shape or form.

She too is opposed to capital punishment.

One can make other arguments about this horrible instrument that is open to the state to use. Not only in Canada but in virtually every other country there is the possibility that an innocent person may be executed. It is also very important that, as we know from studies done at home and abroad, it is the person of a minority or the poor in society that is most likely to be convicted when charged with murder. The rich, the affluent and the powerful are frequently able to hire better lawyers. They are least likely to be convicted. In this act of justice which involves a human life above all others, surely we ought not risk the destruction of another human being, particularly if this destruction is much more likely to occur in the poorest elements of society. I say, a number of other arguments could be elaborated upon, and no doubt they will be. I attempted to deal with the central argument and the question of deterrents. I have argued that the evidence is not there and therefore one should not support capital punishment for that reason.

Before concluding, I would like to make two points. First, all of us in the House on both sides of the issue see murder for the horrible act that it is, and we should all be redoubling our efforts to try to understand those causes that can be removed, as some of them can be, and to accept the probable reality that because human beings are the violent creatures we are from time to time, there will likely and definitely be murders to deal with in the history of society. However, we should do what we can to ensure that those who commit murder are appropriately punished. As I said, that is not the central issue of this debate. The issue is whether or not there is a moral argument that would justify bringing back capital punishment.

I would like to conclude by saying that capital punishment simply adds to the degree of brutalization that is going on in society. In coldly taking the life of a murderer, the state would simply compound the moral unacceptability of the original violent act. We need less, not more violence in Canada. We need justice, not vengeance. We should encourage life, not death. We should oppose the restoration of capital punishment.

Some Hon. Members: Hear, hear!

The Acting Speaker (Mr. Paproski): It being 1 p.m., I do now leave the chair until 2 p.m. this day.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S. O. 21

[*English*]

IMMIGRATION

ENTRY OF BRAZILIANS UNDER FALSE PRETENCES

Mr. Sergio Marchi (York West): Mr. Speaker, Canadians have now learned that false refugee claimants from Brazil have entered our country thanks to unscrupulous immigration consultants in Canada and abroad, and especially thanks to the Conservative Government's foot-dragging in effectively stopping these illegal and intolerable activities.

In January, 1987, five months after initially receiving bogus refugee applicants from Turkey, the Government realized it was being duped. Since the Portuguese visa problems last summer Canadian immigration officials were allegedly linked to an extensive immigration scam for peddling visas for $4,000 this March. Following that, shady travel consultants sold visas abroad for $6,500 to Lebanese individuals wanting to come to Canada.

The Minister of Employment and Immigration (Mr. Bouchard) has turned a blind eye to these activities and has not corrected a worsening situation. I warned the Minister in this House last March 25, after bringing this matter to his attention one year ago, that Brazil specifically was one of the countries targeted by phoney immigration consultants.

The Minister has failed to address this growing industry and his inaction has allowed this plague of immigration problems, which is seriously undermining our immigration process, to persist and establish roots in a host of countries.

Complementing this, legitimate and honest immigrants and refugees are finding a closed door under this Tory regime. The Government needs to prosecute these offenders urgently and send a strong signal that these activities will no longer be tolerated in this country.

* * *

SCIENCE AND TECHNOLOGY

FEDERAL MICRO-ELECTRONICS STRATEGY

Mr. David Daubney (Ottawa West): Mr. Speaker, on Friday a four-year $90 million Federal Micro-electronics Strategy to assist industry in developing new technologies was launched by the Minister of State for Science and Technology (Mr. Oberle) and the Minister of Regional Industrial Expansion (Mr. Côté).

This strategy is a major part of InnovAction, the Canadian strategy for science and technology, and is designed to increase the capacity of industry to develop and apply advanced micro-electronics technologies to products and processes; to enhance co-operation between Governments, universities and industries; and to encourage complementary investments by provinces.

Systems based on the applications of micro-electronics technology are the major tools for creating new wealth and employment in the industrialized world. Canada must prepare now to take advantage of these opportunities and respond to the challenge. We cannot afford to treat technological innovation as marginal to industrial renewal. At stake is the fundamental issue of how Canada will "earn a living" in the 1990s and beyond.

I congratulate the Government on this important initiative which will help build the technological foundation we need for competitive success in the coming years.

S. O. 21

TAX REFORM

EFFECT OF UNFAIRNESS IN SYSTEM

Mr. Ernie Epp (Thunder Bay—Nipigon): Mr. Speaker, the New Democrats' recently released tax paper on the personal tax system in Canada called on the Government to bring fairness to a system now riddled with loopholes and generous deductions primarily benefiting upper-income Canadians.

Millions of middle and low-income Canadians are reminded this week of how much this unfairness will cost them as they fill out their 1986 tax forms due at the end of this week. While the Conservative Government has promised us tax reform, it is its actions which speak louder than words.

Federal taxes on $2,000 taxable income have increased by a whopping 110 per cent, or $101, in 1986 for those least able to afford to pay. Yet taxes on $40,000 taxable income increased by only 2 per cent, or $172. Is this fair? Canadians have the Government and the Minister of Finance (Mr. Wilson) to thank for this.

* * *

RIGHT TO LIFE

CALL FOR PARLIAMENTARY DEBATE AND FREE VOTE ON ABORTION ISSUE

Mr. John Reimer (Kitchener): Mr. Speaker, I rise in this House to raise once again an issue which refuses to go away, that is the rights of the unborn. The recent decision of an Ontario judge to make a foetus a ward of the courts gave dramatic legal sanction to a position already held by many thoughtful Canadians, namely, that the foetus is not simply a potential life but rather a life with potential.

As elected decision-makers, it is highly irresponsible for us to continue to ignore the growing medical, legal and sociological evidence which leads to this irrefutable conclusion.

Today Parliament begins a debate which will culminate in a free vote on the question of capital punishment. Given that abortion is likewise a crucial test of conscience, I would urge that Canadians at large, and this House in particular, be afforded the opportunity to debate and vote, in a similar free vote of conscience, upon the fundamental question of the status of Canada's unborn.

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ENVIRONMENTAL AFFAIRS

OUR COMMON FUTURE—UNITED NATIONS COMMISSION'S REPORT

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, the World Commission on Environment and Development, created by the United Nations and headed by Norway's Prime Minister, is

composed of 22 economic, political and environmental experts from 21 countries, including two Canadians, Maurice Strong and James MacNeill. You will be glad to know, Mr. Speaker, that today the commission presented its report in London.

The report entitled *Our Common Future* calls on national Governments to co-operate in managing the global environment, in ensuring that natural resources sustain development at home and abroad, and in taking all the necessary steps to integrate economic with environmental decisions since the economy depends on the environment.

• (1405)

The report says that we can have a new era of economic growth, particularly in poor countries, and sustainable forms of development around the world. These forms must include life-styles "within the planet's ecological means". Therefore, some painful choices will be required.

One important conclusion in the report is that "security must be secured through change". We call on the Minister of the Environment (Mr. McMillan) to provide leadership within the federal Government and at the United Nations, and to set into motion the institutional changes which will ensure security for present and future generations, our common future.

* * *

LAW REFORM COMMISSION

WORK ON UPDATING CRIMINAL CODE

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, the things that are working well seldom receive much attention in the House of Commons.

This is certainly the case with the Law Reform Commission of Canada, established with all-Party consent in 1971, and currently presided over by Mr. Justice Allen Linden.

The goal of the commission is to promote laws which are modern, principled, rational, comprehensive, egalitarian and readily intelligible. Through various reports to Parliament and working papers, the commission provides invaluable advice to both federal and provincial legislators.

One of the commission's principal aims is, through its Substantive Criminal Law Project, to give Canada a new up-to-date Criminal Code.

We understand that, after 15 years of study, the first draft has now been completed and we look forward to the final results of this work.

TAX REFORM

NEED FOR FAIRNESS IN SYSTEM

Mr. Neil Young (Beaches): Mr. Speaker, my office and those of my colleagues in the New Democratic Party have recently been receiving letters and calls from constituents living on very modest incomes, who are finding to their shock that their taxes have increased dramatically. One such retired couple living in Halifax saw their taxes double from $300 to $600 in one year.

These Canadians are very angry. They have heard a lot of talk about tax reform on radio, television, and in newspapers. Yet, now these people are finding out that they have to pay hundreds of dollars more in taxes, and it is hundreds of dollars that they just do not have.

It is time the Government stopped talking about tax fairness and began doing something about bringing fairness to the tax system for these and other Canadians.

* * *

EDUCATION WEEK

IMPORTANCE OF EDUCATIONAL SYSTEM

Mr. Bill Tupper (Nepean—Carleton): Mr. Speaker, this is Education Week in Canada. Its purpose is to focus public attention on the excitement, energy and creativity in our school systems. The theme of the week is "Come Learn With Me".

I had the privilege in the past few days to be present at the sod-turning of a new public school in Nepean-Carleton, at the opening of a new separate school, and this morning to meet with the education leaders in my community. These experiences reminded me of the quality and the importance of our educational system.

Our schools are more than buildings. They are places where young people develop intellectually and spiritually, where a foundation is laid for them to take a place in the economic and social fabric of this nation.

Our educational system is one of the best in the world. I ask each of us in the House this afternoon to take a moment this week to visit a school, or think about our educational system and to think of ways in which we can make it better. Our young people, many of them in our Gallery today, are our greatest national asset.

* * *

MUNICIPAL AFFAIRS

NEED TO REPAIR SERVICE INFRASTRUCTURES

Miss Aideen Nicholson (Trinity): Mr. Speaker, from coast to coast Canadian cities are facing a crisis as road, sewer and

water systems continue to deteriorate. The Federation of Canadian Municipalities estimates that about $14 billion will have to be spent over the next five years just to protect the $30 billion already invested.

We should be acting now to ensure the health and safety of Canadians, and to avoid higher repair costs in the future.

Money spent now on renewing municipal infrastructures would be money well spent to maintain the quality of existing services and to boost our economy. These public works projects would employ tens of thousands and use Canadian materials and equipment.

• (1410)

The Conservative Government agrees that there is a problem but refuses to help even though over one million Canadians are still out of work and even though previous federal Governments have participated in projects of this type. Therefore I urge the Government to modify its position and to take a more constructive and co-operative approach in working with other levels of government on this important issue.

* * *

PEACE

SUPPORT FOR SUPERPOWERS' EFFORTS TO REACH AGREEMENT ON DISARMAMENT

Mr. Barry Turner (Ottawa—Carleton): Mr. Speaker, I am certain you will agree that the pursuit of peace is the responsibility of us all, not only of elected persons in the House of Commons but of all Canadians.

During the recent Easter recess I met with many of my constituents, especially young people in Cubs and Scouts, Brownies and Girl Guides, with various church groups, with neighbours, family, Veterans Against Nuclear Arms, and many others. There seems to be a real feeling that the two superpowers, the U.S.A. and the Soviet Union, are going through a period of sincere efforts in Geneva to deal with verification agreements, troop withdrawals, and reduction and elimination of nuclear weapons. Whether for economic, political or peaceful reasons, President Reagan and Soviet Leader Gorbachev seem intent on resolving these remarkably important issues.

I call upon the Government of Canada to continue to offer the hand of Canadian diplomacy and understanding to these two world leaders.

Someone asked me the other day why I was concerned about the pursuit of peace. My answer was that I shudder to think of the alternative.

S. O. 21

TAX REFORM

TAXPAYER'S INELIGIBILITY FOR CHILD TAX CREDIT

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, as most Canadians have now filled out their 1986 tax returns and have sent them in we are reminded once again of the incredible injustice in our tax system. For example, in some years a teller in the Royal Bank of Canada or a teller in the Bank of Montreal paid more tax than the entire bank. Sometimes a gas jockey pumping gas for Shell Oil has actually paid more income tax than the entire oil company.

I received a letter the other day from a constituent in British Columbia who states:

> Just another discrepancy in our tax laws that discriminate against poor people. I am not eligible for any portion of the child tax credit, despite the fact I had my 13-year-old daughter for eight months last year. My ex-husband got the whole year's tax credit from 1986 as he had her in his care on December 31, 1986. The irony of this was that I had never received a penny from him for child custody in the five or six years I supported my daughter in poverty—
>
> I was on welfare all of last year and am still paying bills that were a direct result of supporting a teenager on too little income.

Is this fair in terms of our present tax system?

* * *

[*Translation*]

SCIENCE AND TECHNOLOGY

GOVERNMENT PERFORMANCE

Mrs. Suzanne Duplessis (Louis-Hébert): Mr. Speaker, the new Canadian science and technology policy is the outcome of a true federal-provincial consensus.

Canada's new national policy, as announced recently by the Minister of State for Science and Technology (Mr. Oberle), is the outcome of a process initiated in 1985 to emphasize increasingly scientific and technological matters among Government concerns.

The final document signed by the Federal Minister and 12 provincial and territorial ministers, members of a committee that was mandated to negotiate the goals and contents of that agreement, symbolizes the Canadian Government's commitment to coordinate scientific and technological development efforts. That desire to coordinate Canadian and provincial scientific policies was a major motivation in the development of a truly all-Canadian policy.

In addition, Mr. Speaker, this coming Friday, the Minister will be inaugurating the Biotechnology Research Institute in Montreal. This is a major event that once more points to this Government's commitment to the development of science and technology in Canada, including Quebec.

Oral Questions

TRANSPORT

NEED FOR TAKING MEASURES TO AVOID FATAL ACCIDENTS ON JACQUES CARTIER BRIDGE IN MONTREAL

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, again this weekend there have been 24 accidents on Jacques-Cartier Bridge, including a serious accident that caused one casualty and a number of injuries.

The most disappointing aspect is that the Minister of Transport (Mr. Crosbie) of this Tory Government has had on his desk since January a report by the Traffic Corporation that made clear, definite and specific recommendations to avoid fatal accidents on Jacques-Cartier Bridge: First, to install an improved road signs system; second, to add more patrol cars; and third, to have anti-skid materials.

Mr. Speaker, tomorrow, representatives of the Jacques-Cartier and Champlain Bridges police officers will be here, and it is my hope that the Minister of Transport will have the fortitude to meet with those people in order to repair those injustices and announce by Friday concrete steps to avoid fatal accidents on Jacques-Cartier Bridge.

* * *

• (1415)

[*English*]

NATURAL RESOURCES

LACK OF MINERALS DEVELOPMENT AGREEMENT BETWEEN ALBERTA AND FEDERAL GOVERNMENT

Mr. Jim Edwards (Edmonton South): Mr. Speaker, although one usually thinks in terms of hydrocarbons when discussing Alberta resources, the princess province holds an untold potential in development of metallic and other mineral compounds, notably in its northeast corner, which, geologically, is part of the Canadian Shield.

Unfortunately, Alberta is the only province in Confederation without a minerals development agreement with the federal Government. Other jurisdictions have agreements, ranging in funding size from $100 million in Quebec to $300,000 for gravel pits in Prince Edward Island.

Unlike its predecessor, this national administration is not in the habit of grabbing provincial resources. The MDA process, as practised by our Government, provides for provincial targeting and delivery. However, the initiative for entering into such an agreement must come from the province.

I urge Alberta to move positively, and soon.

[*Translation*]

DISASTERS

ACCIDENTAL DEATHS OF THREE FISHERMEN IN ACADIA

Mr. Fernand Robichaud (Westmorland—Kent): Mr. Speaker, the crab fishing season in the Gulf of St. Lawrence started last Saturday, but on a very sad note. Three fishermen from the Acadian Peninsula lost their lives when their boat capsized 30 kilometers east of Miscou Island.

Captain Léo Noël and his aids, Cyria Duguay et Dion Mallet, were the unfortunate victims of this shipwreck.

The exact causes of the accident are not yet known. It seems that within two minutes, the boat went under stern first before capsizing.

Every year, Mr. Speaker, fishermen drown, reminding us that even if the sea is sometimes beautiful, danger is always present. Fishermen are at the mercy of the elements.

Mr. Speaker, while extending my condolences to the afflicted families, I wish them much courage to face this troubled time in their lives.

ORAL QUESTION PERIOD

[*English*]

ENERGY

PROPOSED SALE OF DOME PETROLEUM TO AMOCO CANADA

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I believe, and I believe most Canadians share the view, that there should be a "Canadian" solution to the sale of Dome Petroleum. To date the Prime Minister and his Government have done and said nothing to encourage that solution. It is obvious that the Government hasn't lifted a finger to achieve a "Canadian" result.

What we have before us is, potentially, the largest business takeover in Canadian history.

My question is for the Prime Minister, and it is: Will he confirm that, to date, his Government has done nothing, hasn't raised a finger, to facilitate a "Canadian" solution? And isn't it true that his Government will continue to do absolutely nothing to affect the result of this transaction?

Hon. Marcel Masse (Minister of Energy, Mines and Resources): Mr. Speaker, I think that one of the best "Canadian" solutions to the Dome question is to ensure that the corporation will still be alive.

Some Hon. Members: Hear, hear!

[*Translation*]

Mr. Masse: Mr. Speaker, in two and a half years of Government efforts, of defining principles and holding meetings, we have ensured that offers will be forthcoming

from the private sector to ensure Dome's survival. For that we have to thank Government efforts in the past two and a half years.

CANADIANIZATION—GOVERNMENT POSITION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, the Minister of Energy, Mines and Resources knows perfectly well that Canadian offers were in the running but were not encouraged, either by the Minister or by his colleague, the Minister of Finance. Once again, I have a question for the Prime Minister. Why did he let his present Minister of Energy, Mines and Resources reverse the Canadian Government's Canadianization policy and why did he not facilitate a Canadian solution?

Hon. Marcel Masse (Minister of Energy, Mines and Resources): Mr. Speaker, the acquisition policy announced by my predecessor is exactly the same policy I have been following. It provides for the possibility of foreign investment in sectors in obvious financial difficulty, as in the case of Dome, and it will be up to the Government, through Investment Canada and other Government agencies, to ensure that when the deal is submitted to the Government, after acceptance by Dome, there will be benefits for Canada.

• (1420)

[*English*]

Mr. Turner (Vancouver Quadra): We are not giving up on a Canadian solution, even though the passage of time in the course of the transaction which the Ministers of the Government allowed to happen is making that more difficult.

REQUEST THAT INVESTMENT CANADA IMPOSE CONDITIONS ON AMOCO CANADA

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my supplementary question is for the Prime Minister. If, as the Minister of Energy implies, he will allow the Amoco transaction to be consummated, will he insist that Investment Canada impose, at a minimum, certain conditions upon Amoco Canada, including becoming Canadian controlled by January 1, 1990, and insisting in the meantime upon a guarantee for Canadian jobs and a guarantee that Canadian exploration will continue?

[*Translation*]

Hon. Marcel Masse (Minister of Energy, Mines and Resources): Mr. Speaker, first of all, I may remind the Leader of the Opposition that the problems facing Dome Petroleum today were largely caused by the policies of the previous Government of which you were a member.

We have inherited a difficult situation. Four thousand people have jobs with Dome Petroleum, whose reserves are of major importance to Canada's security of energy supply. I believe, and we have said so before, that the solution to Dome Petroleum's problems lies in the private sector, and the Leader of the Opposition may be sure that when the required information is submitted to Investment Canada, the Minister of Energy, Mines and Resources will be making some very positive recommendations. However, I do not believe it would be in anyone's interest to negotiate the matter publicly at this time.

[*English*]

EFFECT OF GOVERNMENT POLICY

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. He is saying that he is not changing the Government's position on energy; that is not the case. In fact, the Government has broken its promise to increase Canadianization of the energy sector.

Why is the Minister doing that, only to make it easier for foreign interests to purchase our oil and gas reserves? Will the Minister explain why last November he changed the Government's policy on the purchase of oil and gas companies in Canada, only to make it easier for foreign interests to purchase Dome Petroleum?

[*Translation*]

Hon. Marcel Masse (Minister of Energy, Mines and Resources): Mr. Speaker, first I want to repeat that the policy has not changed. It has been publicly expressed in the same spirit and in the same terms as the policy advocated by my predecessor. To begin with, when a gas or petroleum sector is facing economic difficulties it is in our interest to make sure that these companies survive. And the Government has all the necessary mechanisms to see to it that Canadian interests are protected.

Second, with respect to Canadianization, without spending billions of taxpayers' dollars as the previous Government did we managed to raise the percentage of Canadianization of the energy sector.

[*English*]

Mr. MacLellan: Canadians want Canadian oil and gas reserves to be controlled by Canadians. Even the Minister for International Trade, the former Minister of Energy, knew that.

MINISTER'S POSITION—REQUEST FOR TABLING OF GOVERNMENT DOCUMENTS

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, will the Minister of Energy table all documents which show what the Government has done to force and to try to develop a Canadian solution to the Dome problem, or does he not care at all that our oil and gas reserves will be controlled by foreigners?

[*Translation*]

Hon. Marcel Masse (Minister of Energy, Mines and Resources): Quite logically, Mr. Speaker, the best way to secure Canadian supply is to make sure that those companies

whose responsibility is to develop our resources are in a sound financial situation and are busy developing them.

[*English*]

INSTRUCTIONS ALLEGEDLY GIVEN TO DOME PETROLEUM CHAIRMAN

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I have a question for the same Minister. Mr. Macdonald, the Chairman of Dome Petroleum, told me before the weekend—

Some Hon. Members: Oh, oh!

Mr. Broadbent: That is very funny to Conservative Members.

The Chairman of Dome Petroleum told me before the weekend that the Government of Canada instructed him not to make contact with Petro-Canada.

Will the Minister confirm that that was the case? Could he tell us why a position which could inevitably put more pressure on to losing this important asset to a foreign-owned corporation should be one encouraged by the Government of Canada, of all people?

[*Translation*]

Hon. Marcel Masse (Minister of Energy, Mines and Resources): First, Mr. Speaker, I welcome the question of the New Democratic Party leader and I will be glad to answer him. But I should also like him to give consideration to Lafontaine's fable *La mouche et le coche*.

That being said, Mr. Speaker, with respect to the Dome question we stated clearly to Mr. Macdonald, and in public because there has never been anything confidential in this field, that the Government was seeking a solution through the private sector. This position was expressed to Mr. Macdonald at the appropriate time a few months ago already, and it was publicly expressed by the Minister of Finance and by the Minister of Energy.

We have been seeking a solution through the private sector and, after two and a half years of work, three offers have now been made to Dome Petroleum. As I see it, in that sense the Government has helped Dome Petroleum pull through the difficult situation in which it had been put by the Liberal Party.

• (1425)

[*English*]

ROLE OF PETRO-CANADA

Hon. Edward Broadbent (Oshawa): That is an extraordinary situation, Mr. Speaker. Considering that the Government as well as himself, I believe, and certainly his predecessor, have said that they wanted Petro-Canada to operate at an arm's length relationship, not to be interfered with on a day-to-day or on a regular basis by the Government of Canada, why was it that the Government not only told Dome it could not talk to Petro-Canada but stopped Petro-Canada from making a decision that might have been in its commercial interest and in the interests of Canada by getting directly involved in the Dome purchase?

[*Translation*]

Hon. Marcel Masse (Minister of Energy, Mines and Resources): Mr. Speaker, there again the situation is quite clear and quite public. The Government has asked Petro-Canada to act on a commercial basis. It is obvious that in a situation such as this Petro-Canada, a Crown corporation, would not have acted within the scope of the private sector had we been forced, through the Department of Finance—

[*English*]

—we assure a bail-out of the Dome situation. That is what we do not want to have.

PROPOSED PURCHASE BY MULTINATIONAL CORPORATION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, it is by no means at all obvious that Petro-Canada would not have acted in its interests and in the interests of Canada if the Conservative Government had not stopped it. That is the issue.

Does the Minister think that it is an appropriate position for the Government of Canada to take to stop our publicly-owned Canadian corporation from getting involved if it means almost certainly that the oil company in question is going to end up being owned by a United States multinational? Why is the Government on the side of a multinational and going against the interests of Canada? That is what I want to know.

[*Translation*]

Hon. Marcel Masse (Minister of Energy, Mines and Resources): Mr. Speaker, when the Leader of the Opposition makes propositions like these he ought to have the intellectual integrity to present both aspects of the proposition. It is easy for him to say that Petro-Canada should intervene. As far as commercial operations go, we agree, that is the mandate it was given and I never interfered with its commercial operations. But in a situation like this where Petro-Canada would have needed billions of dollars, the Leader of the Opposition must first tell us where these billions of dollars would be coming from.

* * *

THE CONSTITUTION

DISTINCT CHARACTER OF QUEBEC—GOVERNMENT POSITION

Mr. Raymond Garneau (Laval-des-Rapides): Since we are going to have a debate tonight on the Dome Petroleum issue, Mr. Speaker, we will have an opportunity to develop this further. I should like now to direct a question to the Prime Minister of Canada concerning the constitutional discussions which are scheduled to be held this week at Meech Lake.

During the Easter holiday, the April 22nd issue of the newspaper *Le Devoir* published an article which stated in part, and I quote:

> In a letter dated April 10 addressed to his provincial counterparts, letter of which *Le Devoir* has obtained a copy, the Prime Minister stated strongly that "there is now agreement in principle on the need to recognize in the Constitution the distinct character of the Quebec society".

Over the weekend, Mr. Speaker, the Secretary of State for External Affairs, who was certainly speaking for the Government, dealt with this issue. This morning, he was reported in the newspapers as saying:

[*English*]

> We would prefer an approach to Quebec's concerns that did not specifically single out the province for special mention.

● (1430)

[*Translation*]

May I ask the Prime Minister which of the two positions is the Government's?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, there is no contradiction between the statement made by the Secretary of State for External Affairs and the actual communications between the Premiers and myself. I believe the Quebec Premier indicated as soon as he received the letters themselves that he felt they represented real progress and would result in ending the Constitutional impasse. If one considers the documents themselves and not their interpretation by the press, one finds that some progress has been made in this area.

REQUEST THAT CORRESPONDENCE WITH PREMIERS BE TABLED

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, the Prime Minister's letter dated April 10 contradicts what was said by the Secretary of State for External Affairs, that much is obvious to anyone who can read. Now to avoid all these interpretations, could the Prime Minister—

Some Hon. Members: Oh! Oh!

Mr. Garneau: Quiet back there!

I would like to ask the Prime Minister—

Some Hon. Members: Oh! Oh!

Mr. Garneau: They certainly are keyed up this morning. They weren't in the House to talk about the death penalty, but now they are raring to go.

Mr. Speaker, could the Prime Minister—

[*English*]

Mr. Speaker: I am sure all Hon. Members would like to hear the question asked by the Hon. Member.

Some Hon. Members: Oh, oh!

[*Translation*]

Mr. Garneau: Mr. Speaker, could the Prime Minister table in the House his correspondence with the provincial premiers so that we will not have to depend on what we are told by the media—I don't know whether the admissions are voluntary or involuntary—who are giving us the contents of these letters piecemeal?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the Hon. Member is pretty sharp today. His new glasses must have changed his perception!

I would like to say, and the Hon. Member knows this as well as I do, that the Secretary of State for External Affairs is very sympathetic towards Quebec and the francophone dimension of this country. This has been amply proven in the past. On the weekend, I was in touch with all the premiers who were in Canada, in an attempt to make some progress on this matter. I can say that the premiers' reaction is positive. We are aware of the problems and the challenges that remain, and we are not taking anything for granted. Nevertheless, I think that the attitude of the premiers who have had a chance to look at the documentation provided by Senator Murray and myself is, as Premier Bourassa said on the weekend, modestly encouraging. We will have a major challenge to meet this Thursday evening. We are going to work hard and work together in a spirit of national unity, in an attempt to find—

Mr. Garneau: Are you going to table those documents?

Mr. Mulroney: The Hon. Member asks whether we are going to table them. At the appropriate time, certainly. We will inform our colleagues of all documents that were submitted and all measures that were approved or rejected by the parties concerned. My hon. friend is of course aware that these are delicate negotiations. I hope I can count on his support and encouragement.

Mr. Garneau: I wouldn't know what to support since you don't have a position.

* * *

[*English*]

ENERGY

PROPOSED SALE OF DOME PETROLEUM—ACCEPTABILITY OF AMOCO

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, I do not want to let the Minister of Energy, Mines and Resources off the hook. I am sorry I cannot quote him fables from La Fontaine but I remind him that Yogi Berra once said: "It ain't over 'til it's over".

Is the Minister of Energy, Mines and Resources aware of Amoco's past record? Its president is American and it does not have a Canadian on the board of directors. There are no

Canadian shareholders. It paid $686 million in dividends to its American parent last year but reinvested just $38.1 million in exploration in Canada. We have a typical big, fat American multinational oil company here. Is this the kind of past performance that is acceptable to the Canadian Government?

Hon. Marcel Masse (Minister of Energy, Mines and Resources): Mr. Speaker, first I must say that the Hon. Member used my quote, and second, that the answer is no.

POSSIBLE IMPOSITION OF GOVERNMENT CONDITIONS

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, the answer being no, would the Minister then tell the House what his plans are? Given that the Canadian people have invested so much money in Dome Petroleum and given that this is one of the largest takeovers in Canadian history—

Some Hon. Members: Oh, oh!

Mr. Speaker: Order, please. I would remind Hon. Members that the time taken up while a member is trying to put a question is often taken into account by the Speaker toward the end of Question Period. I know that Hon. Members at times do not wish to stay here any longer than they absolutely have to, but if time is taken away from legitimate questions, that is something the Speaker does have in mind.

Mr. Waddell: What kind of terms does the Government intend to impose on Amoco? Will the conditions be a few token Canadians on the board, or a few shareholders, or will the Government propose some substantial terms for reinvestment in Canada?

[*Translation*]

Hon. Marcel Masse (Minister of Energy, Mines and Resources): Mr. Speaker, I wish to advise the House that what I said last week still holds, that the Government has not received any proposal from a corporation within the framework of Investment Canada.

* * *

[*English*]

HOUSE OF COMMONS

PRESENCE IN GALLERY OF MICHIGAN STATE SENATOR JOHN F. KELLY

Mr. Speaker: I wish to draw to the attention of Hon. Members the presence in the Gallery of Michigan State Senator John F. Kelly, Co-chairman of the Michigan Select Committee on Ontario-Michigan Relations.

Some Hon. Members: Hear, hear!

AGRICULTURE

ANNOUNCEMENT OF INITIAL GRAIN PRICES—REQUEST FOR DEFICIENCY PAYMENT

Mr. Maurice Foster (Algoma): Mr. Speaker, my question is directed to the Minister of Agriculture. Last week the Government cut grain prices for the new crop year by 18 per cent. Today the Government started foreclosures on thousands of Farm Credit Corporation loans. So far farmers do not know if there will be a deficiency payment. Our trading adversaries in the United States and the EEC do not know if a deficiency payment will be provided to our farmers.

In view of these two Draconian measures that have taken place in the last two weeks, is the Minister prepared to give a commitment today that there will be a deficiency payment made to provide for at least the same returns farmers received in the past crop year?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, the Hon. Member should realize that because of the financial impact of the supportive measures the Government has taken and the measures we have already announced, Canadian grain farmers will recognize that the amount of income they receive as of today will not only be equal to that which they received last year but rather will be slightly increased.

REQUEST FOR GOVERNMENT COMMITMENT TO DEFICIENCY PAYMENT

Mr. Maurice Foster (Algoma): Mr. Speaker, I am talking about the new crop year. Grain prices have been cut by 18 per cent and foreclosures on thousands of farmers are starting today. There is no commitment to a deficiency payment in the new crop year. Will the Government make a commitment now to make a deficiency payment in the new crop year beginning August 1?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I again remind the Hon. Member that the $700 million final payment under the Special Canadian Grains Program will be mailed to Canadian grain farmers by the end of May. As well, the Minister in charge of the Canadian Wheat Board announced a week ago a record interim payment of $705 million. That is $1.4 billion that will be in the hands of Canadian grain farmers by the end of May or the beginning of June.

The Hon. Member should also realize that in keeping our commitment we made at the farm leaders' meeting of March 5, it is inappropriate and will remain inappropriate for the Government to make any announcements about future actions that will be taken by the Government. The Hon. Member should also realize that we will be meeting again with farm leaders the first week in June and will continue our consultations with them to map out some type of program for the future.

DEFICIENCY PAYMENTS—GOVERNMENT POSITION

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, my question is directed to the Minister responsible for the Wheat Board. I will try to ask him a question on the same matter rather than the Minister of Agriculture.

The Minister of Agriculture is obviously saying that the $1 billion which was promised last October and the Western Grain Stabilization payment that is in the mail are payments for this year. All the farmers know that those payments were for last year. Can the Minister responsible for the Wheat Board tell us a bit more clearly what the Government intends to do about the 1987 and 1988 deficiency payments?

• (1440)

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, the Hon. Member talks about last year rather than this year. What western farmers know specifically is that by the end of May they will receive approximately $1.3 billion in cash directly from the federal Government. That is a substantial amount of money. That, above all else, underlines the firm commitment of this Government to the support of agriculture in a very difficult time.

PROVISION OF GOVERNMENT ASSISTANCE

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, the Minister is still talking about deficiency payments last year. A tremendous amount of stress is put on farmers when they do not know what is going to happen this year. Can the Minister tell us what will happen at the end of this year when the farmers bring in their crops? Are they going to get a deficiency payment for crops presently being put in the ground?

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, the record of this Government in supporting agriculture in a very difficult time is very, very impressive. All of us on this side can be proud of it. I repeat, western farmers will receive approximately $1.3 billion in the next five weeks. That is a substantial amount of money and it will assist them at a very critical time of the year, seeding time, which is well under way right now.

* * *

TRADE

CANADA-UNITED STATES NEGOTIATIONS—PURCHASE OF DOME PETROLEUM BY AMOCO CORPORATION

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, my question is directed to the Prime Minister. In a recently published memorandum from the office of the chief U.S. trade negotiator, Mr. Murphy, to Members of Congress, he stated that the American price for an agreement will be full and secure access to Canadian energy resources and total removal of the barriers to foreign investment. The implication is that the price of free trade to Canada is that it will give up its policy control over its energy sector.

Is the Government's decision to allow the Amoco buy-out of Dome really the first step in a continental energy policy? Can the Government assure us that the price of free trade will not be the sell-out of our energy sector?

Mr. John McDermid (Parliamentary Secretary to Minister for International Trade): Yes, I can give that assurance.

LETTER ALLEGEDLY SENT TO MEMBERS OF CONGRESS BY UNITED STATES NEGOTIATOR

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, while the Parliamentary Secretary is rethinking what his answer really might be in light of what Mr. Murphy said, I will ask him another question.

Mr. Murphy also said to Members of Congress that Canada agreed it will no longer bail out specific industrial sectors, as well as agreeing to define cultural industries as narrowly as possible. As well, the Americans are demanding further changes to the Patent Act and in cable transmission policies. I ask the Parliamentary Secretary if we have given these kinds of agreements? Has Mr. Reisman, our negotiator, already agreed to these conditions even though it directly contradicts the assurances given in this House by members of the Government?

Mr. John McDermid (Parliamentary Secretary to Minister for International Trade): As usual, Mr. Speaker, the Hon. Member is basing his observations on an alleged document, unsigned, but attributed to the chief negotiator for the U.S. We are not commenting on those stories.

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FARM CREDIT CORPORATION

ENDING OF MORATORIUM ON FARM FORECLOSURES

Mr. Vic Althouse (Humboldt—Lake Centre): Mr. Speaker, my question is directed to the Minister of Agriculture. The Government's impressive record of supporting farmers, which the Minister responsible for the Wheat Board just boasted about, includes the dropping of the moratorium on Farm Credit Corporation loans. As a result, the Government will, right in the midst of seeding, be seizing the land of farmers who have been operating under the moratorium.

Since current land values are generally much below the amount owing against the land, and since the FCC will inevitably have to take a loss on the loans through resale of the land, why has the Minister chosen to pass on this lower cost land to another borrower rather than leave it with the current tenants?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I am sure the Hon. Member is assuming something we are not

even considering doing. He will realize that a moratorium could not last forever. We have consulted with the Farm Debt Review people in all provinces, as well as farm leaders, and a good number of other people in the industry. If the Hon. Member will take the time to read the press release we issued with respect to lifting the moratorium he will recognize it is a very controlled phase-out.

The FCC will be in constant contact with the farm debt review boards. They will be instructed to sit down and negotiate on a one-to-one basis with all their clients. If an agreement cannot be reached then it will go through the process.

It should be recognized that the FCC can only process between 40 and 50 cases on a national basis. If the farm debt review people in each province determine it will cause an overload in their own jurisdiction, they will signal to the FCC in that province to hold the moratorium.

REQUEST THAT GOVERNMENT ESTABLISH LAND BANK RENTAL SYSTEM

Mr. Vic Althouse (Humboldt—Lake Centre): Mr. Speaker, since the FCC already owns thousands of acres of farmland and lifting the moratorium will substantially add to that, has the Government decided to implement the FCC proposal to set up a Saskatchewan land bank type of rental system with long-term leases being offered to current tenants?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, the Hon. Member is again letting his imagination run away with him.

Mr. Althouse: That is an FCC proposal.

Mr. Wise: No, we have not taken action to establish a land banking scheme, nor probably will we. We have requested the FCC to put a greater priority on the development of equity financing. We have also asked it to enter into longer term leases with as many potential clients as possible.

* * *

FORESTRY

EFFECT OF EXPORT CHARGE—GOVERNMENT POSITION

Mr. Keith Penner (Cochrane—Superior): Mr. Speaker, my question is directed to the Deputy Prime Minister. As my hon. friend knows, the Canadian forest products industry is suffering hardship and a considerable amount of confusion because of the foolish and incompetent deal made with the U.S. by the Minister for International Trade. That deal led to the imposition of a 15 per cent export tax not only on softwood lumber but on many manufactured wood products as well.

The Minister for International Trade recognizes now that she struck a bad deal for Canada. Therefore, what definite and specific plans does the Government have now to get Canada out of this trade mess we have got ourselves into?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I find the Hon. Member's observations rather strange. The fact of the matter is that all premiers, with the exception of the Premier of the Province of Ontario, accept the arrangement made and they want us to get on with it.

Mr. Penner: That does not make it a good deal.

REQUEST FOR ANNOUNCEMENT OF FOREST STABILIZATION PROGRAM

Mr. Keith Penner (Cochrane—Superior): Mr. Speaker, is the Deputy Prime Minister aware that yet another sawmill, this one in Kapuskasing, Ontario, announced it will close down with the loss of 219 jobs? When is this carnage in the industry going to come to an end? When is the Minister going to announce some sort of fair deal for the forest products industry, such as a forest stabilization program? I would not even mention it except the Deputy Prime Minister promised one in his northern Ontario recovery program.

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I hope the Hon. Member remembers the fact that the ownership of these resources lies with the province. That has to be considered. Whether he thinks it is a good or bad deal, the provinces have some say in this matter.

• (1450)

I should also point out to the Hon. Member that it is my understanding that the forest industry across Canada intends to increase its investment by some 24 per cent. I think that is a pretty good record and it speaks well. I regret that some adjustments and closures are taking place, but the fact that there is a strong indication of a 24 per cent increase in investment activity by the forestry sector indicates that the climate is pretty positive.

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CANADA ELECTIONS ACT

REQUEST FOR AMENDMENTS

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, my question is directed to the Prime Minister and is with regard to a serious weakness in the Canada Elections Act. The Canada Elections Act amendments of 1973 on election financing were clearly to encourage Canadians to participate in the democratic political process and not to indulge the extravagant tastes of the Prime Minister and his wife.

Is the Prime Minister prepared to bring forward badly needed changes to the Canada Elections Act to ensure that political party funds such as the PC Party fund are not used as

personal slush funds for the Prime Minister and his wife indirectly subsidized by the taxpayers of Canada? When will the Prime Minister change this Act to provide some public accountability?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, the derogatory comments of the Hon. Member are quite becoming of himself.

Some Hon. Members: Hear, hear!

Mr. Mazankowski: If he wants to put forth some recommendations for changes to the Canada Elections Act, there is certainly a procedure for that. We have a Standing Committee on Elections, Privileges and Procedure. If he wants to visit that committee and make some recommendations, I am sure they might be considered.

Mr. Nystrom: Joe wouldn't do that.

Mr. Rodriguez: Joe didn't do it in nine months.

REQUEST THAT PRIME MINISTER INTRODUCE AMENDMENTS

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, my supplementary question as well is directed to the Prime Minister who surely must recognize that he must provide leadership in this area.

Why should Canadian taxpayers be indirectly subsidizing the extravagant tastes of the Prime Minister for closets for Gucci shoes and an assortment of other extravagant tastes?

Some Hon. Members: Oh, oh!

Mr. Robinson: Why will the Prime Minister not provide leadership and recognize that a law which allows this kind of thing to happen should not be on the books? When will he bring forward changes?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, only the NDP would be astonished at the fact that the Prime Minister has undertaken to pay for those things which are personal in nature.

Only the NDP would be astonished at the fact that the Prime Minister is one of the first Prime Ministers to pay for his own groceries.

Only the NDP would be astonished by the fact that he took a voluntary pay cut, as did cabinet Ministers.

Only the NDP would be astonished that the Prime Minister established the Official Residences Council to administer all official residences in the country.

Some Hon. Members: Hear, hear!

NATIONAL DEFENCE

POSSIBLE ACQUISITION OF NUCLEAR POWERED SUBMARINES

Hon. Douglas C. Frith (Sudbury): Mr. Speaker, my question is for the Secretary of State for External Affairs in the absence of the Minister of National Defence. Will the Minister confirm to the House that the Priorities and Planning Committee of Cabinet has given the green light to the Navy to purchase nuclear powered submarines? Why are we bothering to have a White Paper on national defence policy if all of the major decisions have been made?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the answer is no.

FRIGATE CONSTRUCTION PROGRAM

Hon. Douglas C. Frith (Sudbury): Mr. Speaker, will the Secretary of State for External Affairs assure the House that in the event that the Government of Canada decides to acquire nuclear powered submarines that decision will not affect the frigate program which was announced by the previous Liberal administration?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the defence policy of the Government of Canada is now being guided by a review which is some 16 years out of date. It is called "Defence Policy in the 1970s". I know that the Liberal Party is moving nostalgically back toward that period, but the rest of the country is moving forward toward the next century.

Some Hon. Members: Hear, hear!

Mr. Clark (Yellowhead): We intend to put in place a defence policy which will serve the requirements of Canada during the remainder of this century and into the next century.

There will be public debate. There has been public debate on foreign policy and defence questions under this Government to a degree unprecedented under former Governments. Under the Government of which he was a part there were no White Papers on defence policy. There was no public discussion of foreign policy. There is now a clear priority for foreign policy.

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DISASTERS

ANNIVERSARY OF CHERNOBYL NUCLEAR ACCIDENT—IMPACT ON CANADA

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, yesterday was the first anniversary of the nuclear accident at Chernobyl in Ukraine. I would like to ask the Minister of National Health and Welfare whether he is now prepared, one year after the accident at Chernobyl, to provide the Canadian public and the Canadian Parliament with the kind of information which I have been trying to get out of him for a whole

year, that is information with respect to what radio-nuclides were found in Canada, where they were found, at what levels they were found, and what sources they were determined to be from.

That is the kind of information which, if we want to have an intelligent debate on nuclear power, we should have at our fingertips. I have written to the Minister of National Health and Welfare a number of times and I have questioned him in the House. When I last heard from him on March 13 he said that there was a report coming.

When is that report coming? When will the Canadian people finally find out what happened to Canada as a result of Chernobyl?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, as I have said to the Hon. Member, I have made all the information available. If more information comes to my attention I will make that available as well. I am not withholding any information which has come to me or that I know is within the Department.

REQUEST FOR INFORMATION

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, the Minister has not made all the information available by his own admission to me in a letter of March 13 in which he says that the information I am seeking will be forthcoming in a report yet to be released. The report by Mr. Prince, commissioned by the Minister himself, says that there was a great deal of confusion with respect to information about fallout in Canada.

How does the Minister have the nerve to get up once more and give the Canadian people and this Parliament bland assurances that all the information is available? If all that is available is what was contained in the Mickey Mouse paper which he tabled in December, we are in real trouble.

Hon. Jake Epp (Minister of National Health and Welfare): The Hon. Member is not going to impress anyone simply by raising his voice. If he is getting his lessons at Disneyland he can go back.

Mr. Nystrom: Now you're goofey.

Mr. Epp (Provencher): I commissioned the Prince report because we wanted to learn whether or not we had handled it well. There are some recommendations in the Prince report on which we are now following up. However, if there is more information, I will make it available.

It is generally believed that the amount of radiation to which Canada was exposed from the Chernobyl accident increased our radioactivity by approximately 15 per cent. He knows that, I know that, and—

Mr. Blaikie: Tell us what was found and where it was found!

Mr. Epp (Provencher): Just relax or your health bill will go up.

Mr. Blaikie: Tell us what was found and where it was found, and how much.

Mr. de Jong: One year later and they still don't know.

* * *

THE CONSTITUTION

FORTHCOMING FIRST MINISTERS' MEETING

Mr. John Reimer (Kitchener): Mr. Speaker, my question is for the Prime Minister. All Canadians wish the Prime Minister and the premiers well as they convene later this week in a constitutional conference. I am sure all Members of the House would agree that it is imperative that the Province of Quebec, with its unique heritage and contribution to Canada, be a full participating member in all constitutional matters with all provinces and the federal Government.

Does the Prime Minister believe that he and the other premiers together can reach an agreement that will satisfy the natural expectations of the people of Quebec and, at the same time, respect the legitimate concerns of all other regions and Premiers of Canada?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I think all premiers recognize the importance of this vital exercise on Thursday. I had the opportunity of speaking with nine of the First Ministers over the weekend to explore various possibilities with them. There is no doubt in my mind with regard to their resolve to attempt to bring a solution to this matter.

We are all aware of the obstacles which exist. It will not be easy, but I am somewhat encouraged by the clear-stated resolve of all premiers of all political stripes across the country to attempt to finally reach a solution to a very intractable constitutional situation.

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ENVIRONMENTAL AFFAIRS

ACID RAIN—POSITION OF HEAD OF UNITED STATES ENVIRONMENT PROTECTION AGENCY

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, my question is for the Secretary of State for External Affairs. Two weeks after the Ottawa summit, at which President Reagan made a commitment to consider an accord on acid rain, his cabinet Minister in Washington, Mr. Lee Thomas, who is responsible for the environment, told a Senate committee that he sees no need for Congress to pass legislation to reduce acid rain. Has he taken diplomatic initiatives to counteract such a statement which tells us that President Reagan's statement in Ottawa three weeks ago is not taken seriously even in Washington?

• (1500)

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I heard what Mr. Thomas was reported to have said. I heard directly what President Reagan said. I know, and the Hon. Member knows, that this is not a file on which it is easy to make progress. He backed away from the challenge when he was the Minister. We have taken up the challenge again. We are making some progress, and we shall continue to make progress.

The House may well be interested to know that a group of some 39 Republican legislators, headed by Congressman Boehlert of New York, has written to the President in a gesture of solidarity with Canada to urge quick action on his commitment to consider an accord.

[*Translation*]

POLICY ANNOUNCED BY PRESIDENT REAGAN

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, if the policy of the American Government is really that announced by Mr. Lee Thomas, does the Government of Canada realize that the policy announced by President Reagan in this House three weeks ago is not even worth the paper on which it is written?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I know that some Hon. Members feel that it is acceptable to attack the President of the United States, some by their acts when he was in this House, others perhaps with less courage in his absence. However, for us it was a commitment made by the President of the United States to the Parliament of Canada. It is a progress. We did not achieve the same success under the Liberal Government. We still have much to do. We are optimistic and we think that it will be possible.

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[*English*]

FISHERIES

CANADA-FRANCE NEGOTIATIONS

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, my question is directed to the Minister of Fisheries and Oceans. There has been no significant progress in the Canada-France talks after two days and it is obvious that France is clearly unwilling to bend on its claims to Canadian resources. In fact, it has told Canadian negotiators literally to go jump in 3PS.

Will the Minister tell the House and the thousands of Newfoundlanders whose livelihood depends on the resolution of this dispute where the negotiations are headed now? Have we made any modifications to our position? What contingency plans does the Minister have if the negotiations fail?

Hon. Thomas Siddon (Minister of Fisheries and Oceans): Mr. Speaker, once again the Hon. Member reveals his tendency to react only to what he reads in the newspapers. There are a series of negotiations under way on the drafting of terms of reference under which the boundary question would be referred to international third party arbitration.

The meeting of last week, which he categorizes as one that did not make progress, was yet another meeting in that series of discussions which will take place between now and the end of the year. I think the Hon. Member is jumping a little too soon.

MINISTER'S POSITION

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, in view of the fact that the Minister's answer does not engender any confidence either in the House or the people of Newfoundland, let me remind him that on January 28 the Minister told the House that: "We will not sell out the interests of Atlantic fishermen for an agreement at any cost". Given the importance of the Grand Banks to the fisheries of the Province of Newfoundland and the fact that almost 25 per cent of Newfoundlanders are unemployed, will the Minister tell the House that, when the chips are down, he will not sell out the fish resources of Canada to the lowest bidder in France?

Hon. Thomas Siddon (Minister of Fisheries and Oceans): Mr. Speaker, when one reads between the lines of the Hon. Member's question I think it is pretty obvious that he is thinking more in terms of an upcoming by-election in Newfoundland than in searching for the truth. When there is something to report, information will be brought before the House.

Mr. Speaker: I want to advise the House that there will be one question by the Hon. Member for York West, followed by one question by the Hon. Member for Ottawa—Carleton.

* * *

IMMIGRATION

ENTRY OF BRAZILIANS UNDER FALSE PRETENCES

Mr. Sergio Marchi (York West): Mr. Speaker, my question is directed to the Minister of Immigration. Canadians have learned that so-called phoney immigration consultants are now producing fraudulent refugee claims from Brazil, which follow similar activities in Portugal, Lebanon and Turkey. Throughout, the Government has refused to step in and take concrete action to stop this illegal and intolerable activity.

This activity is a plague that is setting roots throughout a host of countries in the world and is undermining our immigration process. Does the Minister not think it is time for the Government to take serious action against these sleazy operators, to prosecute the culprits and send a strong signal to

the world and these operators that Canada is closed to these types of activities but open for honest and legitimate refugees?

[*Translation*]

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, this is the first time the Hon. Member for York West had admitted that the measures taken by the Government on February 20 are effective. Indeed, with respect to the communities from which we had high rates of immigration three months ago, the matter has now been settled.

As to the Brazilians, my colleague will admit that we are monitoring the situation, and there again I appreciate his acknowledgement that the measures we took are effective. If necessary, we will continue to apply them in the coming days.

* * *

[*English*]

ENVIRONMENTAL AFFAIRS

ALASKA ARCTIC WILDLIFE REFUGE—PROPOSAL TO ISSUE OIL AND GAS LEASES

Mr. Barry Turner (Ottawa—Carleton): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. The United States Fish and Wildlife Service, and the Department of the Interior have recommended allowing oil and gas leasing in the Alaska Arctic Wildlife Refuge, the international home of the porcupine caribou herd of Yukon and the Northwest Territories. If adopted, that would violate an international understanding between our countries to protect this fragile habitat and very important herd. What recourse does the Government have if the United States Department of the Interior proceeds with these leases?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, last week the United States Secretary of Energy made a statement with regard to the so-called 1002 lands. Canada made a recommendation which had some slight influence, to the extent that the Interior Secretary's recommendation made reference for the first time to the importance of the caribou herds.

We are disappointed in the general tenor of the response. I was in touch by telephone last week with the head of the Government of Yukon and the Minister of Renewable Resources of Northwest Territories. We are considering the next steps with them and the Canadian native people involved.

The Hon. Member would be interested to know that, on a related question, we are finalizing plans for the signing of a Canada-U.S. agreement on the conservation of the porcupine caribou herd.

PRIVILEGE

ALLEGED ERRONEOUS INFORMATION IN REPLY TO QUESTION ON THE ORDER PAPER

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I rise on a question of privilege. I have given the Chair a copy of the grievance that I bring to the attention of the House. I have also contacted the office of the Minister of Public Works (Mr. McInnes) to indicate to him that I wanted to rise today on a question of privilege.

Needless to say, if you determine that I have a prima facie case of privilege I am willing to move the necessary motion to bring this matter to the appropriate parliamentary committee.

It is a long custom in the House that Members of Parliament are to provide other members factual information and only the truth. As a matter of fact, I am sure you will remind Hon. Members that to assume that any Member of the House ever states anything but the truth would be, in itself, a breach of the Standing Orders of the House. Of course, all Members of Parliament are deemed to be honourable members and therefore one expects to hear the truth in the House and nothing else.

I want to bring to your attention the fact that I placed Question No. 2 on the Order Paper in June last year. Question No. 2 was replied to on October 1 by the Minister of Public Works. I will read the question and answer and make them available to the House. The question I posed to the Government was:

> 1. Did the Government employ the services of Colvin Designs Ltd. and/or Giovanni Mowinkle, interior designer during the period September 4, 1984 to June 30, 1986, to supply furnishings, improvements, interior decorating or advice on same for the Prime Minister's residence at 24 Sussex Drive in Ottawa or the Harrington Lake residence and, if so, by residence, what was the cost of each contract?

• (1510)

The second question was also on the Order Paper. It was the following:

> Was all of the work paid for from Government funds and, if not, who paid such costs and what was the amount involved in each case?

The reply was: "No" to the first part of the question and: "Not applicable" to the second part.

It has come to my attention, as reported by a Toronto newspaper, *The Globe and Mail*, that in fact the Government of Canada through the National Capital Commission paid an invoice or invoices amounting to $38,414.60 for furnishings and services to 24 Sussex Drive and that these funds had been paid to either Giovanni Mowinkle, Colvin Designs or both. This appears to be in contradiction to the first part of the question that I asked. With respect to the second part of my question the Minister indicated that it was not applicable.

I submit to you, Mr. Speaker, that even if all the funds had been paid by someone else the fact remains that Mr. Mowinkle appears to have performed work and to have been compensated for that work.

I submit that because we are talking about a property that belongs to the Crown, government property, the response of the Minister should have at least described the fact that, indeed, Mr. Mowinkle and/or his firm did in fact perform work at 24 Sussex Drive as well as at the Harrington Lake residence.

For Your Honour's consideration I wish to offer a decision made by the Speaker in 1978. At that time the Hon. Member for Northumberland—Durham raised a question of privilege in the House of Commons concerning the fact that the then Solicitor General had written to him and provided to him information which later proved to be erroneous. On December 6, 1978, the Speaker indicated, as reported at page 1857 of *Hansard*: "I, therefore, find a prima facie case of contempt against the House of Commons".

The point I am making is that if it was a contempt against the House of Commons to provide a Member of Parliament with erroneous information, then surely to provide the House itself with erroneous information through a written reply to a question on the Order Paper would, as far as I am concerned, also be a prima facie case of privilege.

I must say that if this is a legitimate mistake, and if the Minister is willing to indicate that it is, then I am prepared to discontinue pursuit of the matter. However, in the absence of such a reply from the Minister I will let my request stand before you, Mr. Speaker, to have it considered a prima facie case of privilege and to be referred to the appropriate parliamentary committee.

Hon. Stewart McInnes (Minister of Public Works): Mr. Speaker, I am grateful to my hon. friend for giving me appropriate notice and for allowing me to postpone my response to this time rather than having to respond this morning.

I want to affirm that Colvin Designs was hired to perform services at 24 Sussex Drive. An invoice was subsequently submitted for services rendered. The National Capital Commission reviewed the work and determined that it was appropriate for the NCC in its role as custodian of official residences to pay for the expenditures invoiced. Accordingly, payment in the amount of $38,414.60 was made on July 10, 1986, a date outside of the September, 1984 to June 30, 1986 timeframe specified in the Hon. Member's question.

In preparing the original reply only accounts paid as of June 30, 1986, the date specified by the Hon. Member, were examined. There was no attempt whatsoever to mislead the House. I am pleased to have this first opportunity to clarify this matter for the House and to set the record straight.

Mr. Speaker: That may or may not be a partial clarification. However, I will hear the Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria) further.

Mr. Boudria: Mr. Speaker, I do not want to take up unduly the time of the House. Suffice to say that the Minister's answer is clearly inadequate, and the Minister should know that. Even though an invoice was paid after a certain date it is clear that the work performed should have been referred to in the reply given to me, not only for the reason that the Minister has stated but for the other which I have raised as well. That is to say, the fact that that invoice was paid after the date in no way makes the answer any more credible. I can argue that all the Government had to do in order to evade answering my question was to hang on to an invoice for a few days and then pay it. Presumably that would have placed the Government in a position whereby it could have answered in the negative rather than in the affirmative. That is inappropriate.

I invite you, Mr. Speaker, to review the grievance that I have brought before the House today and to determine whether or not there is a prima facie case of privilege, as I believe there is, and as your predecessors have indicated there were in similar circumstances in the past. At that time I will, of course, move the appropriate motion.

Mr. McInnes: Mr. Speaker, I quite agree with my learned friend that the reply that we gave was inadvertently misleading. That is only because the books that were examined were done up to the date of June 30. Indeed, we should have reviewed all the accounts to the present date, or to the date mentioned in the Hon. Member's inquiry, to ensure that this particular invoice was not on our records. That was inadvertently not done. I agree that our response in the first instance was inappropriate. I have apologized for that.

Mr. Boudria: No, you have not.

Mr. McInnes: This is the first opportunity I have had to put the record straight and to indicate to the House that there was no intention to mislead.

Hon. Herb Gray (Windsor West): Mr. Speaker, I wish to make one brief comment in support of the question of privilege raised by the Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria). I want to draw to your attention, sir, the wording of the Hon. Member's question. It is:

> Did the Government employ the services of Colvin Designs Ltd. and/or Giovanni Mowinkle, interior designer during the period September 4, 1984 to June 30, 1986, to supply furnishings, improvements, interior decorating or advice on same for the Prime Minister's residence at 24 Sussex Drive in Ottawa or the Harrington Lake residence and, if so, by residence, what was the cost of each contract?

The question was not, when was the invoice paid? The question was not, when was the invoice submitted? The question was, when was the work done and was it done within the period September 4, 1984 to June 30, 1986?

I think Your Honour should take into account that, in spite of the very clear wording of the question of the Hon. Member for Glengarry—Prescott—Russell, those responsible for the answer to the question, those individuals signing the answer to the question, chose to deal with it on the basis that it said something it did not; that is when was the invoice submitted?

With all due respect, I suggest that Your Honour has not had a clear, convincing explanation. Therefore, I think that

very serious positive consideration has to be given to the question of privilege of the Hon. Member for Glengarry—Prescott-Russell.

• (1520)

Mr. McInnes: Mr. Speaker, the answer I gave was one based upon information supplied to me by a Crown corporation. Having had the opportunity to delve into the inquiry to quite a degree, I now realize that the response first given was inappropriate. It did not respond properly to the inquiry. I have indicated this to be so. While it is unfortunate, there was no intention to mislead. I obviously had to base my answer on the information supplied to me. On a review of the records, that proved to be not as efficient as it should have been.

Mr. Boudria: Mr. Speaker, we have now, through repeated tries, managed to get from the Minister an admission that, yes, what was given to us was inappropriate. As well, we now have from the Minister an apology to the House. With that admission and the Minister's apology, I am prepared to accept matters as they now stand. It is unfortunate that the Minister did not deal with the matter in this way from the outset. Had he done so, the debate would have been somewhat shorter.

I am prepared to accept his admission that it was a mistake, that it was inappropriate, and I accept his apology for giving the House erroneous information. With those matters now on the record, I shall not pursue the matter further.

Mr. Speaker: I want to thank the Hon. Minister for being frank. As well, the House is indebted to the Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria) for accepting the explanation, and accepting it in good grace.

I am sure the Hon. Minister will carry the message back to those who are charged with the responsibility to answer written questions, with the request that, as the Hon. Member for Windsor West (Mr. Gray) has indicated, they read the questions carefully before providing an answer.

GOVERNMENT ORDERS

[*Translation*]

CAPITAL PUNISHMENT

ESTABLISHMENT OF SPECIAL COMMITTEE ON REINSTATEMENT

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

That this House supports, in principle, the reinstatement of capital punishment and directs that a special committee on reinstatement, composed of 15 members, be established, hold hearings and make its final report to the House no later than three (3) months following the adoption of this motion, such report to provide recommendations on:

(*a*) which offence or offences should carry the death penalty, and in what circumstances;

(*b*) which method or methods should be used to carry out the penalty of death, and in what circumstances;

That, pursuant to Standing Order 107(1), this special committee be hereby appointed as the committee to prepare and bring in a bill no later than three months following the adoption of this motion, founded on the committee's recommendations on (*a*) and (*b*) above; such a bill shall be the object of a separate and distinct report of the special committee, and such a report shall be its final report;

That such bill, when reported from such special committee to the House, be deemed pursuant to Standing Order 107(1) to have been introduced and stand on the Order Paper, in the name of the special committee chairman, for first reading at the next sitting of the House; and that subsequent House stages of the bill be considered under "Government Business"; and that, when the said bill has been read a second time, it shall stand referred to a Legislative Committee;

That the Striking Committee be empowered to name the Members of the special committee, provided that once the Striking Committee report is laid upon the Table, it shall be deemed concurred in;

That the special committee have the power to sit while the House is sitting and during periods when the House stands adjourned;

That the special committee be empowered to report from time to time and send for persons and papers, and to print such papers and evidence from time to time as may be ordered by the committee and to retain the services of expert, technical, professional and clerical staff;

That the special committee be empowered to adjourn from place to place inside Canada and that, when deemed necessary, the appropriate staff accompany the committee;

That a quorum of the special committee be eight (8) members for any vote, resolution or other decision; and that the chairman be authorized to hold meetings to recieve evidence and authorize the printing thereof whenever six (6) members are present;

That any substitution of membership on the special committee be made pursuant to Standing Order 94(4); and

That, notwithstading the usual practices of this House, if the House is not sitting when the special committee is ready to issue its final report and the said bill, the special committee shall present its report and the bill to the House be filing them with the Clerk of the House provided that the report shall then be deemed to have been laid upon the Table, and the bill shall then be deemed, pursuant to Standing Order 107(1), to have been introduced at the first sitting of the House thereafter and to stand on the Order Paper in the name of the special committee chairman, for first reading at the next sitting of the House; and that subsequent House stages of the bill be considered under "Government Orders", with the bill standing under the heading "Government Business".

Mrs. Suzanne Duplessis (Louis-Hébert): Mr. Speaker, it is with considerable emotion that I rise in the House today to speak to this important motion which deals with a proposal to reinstate capital punishment in Canada. Mr. Speaker, depending on the position the House will take following this debate, men and women will live or die. All members present must realize that when the time comes to vote on the motion, if they nod their heads in favour, they will be killing themselves, as it were.

I have made no mystery about my position on this issue. I am firmly opposed to reinstating capital punishment, and I want to explain to Hon. Members and to the people of Canada my reasons for taking this stand. Mr. Speaker, in Canada as in so many other countries, capital punishment has been the subject of countless debates in the past years.

In fact, at the beginning of April in Great Britain British parliamentarians, notwithstanding the polls, had the courage to vote for the eighteenth time against reinstatement of capital punishment. Since the Canadian judiciary system is quite similar to the English system I would suggest that at the very least this result should cause everyone of us to give serious consideration to the position to take here.

Mr. Speaker, the debate has a particular character because it contains legal, philosophical, religious, moral and scientific aspects. Personally, as a practicing Catholic, the question I am asking myself is much more directly related to the sense I give to human life than to the sentence which should be imposed for a foul crime.

Morally speaking, I feel that taking a life is harmful to both the state and the citizen. The state must give the example by acknowledging the sacred character of human life in every instance.

A 1977 International Conference on the Abolition of Capital Punishment ended with the adoption of the Stockholm Declaration which stated that the duty of the state is to protect the life of every citizen. It strongly urged all countries to abolish the death penalty. More recently a number of groups were established to speak out against the reinstatement of capital punishment. In a recent message, the Conference of Churches, the Conference of Catholic Bishops wrote this, and I quote:

> The death penalty is acceptable only in a society which is not sufficiently well organized to defend itself by other means. This is not the case of Canada, a country which has made enough progress to find other ways than the death penalty to protect itself.

I have also received many letters from constituents and people from across Canada, who oppose the reinstatement of the ultimate penalty. Criminology experts also made their opposition known and I would like to quote among others from André Normandeau who wrote in *La Presse* on Thursday, March 12: I personally oppose the death penalty for both personal and professional reasons. On the personal level, it is my view that if the democratic State proposes its citizens two great values, liberty and due regard for life, it should set an example by refusing to kill legally a human being, even where the latter's murder is despicable. Under the Charter of Rights and Freedoms, all citizens are equal and there can be no exception to due regard for life.

In an interview with *Maclean's* magazine, the famous criminologist Edward Greenspan also flatly opposed it. So did the Canadian Association of Social Workers, the Canada Jewish Congress and many others. The widow of Rev. Martin Luther King, Mrs. Coretta Scott King, during a recent visit to Ottawa, went on record against the reinstatement of the death penalty in Canada. She felt that Canada would take a step backward by reinstating capital punishment.

According to recent surveys on that important matter, it would seem that a majority of the Canadian people favour the reinstatement of that ultimate penalty.

As far as I am concerned, I circulated a questionnaire in my constituency and the majority of respondents favoured the death penalty. But the result was different on the question of deterrence.

Mr. Speaker, should we base on chancy surveys our decision on such a basic question? My sincere answer is: No.

Mr. Robinson: Hear, hear.

Mrs. Duplessis: Indeed, if we asked Canadians whether they favoured a significant tax reduction, I am convinced that more than 90 per cent of the people would favour such a move. As elected representatives, should we then ignore sound management principles to meet the desires of the electorate? Once again, my answer is no. And on such a vital question, I feel that each and everyone of us must make an enlightened choice on the basis of the information available to him or her, and above all, must follow the call of his or her conscience.

This penalty is absolutely, fundamentally degrading on the human level, because it proclaims the uselessness of the guilty person's life. It also precludes the achievement of one of the three main goals of punishment, rehabilitation. Those who favour non-capital solutions defend the respect of all human life and urge society to rehabilitate and reform the offender. I am one of those.

Philosophers like Plato, Hobbes, Rousseau held that virtue can be taught and punishment must aim at correcting the offender's wrong inclinations. The goal must be to reform criminals and to deter them from relapsing to crime and also to maintain order.

In many cases, people who resort to violence have had an unhappy childhood which did not allow them to become responsible citizens.

• (1530)

Yet, it is the responsibility of any civilized society to impose on delinquents punishments which can contribute to their rehabilitation.

Eleven years ago, the abolitionists, as they are sometimes called, managed to eliminate capital punishment from our national statutes and mores. As Pierre Tremblay wrote in an editorial in the April 2 issue of the newspaper *Le Devoir*, "In 1976, a small majority of six votes in the Commons extirpated this relict of barbarism from our penal code, just as one has a bad tooth removed, with pain and apprehension."

Some uncertainty remained then. Were we not opening the door to second offenses? We are now forced to admit that we did not. Over the past ten years, the number of crimes which theoretically should carry the death penalty has not increased. We were right in 1976 when we felt that the supreme penalty had no real value as a deterrent. I am convinced that its reinstatement in 1987 would not prove different.

As a matter of fact, the deterring effect which is the major argument of all those who are in favour of capital punishment must be examined most carefully. If all punishment has a deterring effect, capital punishment has value only if it has this effect, no matter how limited. The question then is whether capital punishment has a more deterring effect than life imprisonment.

The theory of deterrence is based on the notion that the commission of a crime depends on the chances the guilty party feels he has of getting away with it. As legislators, we must consider deterrence as a means of preventing crime and also provide for more severe punishment in order to increase the fear of punishment in the potential criminal and reduce the frequency of crimes.

We must therefore determine whether the state of our knowledge warrants this approach and, therefore, the reinstatement of capital punishment.

Criminology studies have clearly shown that there is no significant correlation between the death penalty and the murder rate. In Canada, since capital punishment was abolished in 1976, the rate has remained stable at 2.5 murders per 100,000 inhabitants. While capital punishment was enforced between 1970 and 1974, the average was 2.3 murders for 100,000 inhabitants.

Mr. Speaker, we have no choice but to admit that there has been no wave of violence since 1976. The classic example of the United States is also interesting. Let us compare two American states somewhat similar socially and economically, on the one hand Michigan, which includes the City of Detroit, which abolished capital punishment in 1847, and on the other hand Illinois, which includes the City of Chicago, which has maintained capital punishment. We find that over a period of nearly 140 years, the difference is no more than 5 per cent between the two states for the murder rates in general and those of police officers and prison guards in particular. Incidentally, the difference sometimes works out to the advantage of Michigan and sometimes to that of Illinois, so the statistics certainly do not argue in favour of a return to the death penalty.

At the University of California, David Phillips got the debate going again in 1980 with a study in which he qualified the death penalty as an immediate and temporary deterrent. He writes: "We get the impression that a potential murderer delays his crime for a few weeks after an execution is publicized in the media." According to Phillips, we must not expect this to have a comprehensive and permanent effect. He cites the example of drivers on a highway who slow down to look at the victims of a serious accident and are slow to pick up speed again, although ultimately, they often exceed the speed at which they were driving before they stopped.

According to Phillips, the same applies to homicide. During the two weeks following a publicized execution, the homicide rate goes down. However, within five or six weeks after the execution, this drop is cancelled by an increase in the number of homicides. After six weeks, the rate goes back to normal. At the end of the year, the total number of victims is the same as if no execution had taken place.

Mr. Speaker, would the answer be to execute someone every two weeks?

Phillips does not dare make such a recommendation and notes with regret that his field of reference, 22 executions which took place in London between 1858 and 1921, does not include any instance where executions took place in quick succession. I therefore conclude that we have very little evidence of the deterrent effect and that in view of the very serious nature of the act involved, a civilized State should look for other deterrents.

The most valid reason to oppose capital punishment may be the possibility that an innocent might be killed. Last Friday in Montreal, an inmate called Pépin was released from prison. He had been accused of armed robbery, and had been in jail for eight months when the real culprit came forward. This man had been saying from the beginning that he was innocent. However, he was wrongly accused of robbery. No system whatsoever can guarantee infallability in passing judgment.

There have been cases in the past where people were put to death by mistake, and in spite of all the safeguards of our present-day system, there is still a possibility that this might happen. The Leader of the Opposition mentioned this morning that in 1982, Donald Marshall, who had been accused of murder and sentenced to death, was released after spending 11 years in a New Brunswick penitentiary. As for Wilbert Coffin, a prospector who was hanged in 1956, there are still questions after so many years as to whether he was really guilty.

On December 8, 1983, the British Minister of Justice released from prison Mervin John Russel, aged 39, who had been declared guilty of murdering a 20-year old female student. In 1977, when the case was reviewed, it was shown that the tuft of hair found in the hand of the victim did not come from his scalp. On August 23, 1977, the Governor of the State of Massachusetts, Michael Dikakis, declared innocent and rehabilitated Bartolomeo Vanzetti and Nicholas Sacco who had been executed exactly 50 years earlier, on August 23, 1927, after being declared guilty of murder.

Mr. Speaker, can we afford to take such risks? Would it mean that people would be better protected? Quite frankly, I do not believe they would, and I even think it would be the opposite. It has been shown over the years that executions appealed to the minds of morbid individuals, and could cause imbalanced people to take criminal action. The punishment itself may therefore cause more violent crimes, and provide some people with an inspiration to act violently.

Examples abound. Police departments for instance frequently refuse to publicize suicides or attempted suicides as it has been shown that such revelations lead to an appalling concatenation of other suicides. The news of a suicide prompt suicidal attitudes in other people. If that is true in such instances, there is a clear and easily applicable law: violence will lead to more violence.

In a society like ours, we must coordinate our efforts to put in place more effective policies of crime prevention in the legal, medical, social and educational fields. Our role as a just society is to emphasize prevention and to take all the means to that end. As long as this is not done it is useless to propose something as cruel as the death penalty. This is opposing

violence to violence without really dealing with the source of the problem. Crime is a social problem and we have to go to the heart of it, rather than choose a superfical solution that does not solve anything.

Mr. Speaker, we do not have the right to decide arbitrarily on the fate of our brothers, sisters, children and grandchildren. Our society has always attached much value to and shown a great respect for life and it must eradicate the causes or factors of crime. It must also, for humanitarian reasons, try to improve the correctional system so that the sentence imposed to criminals contributes to their rehabilitation and their social integration.

For all these reasons, and others I did not have time to develop, I will vote against restoration of capital punishment in Canada.

The reinstatement of capital punishment in Canada not only could make us lose any credibility in the area of rights and freedoms, but it could also be a signal for reinstating capital punishment in other countries. How could Canada in the future boast of defending rights and freedoms in international organizations, and more specifically the United Nations Human Rights Commission, if we gave such a clear indication that we do not honour our commitments and signature. Our credibility could easily be questioned.

Can we as a society take such a responsibility? I will conclude, Mr. Speaker, by stating that, personally, if the death penalty were to be reinstated in Canada, I would find unacceptable such a violation of the Canadian Charter of Rights and Freedoms, which prohibits any cruel and unusual treatment and punishment. Reverting to the ultimate sentence would negate what we have supposedly become, a more civilized, vanguard nation, a land of freedom, a model around the world.

Mr. Cassidy: Mr. Speaker, I would like to congratulate the Hon. Member for Louis-Hébert (Mrs. Duplessis) for her most eloquent, passionate and moral speech which reflects the opinion of a great many Canadian men and women. I would like to ask her how the feelings of Quebec men and women may differ from those of their fellow Canadians, and since most Quebecers continue to maintain contacts with the Catholic Church, what are the views expressed in that province by Catholic bishops and priests and what influence they can have, if any, on this debate. Does she believe, as I do, that here, in the Parliament of Canada, it is our duty to listen to the advice of religious men and women, the pastors of the various Churches, the philosophers and all those who are concerned with moral issues? I fully appreciate the moral position she has just expressed. I share it myself. However, perhaps in order to help some of our colleagues here in the House, I would like to know whether she believes that in a Canadian society which adheres to Judeo-Christian values, even though it increasingly includes the teachings of the other major religions in the world as it becomes more multicultural, we, in Parliament, should listen to the advice of our religious leaders and what advice is being given by Catholic priests in Quebec on this issue.

Mrs. Duplessis: Mr. Speaker, I thank my hon. friend opposite for having appreciated the speech I made during the present debate. I shall be pleased to answer his question.

To begin with, I should like to say to my hon. friend that the views of Quebecers on capital punishment are no other than those of other Canadians. If he has carefully considered opinion polls published for some time in various newspapers, he has probably noticed that Quebecers were exactly of the same opinion as Canadians throughout the country. However I am glad to note a difference among Members of Parliament from Quebec. Most of them are against the reinstatement of capital punishment. They have publicly said so.

Some Hon. Members: Hear, hear!

Mrs. Duplessis: It is true that the Council of Churches, our clergy and parish priests have told us that if we are really practising Christians and believers, we have to be against capital punishment. However, before such statements were made, I had already taken my decision. It only confirmed what I believed in that respect.

Morally speaking, there is something that we should not forget and that is also valid for our colleagues and other individuals throughout the country as well as all other religious denominations in Canada. The reinstatement of capital punishment means that one does not believe in the rehabilitation of the human being who could come to regret his wrongdoings, try to grow better and finally serve the Canadian people. It amounts to losing faith in mankind.

Personally, I do not think that a human being can become rotten. A rotten apple cannot improve. It will only get worse and become uneatable. However, the human being is different. When a human being receives good advice, is being taken good care of and loved, feels it has his or her rightful place in life, there is always a hope that he or she will turn over a new leaf and become better.

So I brought here a small clipping where various solutions are indicated by the Council of Churches. There is also something I would like to bring to your attention, and if I am not mistaken, this morning, during the debate, I think your leader referred to this about the Council of Churches, when he asked how many people know that more than a third of all murders are committed within the family, in the home, after some quarrel? This applies to the majority of crimes in Canada.

This means that there may be something wrong in society. I referred to that earlier. We know that misery and poverty can lead to crime. We are told that maybe we should look more closely at that, this is where we should be providing support. As Members of Parliament we should work twice, a hundred times as hard at improving well-being in society, whether helping children or looking for better regional distribution across Canada. Members from every part of the country and every Party in this House will have to learn how to live with a decision we have taken in order to help and raise the standard

of living in one part of the country, in order to stamp out misery in areas of this country. Members from everywhere will have to learn to respect that.

We cannot claim to be Christians, and indeed Mrs. Luther King said she cannot imagine Christians who support killing others. This is my answer concerning the ethical side, the recommendations made by the bishops.

Mr. Nunziata: Mr. Speaker, I would like to take this opportunity to commend the Hon. Member for Louis-Hébert (Mrs. Duplessis) for her excellent speech on capital punishment.

• (1540)

[*English*]

Mr. John Nunziata (York South—Weston): I would like to ask a question of the Hon. Member with regard to the process upon which we are embarking today. The Government has decided to initiate a debate here in the House that no doubt will take several months to conclude. This particular discussion centres around a resolution, not legislation, but a resolution to endorse capital punishment in principle. We know that this particular portion of the so-called debate on capital punishment may take several months, if not longer. Following a determination of this resolution in the House, a committee will be struck which will travel across the country for three months and then report back to the House. The Government has been criticized for the process of prolonging the discussion of this very moral and important issue.

Has the Hon. Member taken the opportunity to voice her concerns to the Prime Minister (Mr. Mulroney) and to her colleagues in Cabinet to indicate to them that it is wrong for the Government to stretch out this debate over such a long period of time? The Hon. Member knows I agree wholeheartedly with her position on the issue, but I think it is wrong for the Government to embark on the process it has.

• (1550)

I would ask the Hon. Member if she would undertake to try to use her resources, her good offices and her powers of persuasion to convince members of her own caucus to accept and adopt the position she has taken. The Hon. Member will recognize that the overwhelming majority of her own caucus supports the resolution in principle.

[*Translation*]

Mrs. Duplessis: In reply to my friend the Hon. Member for York South—Weston (Mr. Nunziata), who was talking about the process, Mr. Speaker, may I say that there might be no process if ever a majority of members decided to vote against the reinstatement of capital punishment. When my Government decided to proceed this way, it was first of all, as you know full well, to fulfill a promise made during the last election campaign. One should fulfill one's promises. As a matter of fact, you are constantly reminding us that we have made promises in other areas.

On the other hand, you should not overlook the way it was done. It was done to respect democracy. It is a process which is quite democratic, which meets the requirements of my colleagues who are in favour of reinstating capital punishment. We made a commitment, and we are living up to it.

Contrary to my hon. friend, I feel that my Government is doing the right thing in holding this debate.

The Acting Speaker (Mr. Paproski): I am sorry, but the period for questions and comments is over. Debate. The Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria) has the floor.

[*English*]

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, this afternoon we are called upon to debate a very important issue in the House of Commons. It is one that goes beyond partisanship of any kind and one that is very difficult for all Members of the House.

I would like to take a moment to discuss the manner in which this topic was brought to the attention of the House of Commons. A government Minister tabled in the House a motion and then immediately dissociated himself from the motion he had presented. The motion, of course, calls upon the House of Commons to give its favour in principle to a resolution calling for the reinstatement of capital punishment.

The Government claims that it can dissociate itself from the motion it has itself put because this will be a free vote. I would argue that that is incorrect. There is no historic precedent for proceeding that way in a Parliament. If some Hon. Members wish to indicate that there is a parallel because of a free vote that had taken place in the past, I would argue that there was a substantial difference between the two. In the last free vote, the Government introduced a motion and unanimously supported it within Cabinet yet the Government tolerated dissension within its own caucus. That is far different from having a cabinet Minister present a motion to the House and then immediately saying that he was not necessarily for it or against it or that the Government was not necessarily for it or against it. I would submit that this unprecedented move on the part of the Government is indeed what I would consider to be morally inappropriate when dealing with such a topic.

Mr. Tobin: Cowardly.

Mr. Boudria: Some would even say, as my colleague, the Hon. Member for Humber—Port au Port—St. Barbe (Mr. Tobin) has just said, that it is cowardly.

The debate started today with the Parliamentary Secretary to the government House Leader as the lead-off speaker. Instead of speaking to the issue of capital punishment which his own Government had introduced, he spent most of his time congratulating himself and the Government for perceived past accomplishments and he warned the House not to take too much time because the Government wanted to deal with the pornography Bill, patent legislation and other issues in the

future. Therefore, he said, Members could take the time they wished but of course he reminded us of all those other important things which Parliament must do in the future. I wonder, if those issues were so important, why they were not dealt with before bringing this motion to the attention of the House of Commons.

The Government hangs its hat on saying that this was a campaign promise and it had to deliver. Where is the precedent for such action? Relatively no other campaign promises have been delivered to date so what is the special initiative that is necessary in this particular case?

[*Translation*]

Mr. Speaker, this debate is unfortunate. It is unfortunate because it shows just how desperate a political Party can be: this Conservative Government will introduce just about any legislation to improve its political credibility. I can tell you that when a political Party stoops so low to improve its image, we have a major moral problem. Mr. Speaker, I urge you and all our colleagues in the House to consider the way the Government went about presenting this motion to the House, and specially its timing.

[*English*]

Nevertheless, today we are dealing with an important debate. It is important because it deals with life itself. I have deeply held views on the topic and so do others. Some have views which differ considerably from mine but they believe in them with as much conviction as I believe in my own.

It is unfortunate that in some cases the debate has been trivialized by individuals either stating that those who did not want to reinstate capital punishment were in favour of criminals or that those who are in favour of the reinstatement of capital punishment are of equally devious minds. I do not believe that either is the case. Nevertheless, it is unfortunate that such statements are being made as one which was attributed to a Member of the House by *Maclean's* magazine, which indicated that an Hon. Member referred to capital punishment by saying: "Hang 'em high and hang 'em often". Remarks like those are very unfortunate and remarks made in the opposite direction would be equally wrong in my view.

[*Translation*]

Mr. Speaker, since 1867, 710 people were executed in Canada. The last two were put to death in 1962. They were Arthur Lucas, aged 54 and Robert Turpin, aged 29. Since then, Canada has effectively abolished the death penalty. At first, at the turn of the century, capital punishment was imposed for murder, treason, rape and gradually, as our society became more and more civilized, we first eliminated public hanging, then capital punishment for other offences and finally, as I said earlier, in 1962, Mr. Diefenbaker abolished the death penalty *de facto* since he and his successors chose not to reinstate it.

Finally, in 1973, the Government put temporarily an end to the death penalty through legislation and in 1976, it was abolished for good.

• (1600)

[*English*]

There are reasons which some people give for the reinstatement of capital punishment. Let me outline some of them and say why I do not think they are appropriate. First we have the argument of, shall we call it retribution? In other words, someone who has killed does not deserve to live. While at first blush that argument may have a certain attraction to some people, I must say that it certainly has no place, in my view, in a civilized society which claims, as we do, to have a good and sound system of justice. We do not rob the robbers. We do not beat the beaters. We do not burn down the arsonist's house. We do not rape the rapist. It of course is equally true that we do not murder the murderers.

The theory of deterrence has also been used by some as a reason for capital punishment. That is no more effective or reasonable an idea than that of retribution. I say that for this reason. In 1975 there were 701 homicides in Canada according to statistics I have obtained. In 1985 it was 686. In 1986 it was 561. Considering that this country's population is increasing it holds true, in my opinion, that the absence of capital punishment certainly has not resulted in an increase in murders. The murder rate per 100,000 people in Canada was 2.7 in 1976 and is now about 2.5. We know that in the U.S. the murder rate is 8.49 per hundred thousand. That is over three times what it is in Canada. However, even if we look at it in a regional sense, because capital punishment is a state responsibility in the U.S. and not federal as it is here, the state of Minnesota, an abolitionist state, has a murder rate of 1.7. Gun-toting Texas has a murder rate of 14.2. That leads me to believe that violence breeds more violence and we should not for that reason reinstate capital punishment.

Of those countries in the western world Belgium has the lowest murder rate. Before someone says that Belgium still has capital punishment, I want to remind the House that it has not been used since 1945. Belgium's murder rate is 1.03. That should lead us to some conclusions when we compare it to the 8.49 rate in the U.S. Of course, the U.S. has executed some 38 people since 1977.

[*Translation*]

Mr. Speaker, I would like to say a few words about potential errors. As the House will know, Mr. Wilbert Coffin was executed in 1956 for a murder of which he was convicted at the time; Mr. Raymond Cook, in 1960, was also put to death in Alberta.

To date, Mr. Speaker, a large number of Canadians, including some parliamentarians, have grave doubts about the execution of those two people, wondering whether they were really guilty.

I would also like to mention three other miscarriages of justice involving murder cases, although they did not lead to a death sentence being carried out. We had Kenneth Roberts in 1977, Derek Cole in 1978, and finally, Donald Marshall who was released in 1982 after his case was reviewed, 11 years after he was sent to prison. He was innocent. And though some people point out that Mr. Marshall was not convicted of premeditated murder and would therefore not have received the death penalty, I want to take this opportunity to inform the House that the same principle applies, namely that if a mistake was made in the case of Donald Marshall, how can we guarantee that mistakes were not made in other cases?

Senator Howard Metzinbaum of the United States tabled in the U.S. Congress a list of 48 people who were found guilty of murder and subsequently declared innocent, while Michael Radelet, an American researcher, puts this figure at over 100 since the turn of the century. If for no other reason, and I have just given a number of examples, I think the reason I have just touched upon here should be sufficient for a civilized country like Canada to want to terminate this debate on the death penalty immediately and not pursue the matter further.

Mr. Speaker, I may add that the United States is the only Western country that still practices capital punishment. Belgium still has it on the books, and Ireland as well, but practically speaking, since 1945 and 1954, respectively, it is no longer applied in those countries. Mr. Speaker, Canada must not be allowed to regress. The Conference of Catholic Bishops issued a communiqué which was distributed to members on February 24, and it reads as follows:

> Today, ten years after the abolition of capital punishment, we still hold the same conviction: A society that respects the sacred and spiritual character of human life and which has human rights as its first priority, is slowly and perhaps not always spectacularly, but at any rate surely, on the road to social progress for itself while contributing to the development of mankind. This conviction, confirmed by the message of John Paul II when he visited this country, is based on the message of the Gospel in which mankind is redeemed of its sins by Jesus Christ and thus reconciled with God.
>
> Innocent, but convicted as a criminal and sentenced to death, Jesus himself showed us the way of total forgiveness: "Father, forgive them, for they know not what they do."

[*English*]

I now want to go back to the topic I raised a few moments ago concerning retribution and its so-called merits. I received a letter in my office on March 5, 1987, and it reads as follows: "I would like you to consider my views on capital punishment in light of the motion currently being debated. Our 11-year old daughter, Alison, was abducted and murdered last July. Prior to Alison's death I had always been opposed to capital punishment, this conviction being based upon the very deep Christian belief that it is wrong to kill another human being no matter what the circumstances. Alison's murderer has given me a very strong personal and agonizing experience of the horror of violence and killing. It has more than ever convinced me that we as a society cannot ever and must not ever condone killing, whether by state or individual, in any shape or form. Throughout this debate much attention has been focused on the victim's rights. While I agree that often the safety, security and suffering of present and future victims is not always given due consideration, I do not believe that anyone suffering can in any way be alleviated by the deliberate killing of other human beings. I do not want to be part of a society that brings up future generations with the belief that killing can be legitimized under certain circumstances. Let the message be clear and unconditional; human life is sacred, killing is always wrong. Please consider my deep-felt views and vote no to the return of the death penalty".

• (1610)

That letter is signed by Mrs. Lesley C. Parrott, the mother of Alison Parrott who, unfortunately, as we all know, was an 11-year old child who was murdered.

In conclusion, it is my opinion that the time of the House should be spent on many other issues. We should be spending a lot of time on the issue of illiteracy as well as a lot of time trying to find employment for our constituents who are out of work.

We are talking about the murder rate, which is 2.5 per 100,000, but are not even mentioning the fact that the suicide rate is 13.8 per 100,000 and that a large percentage of that relates to young people. We are not taking time to discuss the many other problems which our society is facing right now.

Although I know that 70 per cent of Canadians in general, and probably a similar number of my constituents, are in favour of reinstating capital punishment, it is important to note that only 5 per cent consider the issue to be important. I indicated my opinion to the voters in the last election. They knew where I stood before they elected me to the House of Commons. I indicated clearly to them that I had no intention of participating in a process which would reinstate capital punishment.

In conclusion I want to remind you of the words of Edmund Burke spoken 213 years ago. He said:

> Your representative owes you, not his industry only, but his judgment; and he betrays, instead of serving you, if he sacrifices it to your opinion.

Those are my views, Mr. Speaker, and I hope that the House will defeat the motion.

Mr. Domm: Mr. Speaker, I notice that the Hon. Member who has just spoken referred, as did his Leader, to the statements of Edmund Burke. I have also noticed that a lot of editorial writers, with surprising selectivity, constantly urged Members of Parliament to ignore or defy the clear opinion of the public by citing this portion of Burke's speech to the electors of Bristol in 1774. He said at that time:

> Your representative owes you, not his industry only, but his judgment; and he betrays, instead of serving you, if he sacrifices it to your opinion.

Those who do not confine their reading exclusively to editorials will be aware of the fact that after the dissolution of Parliament in 1780 Mr. Burke found that the electors of Bristol were so violently opposed to his attitude that he wisely decided not to stand for renomination.

Was the Member of Parliament who just spoke aware that Burke decided not to seek renomination because of the effect it had on his constituents when he refused even to take into consideration the vast majority of constituents whom he represented?

Mr. Boudria: Mr. Speaker, I am very pleased that the Hon. Member chose to rise in his place and raise this very important point. I did not know Edmund Burke personally. Perhaps the member across knew him better than I and is aware of the reasons he chose not to run for public office in the subsequent election. I remind him that Mr. Burke was not defeated but decided not to run again. I am sure the member knows the reason for that very well, that he has probably discussed it with Mr. Burke personally.

[*Translation*]

Mrs. Bourgault: Mr. Speaker, I listened with great interest to the intervention of my colleague from Glengarry—Prescott—Russell on capital punishment. Of course the question is very sensitive, I admit, except that the Hon. Member is always ready to rise and criticize the initiatives of our Government. They are never good enough for him. In short, he questions everything.

Mr. Speaker, I have a question for him. Has the Hon. Member any alternatives? What are we going to do about the 75 per cent of Canadians who are tired, who have had it up to here to see that the victims are never . . . What do we do to family victims? What do we do with them? Does the Hon. Member have an alternative? Did he think about that, or does he get up only to criticize the Government which has the courage, I repeat, the courage to bring this issue before the House of Commons, because it does take political courage to do so? So my question to him is this: Does he have solutions? Does he have anything to say to elderly people who are afraid to walk on the streets—and I know some of my constituents who feel that way because they are afraid of being attacked. There are a lot of trigger-happy individuals around these days. Think about the many corner grocery store owners who have been shot dead by thieves, by second offenders who do not hesitate because they know they will be paroled after seven years even after having been sentenced to life imprisonment. Mr. Speaker, what solutions does the Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria) have to offer Canadians who want capital punishment applied in this country, something which the previous Liberal Government has never done?

Mr. Boudria: Mr. Speaker, let me tell you in plain language that it takes nerve, it takes a lot of nerve for an Hon. Member on the Government side to stand on his feet in this House and ask the Opposition if it has an alternative for better government. That takes a lot of nerve coming from the Government side, Mr. Speaker, I must say. All the more so when a government Member rises to ask us for an alternative to the death penalty. Is there an alternative between life and death? Can one be so ridiculous as to put such a question to the House? I must recall that if there is a problem with parole, then an appropriate solution must be found. In any other area as well, if there is a problem, then a solution must be found. You do not execute prisoners because no alternative has been found, even if one's Government has come to office with the largest majority in Canadian history. What a sorry excuse to give this House, Mr. Speaker. The Hon. Member as well as her Government should be ashamed to raise such issues.

Mr. Keeper: Mr. Speaker, I would like to know if my colleague is aware of studies which indicate that juries do not impose the death penalty, that they are reluctant to do so? Is he aware that such studies exist? Is he willing to make any comment?

Mr. Boudria: Mr. Speaker, I thank my colleague from Winnipeg for a very relevant question. He is quite right in raising this matter, because a poll has indeed been taken among people who had served as jurors previously. Very clear results were obtained from that survey in which former jurors were asked: Madam or Sir, had you had to reach a decision knowing the penalty would be death, would you have found the accused guilty in the very case you decided in the past? To a large extent, Mr. Speaker, those Canadians who sat on juries said no, because there was still some doubt in their minds that kept them from sentencing—not sentencing because it is the judge not them who sentences—but they would not have made any move which might have resulted in sentencing somebody to death. So that is very interesting, and we could conclude that indeed the restoration of the death penalty could have a totally reverse effect in the sense that a greater number of those guilty of murder could be released because the jury would be somewhat reluctant to find them guilty. The Hon. Member for Winnipeg North Centre (Mr. Keeper) has drawn our attention to a very interesting fact.

[*English*]

Mr. Nunziata: Mr. Speaker, the Hon. Member for Peterborough (Mr. Domm) and others in favour of capital punishment argue that they must respond to the wishes of their constituents. They believe that due to the fact that 70 to 75 per cent of Canadians favour the return of capital punishment they must, as a result of some duty, respond by voting for capital punishment notwithstanding what their own personal beliefs may be. I want to say to the Hon. Member for Peterborough and others—

• (1620)

The Acting Speaker (Mr. Paproski): I hope the Hon. Member will comment on the member's speech and not on anything that has taken place prior to the speech of the Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria).

Mr. Nunziata: Does the Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria) agree with my suggestion to the Member for Peterborough that there comes a time when one must vote according to one's own belief and conscience because if one becomes a puppet of his or her constituents, there is really no reason to be here to act as a parliamentarian

and represent the interests of not only his or her constituents but the country?

My question concerns the argument put forward by those who support capital punishment. The *status quo* is that capital punishment is not a penalty in Canada under the Criminal Code. It still exists in the National Defence Act. Therefore, it seems to me that the onus is on those who support capital punishment to prove to the House that there is a reason for a return of the death penalty.

When we cut away all the peripheral arguments, the bottom line is that those who support capital punishment are arguing that vengeance should be the basis of our criminal justice system because, in their heart of hearts, those who argue for capital punishment know that there is no other legitimate argument upon which to base a return to the death penalty.

Will the Hon. Member agree that it is wrong for a moral, civilized nation to have retribution or revenge as the basis for its criminal justice system? Would he agree that it is basically the law of the jungle that dictates that type of basis for a justice system?

The Acting Speaker (Mr. Paproski): The Hon. Member for Glengarry—Prescott—Russell on a very short answer, please.

Mr. Boudria: Very briefly, Mr. Speaker, perhaps Gandhi put it best when he said something to the effect that if justice was still administered on the basis of an eye for an eye, we would have a society that would be totally blinded by now.

Mr. Bill Domm (Peterborough): Mr. Speaker, perhaps I will begin my remarks today by commenting on what has been discussed by the member who just spoke and others in his Party. I want to respond to the comment that more murderers would be loose on the streets because juries would be more reluctant to convict them. My source in arguing that point is a letter that I received from Norman S. Douglas, Q.C., Crown Attorney, District of Algoma. He said:

> In the two dozen murder cases that I have prosecuted, I have not encountered any sympathetic juries for first degree murderers.
>
> However, even if it is conceded that juries would be more cautious in convicting if the result was capital punishment, second degree murder is always an included offence.
>
> In short, if a jury felt too squeamish about convicting on first degree they would convict of second degree instead. Thus, the killer would receive a sentence of life imprisonment. It is simply misleading to say that if a person is not convicted of first degree murder then he walks out of the courtroom.

That is the kind of misleading information that turns what could be a sensible, logical debate into the resurrection of arguments that cannot be substantiated and are only the whims and fancies of abolitionists who care little at all about a true justice system that provides the kinds of penalties that convicted murderers deserve for that act of planned, deliberate, premeditated murder.

Let me add that we are not looking to murder everyone who commits, or execute everyone—

Mr. Cassidy: You said murder. You are going to murder them.

Mr. Domm: I will deal with murder in a minute.

Mr. Cassidy: The state will murder. That is what you said.

Mr. Domm: We are not looking to execute the some 700 innocent people who are murdered by people who are guilty of planned, deliberate, premeditated murder.

Mr. Cassidy: Murder. That is what he said.

The Acting Speaker (Mr. Paproski): The Hon. Member for Peterborough (Mr. Domm) has the floor.

Mr. Domm: Let me take some of my 20 minutes to give what I believe is the best explanation of why we are at this point today in the House of Commons concerning the subject of capital punishment.

For the second time in the last few years, the United Kingdom turned down a motion for a return to capital punishment. I am not prepared to say that I could have supported that motion either because those who have done more research than what is printed in the abolitionist newspapers will know that that motion would not have been supported in this House of Commons either because it called for a return to capital punishment for planned, deliberate, premeditated murders, providing the jurors found the murders to be evil. We are not talking about evil murders, but planned and deliberate murders that do not have to be considered evil. I will not get into a debate on whether acts of treason and terrorism are evil or whether we are talking about someone who is against the Government because it is doing something that it should not be doing.

We are talking about four, five or possibly six types of planned, deliberate murder for which there is a clear consensus in the country that there should be capital punishment. It remains to be seen whether the Opposition will vote according to their conscience. I suspect that the New Democratic Party has no conscience and does not have the luxury of voting according to their conscience.

Mr. Robinson: Mr. Speaker, I rise on a point of order. I hesitate to interrupt the Hon. Member in mid-rant, but I want to call to Your Honour's attention that it is quite improper to ascribe motives to any Member of the House with respect to their participation, particularly in a debate as serious as this.

The Acting Speaker (Mr. Paproski): I consider such a reference to a Party to be acceptable, but I would reprimand the Hon. Member if it were to an individual. I feel that he is not out of order. The Hon. Member for Peterborough (Mr. Domm) has the floor.

Mr. Domm: Mr. Speaker, it is accepted that the New Democratic Party cannot vote according to conscience because they have taken a party position based on policy that has been adopted by a convention of the New Democratic Party.

The Liberals also have a problem with the issue of conscience. There are Liberal Members of Parliament who are former Cabinet Ministers who supported capital punishment at the time of abolition. In a debate with myself on *Canada-AM*, a frontbencher in the Liberal Official Opposition stated that he supports capital punishment. He said on *Canada-AM* that he voted against capital punishment in 1976. When asked what he would do with respect to the Conservative motion in support in principle of capital punishment, he said that he would vote against it. I question the ability of some members of the Liberal Party to vote according to their conscience.

Let me deal with four or five points that have been made by other members. I do not believe any religion in Canada has an exclusivity on who is Christian and who is not Christian. I can list for the record ministers, clergy, of church denominations of all types who have written me as the heads of their churches in complete support of a return to capital punishment. They include the Oxford Baptist Church, Woodstock, Ontario; the Fundamental Baptist Mission; a letter from a former padre in the United Church; a letter from Pastor Jake Giesbrecht of the Ferndale Bible Church in Peterborough, Ontario; a letter from Reverend Hutson, T. Hilsden of the Social Concerns and Public Relations, Pentecostal Assemblies of Canada; a letter from the Reverend Earl N.O. Kulbeck of Scarborough, Ontario, Minister of the Pentecostal Assemblies of Canada; and a letter from Reverend G. W. Porter, retired United Church of Canada padre of the Lakefield Legion of which I am an honorary member. I have a letter from Reverend Evangelist Theodore Ruud of Calgary, Alberta. I have pages of letters from clergy who support a return to capital punishment—

• (1630)

Mr. Cassidy: How many bishops have you got, and name them? Name the bishops who support your view.

Mr. Domm: —on religious grounds. I sit in the House of Commons and I stand here today and I will debate with any member opposite who says to me that someone says that someone else is not a Christian because they support capital punishment. Who are they judging—whoever "they" might be? I do not propose to judge any member of the Opposition as being Christian or anti-Christian. I think members opposite are on pretty thin ice when religious leaders of the country judge other religious groups, organizations, churches and theologians as anti-Christian because they support capital punishment because of the teachings in the Old Testament and because of the teachings in the New Testament. Members opposite say that nowhere in the New Testament does Jesus Christ endorse capital punishment. I challenge Hon. Members opposite that nowhere in the New Testament does Jesus Christ say that the state does not have the right to take another person's life.

Mr. Cassidy: Let he who is without sin throw the first stone.

Mr. Domm: Having said that, if Hon. Members opposite support capital punishment because of teachings in the Old Testament, then I challenge them to show me why the person who supports capital punishment because of teachings in the Old Testament is any less Christian than someone who supports or is against capital punishment because of teachings in the New Testament.

Let us deal with the idea that was brought forward here today in debate by the Right Hon. Leader of the Official Opposition when he talked about capital punishment being barbaric or being uncivilized. This is the "capital punishment is murder" argument all over again.

> What the abolitionists assert here is: "Uncivilized barbarians kill; all killing is uncivilized and barbaric; therefore judicially ordered executions are uncivilized and barbaric."

That quote is from Les Bewley, a retired Vancouver criminal court judge and columnist for the magazine *Canadian Lawyer*. He also stated:

> This contraption may sell, but only to those who have forgotten, or never knew, that civilization depends upon the rule of law—that code which prohibits anti-social, harmful and murderous acts under pain of punishment by a court of justice and denies to the individual the right to enforce his own justice, vengeance or revenge. To assert that execution is merely barbarism or revenge is to deny the very meaning and process of civilization and to murder reason itself.

The other argument is that capital punishment is murder. I have heard that not only on this side of the House but from members opposite as well.

Mr. Cassidy: That's what you said a minute ago.

Mr. Domm: Let me tell the Hon. Member what Mr. Bewley said on the topic. He said:

> "Murder is killing; execution is killing; therefore execution is murder." That's like: "Confining a person is unlawful; judges confine people, therefore judges are breaking the law"—The murderer is prosecutor, judge and jury, all without lawful authority. Only such killing can be called murder.
>
> In absolute contrast, society provides an accused murderer with all the rights and safeguards he has denied to his victim. If then, after proof of guilt beyond a reasonable doubt, society sentences him to death, that is not murder; it is as far from unlawful killing as it is possible to get. To call this murder is to speak a lot of nonsense.

Let me tell Hon. Members that that quote is also from Les Bewley and is contained in *Canadian Lawyer*. The article appeared in *The Globe and Mail* on March 19, 1987.

I also want to read Hon. Members one little article which I think can say it best. I worked over the weekend trying to figure out where we got where we are, why we are not satisfied—

Mr. Cassidy: Because of people like you is why.

Mr. Domm: —that the vote in 1976—when I say "we" I mean the Canadian people. You might not represent the Canadian people.

Mr. Cassidy: I certainly do.

Mr. Stewart: No, you don't, look at the percentages.

Mr. Domm: I am telling you that the Canadian people—

The Acting Speaker (Mr. Paproski): Order, please. I know that this will be a very charged-up debate. The Hon. Member for Ottawa Centre (Mr. Cassidy) will have an opportunity for questions or comments after the Hon. Member for Peterborough (Mr. Domm) finishes speaking, as will the Hon. Member for Winnipeg North Centre (Mr. Keeper). Please allow the Hon. Member to carry on with his remarks.

Mr. Keeper: Then restrain him, too.

The Acting Speaker (Mr. Paproski): The Hon. Member for Peterborough.

Mr. Keeper: Then ask him to stop questioning our integrity if you want quiet in this place.

Mr. Domm: The article continues:

> Because Canadian criminal courts have become increasingly unable to deal quickly and effectively with crime and with criminals—

That is part of the main reason why we are here today. The article goes on:

> We are, in Canada, rapidly and surely approaching the hamstrung, obstructed and hapless state of the administration of justice in the United States.
>
> Our systems of justice and corrections now display almost every symptom of the illnesses the U.S. systems suffer from—
>
> We are arriving, as Americans have arrived, at this disgraceful and unendurable state because, over the past 20 years, a spurious, dangerous, one-sided debate about the nature and direction of law, order, crime and punishment has been allowed to go on—
>
> Imprisoned crooks, pushers and murderers are also frequently interviewed and quoted at length on their "expert" views that it is society, not they, which should be tried and convicted—
>
> The appalled witnesses and victims who manage to survive are usually too angry, frightened, dismayed, disgusted or ashamed to qualify, or be accepted by the media or the governments, as "experts"—
>
> Plea-bargaining—the venereal disease of any system of criminal justice and the distinctive sore now on the U.S. system—once almost unheard of in Canadian courts, is now common to them. The joyful, semi-secret grapplings and couplings of defence counsel and Crown attorneys are performed daily, to their audible moans of delight and loud cries for "more"—
>
> Parole, and temporary absence programs from prisons, sanctified by parliament—

Mr. Keeper: Stick to the issue!

Mr. Domm:

> —and vigorously employed by regiments of corrections bureaucrats—

Mr. Keeper: What about the rule of relevance?

Mr. Winegard: Shut up!

Mr. Domm:

> —demonstrate a thinly veiled but effective contempt for the judicial function and have now almost devalued and debased the judicial coinage—
>
> In that event, why not be a nice, warm, progressive, exciting (even trendy) judge and toss out absolute and conditional discharges—like confetti at a wedding?
>
> Citizens of Canada triple-lock their doors, return to and cower behind medieval walled or guarded residences, abandon their streets and parks to thugs, hooligans and criminals, arm themselves with cans of mace and lead pipes and attend night classes in the martial arts.

Add to that the rise of vigilanteism here in Canada, which I do not support, and I have a difficult job trying to explain why people in Canada will give from their pockets their hard-earned cash to store-owners who try to defend property and life against criminals. What causes that?

The article continues:

> How pathetic, how absurd, how shameful, how infuriating—how unnecessary—when one recalls that the first duty of the state is to protect its law-abiding citizens.
>
> The thin blue line of peace officers, baffled and frustrated, represses its anger and says, all too often and all too dangerously, "what's the use?" So do more and more judges.

This particular judge has had it. Long before his time of retirement in the City of Vancouver he sent in his letter which said: "I quit." He quit because of the policies of the judicial system in Canada. We as parliamentarians are responsible for the mess that the country is in because we have sat back for decades and have allowed convicted, planned, deliberate murderers parole, not in 25 years but in 15 years. Do Hon. Members realize that today nine people who were on death row prior to 1976 are now coming up for parole? It is for parole after 15 years. They were sentenced to death and were on death row in 1976 and are now eligible to go before a judicial review to recommend parole before a parole board.

• (1640)

Let me tell you, these criminal lawyers—and there are some in this House of Commons—are working toward judicial review. And why do you think criminal lawyers want a judicial review? Why do they not want the Canadian Parole Board to make the decision on behalf of the people? The Canadian Parole Board is appointed by the Government and as such is accountable to the people.

An Hon. Member: So is the judge.

Mr. Domm: The judiciary are there until retirement.

An Hon. Member: They are put there by the Government.

Mr. Domm: They are there until retirement, unless they choose to quit, as was the case with the judge that I have quoted extensively, an individual who was also a writer of law journals. After 21 years as a magistrate and a judge of the British Columbia Provincial Court (Criminal Division) and six years before his statutory retirement, this individual wrote the provincial secretary, as the law requires, to advise him that, as of April 30, 1981, he was quitting.

The abolitionists say that there is no problem with homicides in Canada; none whatsoever. Let me tell you that when you break down the homicide rate—

Mr. Robinson: A point of order, Mr. Speaker.

The Acting Speaker (Mr. Paproski): The Hon. Member for Burnaby (Mr. Robinson) on a point of order.

Mr. Robinson: Mr. Speaker, I think perhaps the Hon. Member for Peterborough (Mr. Domm) would like to advise the House that the judge in question also said that women have no brains before the age of 30. It is the same judge—

The Acting Speaker (Mr. Paproski): That is not a point of order. The Hon. Member for Peterborough (Mr. Domm) has the floor.

Mr. Domm: I predict two things today—and these are not matters that I came to lightly. I predict, first, that Parliament will be required to amend the Criminal Code, bringing in stiffer penalties, including capital punishment in certain circumstances, as a result of this debate; and secondly, I predict that, if the Senate refuses to pass the Criminal Code amendments as passed by the elected representatives of the people, supported by the majority of the Canadian people, the Government will embark on a program of major Senate reform, urged by the Canadian people to do just that.

In our parliamentary system of Government, the Government has the responsibility to represent constituents. When it comes to an issue of conscience, I realize the difficulties involved. I was raised as an abolitionist, the son of a United Church minister. I know the positions taken by abolitionists, and I respect those positions. What bothers me is that the abolitionists tend, very often, to personalize the debate, going so far as to call those who do not agree with them anti-Christian.

I have yet to hear a retentionist in Canada call another church leader anti-Christian because of that leader's support for abolition. Why do the abolitionists persist in this low-level debate, personalizing positions rather than discussing conscience?

A question raised earlier today was: Is there any deterrence effect in having capital punishment on the books?

Some Hon. Members: No.

Mr. Domm: I can give you the names of 14 people who would be alive today, innocent people who would be alive today, had that first-time murderer been executed.

Those are 14 crimes that would have been prevented. For those who bring up the half-way house case in Ottawa, the Sweeney case—I am not dealing with Sweeney because it is now under appeal—I remind those individuals that the father of the victim in that case is a determined and devout abolitionist, and I respect that position. But the mother of that girl who was raped and murdered in the half-way house now supports capital punishment. That is something that should be mentioned. The mother of that girl went on national television to voice her support for capital punishment.

Just this past month, we have learned of a series of chain-saw murders in Montreal. We had 17 pieces found of one victim of a chain-saw murder.

I am sick to death of reading in our newspapers and hearing on radio and television about the suffering of someone who was executed. What about the 11 children in British Columbia who were raped and murdered and then buried along the highway? What about the Montreal victim whose body was cut up into 17 pieces? What about the young girl who was raped and murdered in the half-way house? What about Eli Guay? What about the six convicted murderers who, having been paroled, murdered again? What about the judges? What about the jurors? What about these judicial reviews?

If an individual, having gone through all of the steps in our criminal justice system, is found guilty of first-degree murder, that individual should be executed. We do not have one known case of wrongful execution in Canada since Confederation. No such case has ever been produced to me. Yet, I can produce dozens of names of innocent people who have been murdered as a result of the judicial review process. The same judiciary who say we should not execute because we may execute the wrong person have caused, indirectly, the murder of dozens of innocent people because of their judgment as to who should and who should not be paroled.

Is it more ethical to be bigoted when it comes to judicial review than when it comes to murder? I support capital punishment for planned, deliberate, premeditated murder; murder arising from a hijacking or hostage-taking incident; contract killers, hired guns; and for serial killers. As well, I support capital punishment for the killing of police officers and law enforcement agents, and prison guards.

Until this debate ends, whenever it ends, I will be fighting for the return of capital punishment for those six offences. I am prepared to produce, name for name, those in support versus those opposed. I think the people need to be heard, and the Government needs to respond. This Government, the Progressive Conservative Government, has shown some responsibility in this respect. This will be the first true free vote on this matter since Confederation. All of the other "free votes" had solid blocks of cabinet Ministers voting for abolition. We have one individual sitting in this House who was a member of the Cabinet at the time of the last "free vote" on capital punishment, and he at that time, notwithstanding that he was a retentionist, voted for abolition as part of the cabinet block of votes; and I can give you the names of two others who were in a similar circumstance in 1976. Had those three individuals voted for retention in 1976, we would still have capital punishment on the books today. All we needed were three more votes, and we had three supporters of capital punishment who voted for abolition. These three individuals polled their constituents and came out and said they supported capital punishment, and in fact spoke in support of it. Yet, as part of the cabinet block of votes, they voted against it.

The Prime Minister of Canada (Mr. Mulroney) has now offered the Canadian people the opportunity to have their elected representatives cast a free vote on this question. The elected representatives of this country are responsible to their

conscience, their constituents, and their Party. I am proud of the Progressive Conservative Party for allowing this question to be debated; I am proud of the Party for allowing members of Cabinet to vote as they see fit. I respect the abolitionists, and I expect the same in return. This is a debate which should not be personalized.

The Acting Speaker (Mr. Paproski): Questions or comments. The Hon. Member for York Centre (Mr. Kaplan).

Mr. Kaplan: Mr. Speaker, the Hon. Member for Peterborough (Mr. Domm) has stated, categorically, that he has knowledge of 14 lives that could have been saved had capital punishment been imposed in the first instance. The Hon. Member has said that he could provide us with those names. If delicacy prevents him from providing us with the names themselves, perhaps he might just outline for us the circumstances, such that we will at least have an insight into what it is he is driving at.

Mr. Domm: What we now have available to us, from the Department of the Solicitor General, Statistics Canada and the Department of Justice, are the statistics from 1960 to 1979, and those statistics indicate that those persons murdered in our penal institutions at the rate of one every 50 days. We also have available to us the names of convicted murderers who, having been sentenced to a penal institution for murder, murdered again while incarcerated.

In addition, I have with me information on six convicted murderers who, having been released on parole or mandatory supervision, murdered again. As well, there is one that I cannot use, as it is under appeal.

The statistics will bear out the figures that I have given, and I would be pleased to supply those figures. If it is the wish of the House that I table them, I shall be glad to do so.

Mr. Robinson: Mr. Speaker, I should like to ask the Hon. Member for Peterborough (Mr. Domm) a question with respect to the timing for this debate.

In introducing the motion in the House this morning, the Parliamentary Secretary to the President of the Privy Council (Mr. Lewis) took direct issue with the suggestion that was made by the Hon. Member for Peterborough with respect to the June 30 deadline imposed by him on this very important and very fundamental debate, a debate which has to do with the kind of society we in Canada want.

• (1650)

The Hon. Parliamentary Secretary suggested to the Hon. Member for Peterborough that he was quite wrong in attacking the Government by saying that if this resolution were not adopted in the House by June 30, his Government and his Prime Minister (Mr. Mulroney) would look weak and vacillating in the eyes of the Canadian public.

Has the Hon. Member for Peterborough now had a chance, after hearing the words of the Parliamentary Secretary, to reflect upon what he said earlier? Is it still his view that if the House should not adopt the resolution by June 30, it would be a sign that his Prime Minister and his Government are in fact weak and vacillating on the issue? Is that still his position?

Mr. Domm: Mr. Speaker, let me make it abundantly clear that it was the statement of the Deputy Prime Minister's office, as quoted in the paper at the time we delayed the debate from March until April, that it was still the intent of the Government to deal with this issue before the end of June and bring back within 90 days a report to Parliament on the proposed amendments—when capital punishment would be applied and which type of execution method would be used.

I stand firm on what I said. I feel we have set our own timetable. It must be obvious to anyone watching the debate, or anyone who has followed it with any amount of interest over the past number of months, that the New Democratic Party has only one objective, that is, to filibuster, delay, and not make it possible to put the vote. We have offered every opportunity to both the NDP and the Official Opposition to cause the debate to end as quickly as possible. We have offered to stay late at night, sit weekends, or limit speeches to 15 minutes, and they turned down every opportunity to limit the debate and get on with the vote.

Mr. Orlikow: Mr. Speaker, I should like to direct a question to the Hon. Member. I wish the Hon. Member would accord as much right to differ with him on this issue to members who oppose capital punishment as those of us who oppose capital punishment accord to him, the right to his belief in capital punishment.

With the exception of the United States, every democratic country of which I know has refused capital punishment, such as Norway, Sweden, Denmark, Germany, France, Belgium, Holland, Spain, Australia, and New Zealand. I will also mention Great Britain and Israel, two countries which are constantly facing the real threat of actual assassinations of people in their countries. All those countries have refused to have capital punishment as part of their judicial system.

Why is it that the Hon. Member, instead of thinking that we should follow their example, wants us to follow the example of communist countries and countries with military dictatorships, all of which have capital punishment?

Mr. Domm: Mr. Speaker, I think we should point out first that the United Kingdom still has capital punishment for acts of treason in its Criminal Code. I think we should also point out that Canada still has capital punishment in our military law. The Hon. Member should know this. He should not even have asked the question because one of his members has a Private Members' Bill to abolish it from our code in military law.

I think he should also know about the situation in the United States where they have returned to capital punishment. If we add up all the states which have capital punishment and take the average per year over the last five years, we see that those

states have had decreases in their homicide rates at a much faster clip than the other states. The good news is that in the United States, where they returned to executions in 1977, they have had an annual decrease in not only the number of homicides from 23,000 per year down to 17,800 last year, for which complete figures are available, but they have decreased 23 per cent in their homicide rates. We do not enjoy that luxury, except in the occasional year when we have a drop, and then it goes back up.

We had the largest number of homicides in Canada in 1985. There were 700 and some homicides in Canada. That is nothing to be proud of. In the United States it is going down at the rate of 23 per cent.

[*Translation*]

Mr. Malépart: Mr. Speaker, the Hon. Member for Peterborough (Mr. Domm) has listed a series of crimes which he believes warrant capital punishment. Does he not think that instead of having this debate on the opportunity of reinstating capital punishment, it would be better to examine the possibility of implementing a full employment policy so that we might reduce the number of starving people, and of youths resorting to prostitution, or getting into drugs and then having to shoplift and go on to hold-ups? Does he really think capital punishment is a deterrent for criminals, and does he not remember that in Chicago, at the time of Al Capone and his gang, it was not the death penalty that put an end to the massacres, but the Income Tax Act that sent those people to jail? And as a last question to the Hon. Member, since he is in favour of reinstating capital punishment, would he be ready to act as the hangman to execute those he wants put to death?

[*English*]

Mr. Domm: Mr. Speaker, I think I should take the time to point out that during the time the Liberals were in office violence in Canada or violent crimes rose in 1962 from 41,000, according to a Statistics Canada report, to 179,000 when they lost office in 1984.

What is he telling me about the reason for the violent crime increase being as astronomical as that? What about attempted murders during their time in office? They rose from 83 in 1962, as reported by Statistics Canada, to 922 in one year, in 1984. What did they do about reform in our justice system? What did they do about our parole system and mandatory supervision?

I suggest that the Hon. Member should start looking in the mirror. The reason we are in a mess today is because of their inadequacy in dealing with criminals and major capital offences, and now first degree murder. The first degree murder rate in Canada has gone up from 202 in 1980 to 300 and some in 1985.

Mr. Robinson: What about 1986?

Mr. Domm: It dropped in 1986, but those were only temporary figures. What about the 329 people, homicides, all of whom went down in the Air India air crash? Not one of them was reported by Statistics Canada.

If we add that 329 figure to the homicide rate, we would have the highest homicide rate in Canadian history. The Indian investigation has already determined that the crash was caused from an explosion in the luggage compartment, which makes Canada fully responsible. It is our homicide rate. There were deaths, and they do not even appear in the Statistics Canada homicide figures for 1985 or 1986. However, they will appear and we will catch up.

The Acting Speaker (Mr. Paproski): I will recognize the Hon. Member for Yorkton—Melville (Mr. Nystrom) and the Hon. Member for Argenteuil—Papineau (Mrs. Bourgault), if we can get it in before five o'clock.

Mr. Nystrom: Mr. Speaker, I have been in the House since 1968. I have seen for most of the important debates public hearings on what the public thinks about the pros and cons of certain issues, be it the Crow debate or whatever.

Since the Hon. Member for Peterborough (Mr. Domm) talked about public opinion being so important, why would he not support a resolution which would allow a parliamentary committee to hear the pros and cons on capital punishment from the people of Canada? If this resolution passes, all this particular committee will do is hear opinions on offences and methods of executing people.

Why would he, as a long-time parliamentarian who respects the views of the country, of the church leaders, and so on, not want to have a committee to hear the pros and cons in principle on whether or not we should talk about bringing back capital punishment and then at a further stage talk about what offences or the way we should kill people?

Mr. Domm: You obviously have not been around for the last few months because it was my motion which went before the Standing Committee on Justice and is still on the books—

The Acting Speaker (Mr. Paproski): The Hon. Member should address his remarks through the Chair, please.

Mr. Domm: Mr. Speaker, I think it is important to point out that the Hon. Member, who asked the question about why I would not support an all-party committee to hear the reasons we should or should not have capital punishment, is out of touch with reality.

It was my motion which went before the committee. The committee is still dealing with it. However, we have a motion in the House which takes precedence over standing committees. The motion before the House would allow exactly that when we set up this 15-man committee to go across Canada during the summer—

Mr. Nystrom: Fifteen-man?

Mr. Domm: —15-person committee to go across the country this summer to hear evidence on what offences we should have capital punishment for.

The Acting Speaker (Mr. Paproski): I regret to inform the Hon. Member for Argenteuil—Papineau that questions and comments are now terminated.

It being five o'clock, the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

• (1700)

PRIVATE MEMBERS' BUSINESS--MOTIONS

[*English*]

EDUCATION

ACCESS BY INTERNATIONAL STUDENTS TO POST-SECONDARY INSTITUTIONS

Hon. William Rompkey (Grand Falls—White Bay—Labrador) moved:

That, in the opinion of this House, in order to foster the development of other countries and to promote international understanding and in order to allow Canadian society to benefit to a greater extent academically, culturally, politically and financially, the government should consider the advisability of developing policies and implementing programs which provide greater access by international students to Canadian post-secondary institutions.

He said: Mr. Speaker, it is a great pleasure for me to speak to this motion. It is the first time I have been able to do so for a motion or a Bill of mine in the 15 years I have been in Parliament, so it is a bit of a thrill for me.

There has been a 43 per cent drop in the number of foreign students studying in Canada over the past five or six years. It has been a gradual decline and it is important that Canada do something to correct it for various reasons. First, all Canadian students to whom I have spoken from one end of Canada to the other support the presence in our universities of foreign students. They tell me that a dimension of their education would be lost if they did not have the company, the consultation and the comradeship of foreign students. They tell me it adds something special to their education and without it they have a diminished kind of education and will not be as well rounded in the kind of people they become. There is complete support from Canadian students for this particular motion and initiative. Canadian students tell me that they get good contacts for the future because they make friends from all over the world.

As well Canada makes friends all around the world. I have been to a number of countries, as we all have, and in many countries I have found leaders in business, industry, government and education who are graduates of Canadian universities. There is no better public relations exercise to give us the kind of influence and presence that we need today in various countries than former graduates of Canadian universities. There is support as well for greater access by foreign students, not from the universities themselves. I remember the President of the University of Windsor speaking very eloquently on the need to increase the number of foreign students in Canada.

Indeed, Professor Reuben Green of the University of Windsor issued a paper showing not only that there are important intangible benefits to foreign students, but there are important tangible benefits because foreign students make future contributions to Canada economically and socially and also give an immediate infusion into the Canadian economy. Professor Green's study has shown that between $600 million and $700 million a year is injected into the Canadian economy directly by foreign students studying here. They all buy supplies and they all shop. They are all housed and they spend money here. There is a net pay-off to Canada in the long term and in the short-term. Improved international relations result as well. For all of these reasons it seems to me that in 1987 we should stop the decline of foreign students in Canadian universities for the reasons I have outlined, and we should start on the road in the opposite direction.

I would like to quote, if I may, from the Canadian Bureau for International Education which is interested in this topic. In some of the literature when speaking about their particular organization we find:

The National Consortium believes the Federal Government should work with provincial counterparts in the formulation of policies and programs which will increase Canada's capacity to market its educational services in the world and which will create greater access by foreign nationals to Canadian post-secondary institutions. The Federal Government should also take unilateral action now to provide to the provinces additional funding tied to elimination of differential fees—

That is an impediment. There are differential fees in a number of provinces. In other words, foreign students have to pay more than Canadian students. The elimination of differential fees will be important. This article continues that the National Consortium suggests that the federal Government should:

—expand the number of scholarships for developing countries, and remove bureaucratic disincentives to study in Canada (e.g. restrictions on part-time employment, cumbersome student authorization application and renewal procedures, inequitable taxation and mandatory contributions to CPP and UIC from which foreign students can derive no benefit).

The Canadian Bureau of International Education has put forward these suggestions which I think are eminently sensible and important. There are impediments to foreign students in Canada and the Government of Canada, and this Parliament, can have a direct role here. Education we know is a provincial responsibility but the impediments to foreign students studying in Canada are to a degree, and to too large a degree, federal. I remember in Windsor we talked to one professor who wanted to bring in a student from the West Indies to study in Canada. She was prepared to be the sponsor of that student yet six or eight months later there was still no movement even though the student was being sponsored by a professor.

The student was asked to give an understanding that she had $8,000 in the bank wherever she lived and had all other sorts

of red tape to go through before she could study in Canada. This is where the Government of Canada could help. It should help for the reasons I have given. It has a public relations value to Canada and as well because there is an immediate financial pay-off. Last, but by no means least, Canadian students and Canadian university professors, teachers and presidents all say there is a dimension of education here that will be lost unless we facilitate the entry of foreign students into our country.

I call upon the Government today through this motion, which I hope will be supported on both sides of the House, to devise a policy which would facilitate the entry of foreign students into Canada so that we can welcome them as citizens of the world. In helping them I believe in the long run we will help ourselves.

[*Translation*]

Mr. Jean-Guy Hudon (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, it is common knowledge that, for many years, the presence of students from other countries in Canadian post-secondary institutions has benefited Canadians in many ways. Other statements made in the course of this debate have pointed to the diversity of the programs set up over the years to attract students to Canada or to encourage those who cannot take part in our programs.

The number of foreign students in Canada at the end of the seventies and beginning of the eighties increased considerably, culminating at all levels during the academic year 1983-84. Since then, Mr. Speaker, there has been a regular drop in numbers at most, but not all levels.

Similarly, the number of students enrolled at the post-secondary level has dropped in most, but not all regions. There is no simple explanation for this decline, but tuition fees and the cost of room and board are obviously a decisive factor.

Canada does not have a monopoly on this situation. In fact, the drop in the movement of students between Commonwealth nations has been so obvious that a special task force was set up to study student mobility. That unique multilateral organization is concerned in particular with the potential impact of such a decline on itself.

Canada tried to meet those concerns, which probably will be expressed again at the meeting of Commonwealth Education Ministers scheduled for next July in Nairobi. One of the solutions was to increase from 300 to 500 the number of scholarships offered under the Canadian Commonwealth scholarship and development bursaries program. It should be noted that a very large majority of those scholarships are destined to Commonwealth developing nations and can therefore serve directly the goal referred to by the opposition Member, which is to foster development in other countries.

• (1710)

Canada also is very closely monitoring the work of Lord Brigg's Committee, which is looking at possibilities for education from a distance as a means of fostering development and improving understanding internationally or within the Commonwealth. Briefly stated, we want to examine not only traditional methods, such as scholarships, to reach the goals indicated in the motion but also—and with similar goals—all new methods involving technologies in which Canada is a leader.

The Commonwealth, Mr. Speaker, is not the only multilateral forum in which Canada has an interest, nor the only one to be interested in matters such as student mobility. This is why the Prime Minister (Mr. Mulroney), at the Paris Summit, announced a new program of scholarships for French-speaking nations. Under that program, Canada will provide 350 scholarships to developing *Francophonie* nations, at a cost of $6 million. Also, we are looking at the possibility of setting up a remote education system to support development needs in those countries and to strenghten the links between French-speaking nations on the basis of better mutual understanding.

In view of the importance of foreign students not only to multilateral institutions such as the Commonwealth but also the Canadian education institutions and all the Governments concerned, both provincial and federal, that decline is a cause for concern. Steps that could stop or reverse that decline are the subject of various proposals that were submitted for instance to Parliamentary committees. Concern has been expressed over various aspects of the time spent by students in our universities and colleges. Various matters were raised concerning the overall environment in which they live and study, and also the rules and procedures that apply to them.

For those reasons, Mr. Speaker, in November, the Government stated, in answer to the Special Joint Committee, it would launch an in-depth study of foreign student policies and programs. This detailed review, which is currently being carried out, takes into account all aspects of our national interests affected by the presence of foreign students in our teaching institutions. It deals also with the most immediate and practical issues concerned with the way to look after the students, from their very first contact with the Canadian authorities until the end of their stay in Canada and their returning home.

I should remind Hon. Members that education and teaching institution policies are provincial responsibilities. The provincial Government and the teaching institutions have expressed the same concerns as we have about the reduction in the number of students. The Council of Ministers of Education, Canada, presented, in November of last year, a very useful report in two volumes about foreign student related issues. This document provides not only a general review of the issues, but also quite extensive data on foreign students, as well as federal and provincial policies and programs.

The Council of Ministers of Education, Canada is also carrying out a review of issues under provincial jurisdiction concerning foreign students. Federal and provincial authorities are keeping in touch while these reviews are progressing.

I can assure Hon. Members that the Government, once this review is completed, will clearly define the goals and objectives

which it deems appropriate concerning this major element of our external relations.

It will also make comments about the various means to ensure a greater access to our post-secondary institutions through policies and programs implemented at the federal level, as well as define the possible means to encourage such an access.

[*English*]

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, I would like to congratulate the Hon. Member for Grand Falls—White Bay—Labrador (Mr. Rompkey) for introducing this motion today. I can certainly assure him of my full support and the support of my caucus for the motion which deals with an extremely important matter and which reads as follows:

> That, in the opinion of this House, in order to foster the development of other countries and to promote international understanding and in order to allow Canadian society to benefit to a greater extent academically, culturally, politically and financially, the government should consider the advisability of developing policies and implementing programs which provide greater access by international students to Canadian post-secondary institutions.

Unfortunately, we know that access by international students to Canadian universities and colleges has declined in recent years. There are a number of economic and regulatory reasons for this.

I had the benefit of being an international student at the University of London. I can certainly attest personally to the great benefit it was for me to have received my graduate education in England. I attended an international college which meant that I met students from all over the world. That was an excellent experience for me and is something on which I can fall back for information and contacts. As a university teacher in Canadian universities and indeed a teacher in Europe on a brief sabbatical, I know of the immense contribution international students make. Canadian students going to Canadian universities learn something of the world by having a chance to mix with international students. It is something that we very much want to promote.

The means for promoting this are not adequate. Canada has a budget for overseas development assistance and we have made commitments, although I am sorry to say that we have fallen back on the commitment to increase overseas development assistance up to .7 per cent of GNP. We are not there yet and we are not moving very quickly toward that but nevertheless, we do have commitments to overseas development. We do spend money on education in developing countries. However, the amount of money we spend educating international students in Canada is extremely small. Considering the excellence of our Canadian universities and the contribution they could be making to development, I think it is very much too small indeed.

Scholarship support by Canada for developing countries in 1985-86 represented only .3 per cent of Canada's total overseas development appropriation and amounted to only $7.9 million. This is a very small sum of money when we consider what we could be doing. Canada provides roughly 1,500 scholarships to developing countries every year whereas a number of other countries are much more generous in the support they give. The United Kingdom, the United States and Japan each provide nearly 20,000 scholarships per year. We are very far behind even though we are certainly able to contribute, and of course we would benefit from the participation of international students at our universities.

Apart from our desire to aid development, there are of course benefits for Canada itself. Mention has already been made of the economic benefits of students coming to Canada and of course the very long-term benefits to Canadians who make contacts. These contacts can be useful later to students who become Parliamentarians, business people, professionals and researchers. We live on a planet, we do not simply live in our own country. These contacts are beneficial to Canada. There should be a network of people who actually know each other personally who are active in Governments and the economic, political and cultural lives of their countries. These people will know Canada and will come here when they want to purchase goods and services, when they want to award contracts of various sorts and when they want to work with us collectively on some political project or other. They will see us and know us as friends. These kinds of contacts will bear fruit for many years.

• (1720)

Apart from the fact we do not give a large number of scholarships to foreign students, we have to realize that of those international students who do come to Canada, a disproportionate number are from the richer countries. They may be Third World countries, but obviously there is an enormous difference in wealth between countries in the Third World. Our programs have not benefited the poorest countries. For overseas development assistance to be realistic, education is crucial, and we could be doing a great deal more than we have. We also have to be sensitive to the needs of the countries in the poorer parts of the Third World and the enormous pressures on them. They have had to take over and fund education systems. They are in crisis now with debts to pay. Some countries have natural disasters to deal with and in many instances have had to cut back on their own education systems. This would be an absolutely ideal opportunity for us to show some sensitivity and see that our aid actually gets to those who need it the most. That is simply not the case right now.

According to a study by the Canadian Bureau for International Education, there has been a 23 per cent decline in the number of international students at the post-secondary level in Canada in the past two academic years. Furthermore, only 5 per cent of our international students come from the least-developed countries. In 1985 Canada provided scholarships to nationals from such rich countries as France, the Federal Republic of Germany, and Japan, but not to nationals from Chad, Madagascar, Burma or Equatorial Guinea, which are among the world's poorest countries. Here we really do see the

need to adapt our policies to face the reality of the world at the present time.

The last time I raised in this House the need for development assistance for students in post-secondary education, I received a letter from a constituent of mine raising a concern that I am sure many people have. The student asked why we were so concerned about the problems of international students when students here in Canada have enough problem going to university. She pointed out that by the time she graduated with a Bachelor of Arts degree she would be facing a debt of $6,000. We know that some students have debts higher than that. She pointed to the sacrifices she had to make to go to university and is concerned that this is perhaps an either/or situation; we can only help Canadians or international students but not both.

I simply want to say to people like her that it is not an either/or situation at all. We have a separate budget for overseas development. We have made a public moral commitment and it is a question of how we use the money. The question of how we deal with our own students has been raised in this House many times. We have talked about the inadequacy of student loans and bursaries and so forth, and the need for reform. The provinces need to be doing their share as well in making post-secondary education accessible to people of all income levels in Canada. It is not an either/or situation. Canada will benefit from having these international students here and we must address both the question of Canadian students and international students.

To conclude, I very much welcome the resolution introduced by the Hon. Member for Grand Falls—White Bay—Labrador. I assure him of the support of my caucus for measures which would increase participation by international students in Canadian institutions.

Mr. John Reimer (Kitchener): Mr. Speaker, I am glad the Hon. Member for Grand Falls—White Bay—Labrador (Mr. Rompkey) brought this motion before the House. I think it is a very good motion and its intent is very important. The policy recommendations that would flow from it if it were adopted would have a very desirable effect. I commend the Hon. Member for the motion.

I believe that the presence of international students in our universities, colleges and training institutions right across Canada is very desirable for many reasons. It is good for Canadian education as well as for those who come from overseas to further their studies here in Canada. This kind of interchange is an essential part of Canada's role in the world. It is one way we take part in the flow of ideas between societies. It is one of the dimensions of Canada's life as an active and open and responsible member of the global community. As a teacher at Conestoga College in Kitchener, my own personal experience was that we were all enriched by the presence in our classes of overseas students. We benefited from their experience and the way in which they sometimes saw things from a different perspective.

In the brief time I have I would like to deal not with students from the U.S., Europe or other industrialized countries, but with those who come from the Third World, particularly under the auspices of Canada's aid program. I am particularly interested in this topic as a member of the Standing Committee on External Affairs and International Trade. We have been studying overseas development aid since last May. We have heard representations from people right across Canada. We have heard representations about the subject of this very motion. That is, that Canada has slowly been decreasing its commitment to bringing more and more students here. The numbers are falling, yet the ability to do more is there. I am distressed by this fact and that is why I support this motion. However, our past record, despite the fact that the number of students coming to Canada has been declining, has largely been positive.

There are literally thousands of people in key positions in Third World countries who have benefited greatly by their training here in Canada, mainly under scholarship and training programs financed through the Canadian International Development Agency or the External Aid Office before CIDA was created. These people include cabinet Ministers and senior decision-makers in the public and private sector in country after country, in Asia, Africa and the Americas. I do not think there is any doubt that the funding Canada provided to enable such people to prepare themselves for positions of responsibility represents a very wise investment. It has enabled those students to return home and contribute to their development.

It is also a matter of enlightened Canadian self-interest. These students constitute an important network of people in the developing world who know something about Canada. They are familiar with our goods and our way of doing business. Perhaps most importantly, through their contacts here they have learned from other students who have become leaders in their own country. They have developed a very important network and vast reservoir of friends and acquaintances in this country. When they go home they are well disposed to work with us in various business ventures, in the international forum of the UN, or in development projects in their own or neighbouring countries.

In 1985 some 3,300 students and trainees from Third World countries were here in Canada under the auspices of CIDA. To a large extent and in a very real way they are the friends and acquaintances Canada will need in the Third World in years to come, whether that is 10, 20, or 30 years down the road. Our children will be dealing with a very changed world and different economic and political patterns in which today's developing countries may well find themselves playing a much more central role. I hope the experience that they, this year's complement of Third World trainees and students, and next year's have as our guests will equip them to play valuable roles in the development of their homelands and that they will be well received by their fellow students here and the communities they live in during their studies so that they will learn about Canada and take good memories home with them when they leave.

• (1730)

However, we must remember that the students we welcome to Canada are only a fraction of those whom we are helping to prepare as our contribution to world development. There are others whom we never see who are being trained in their own countries or in facilities available in their own part of the world under conditions much closer to those they will actually work in.

The fact is that the approach to training has changed quite drastically over recent years to take account of lessons learned from experience and to get the best possible impact out of the limited number of dollars available for aid programs. Some of these lessons have been negative. We have learned, for example, that taking students out of a poor country with many social, economic, and political problems and putting them for a number of years into a very rich country such as ours with all of our facilities and opportunities is not always the best way to overcome the brain drain which occurs from Third World countries to others.

It is a simple fact of life that when they study here for four or five years or more they would want to stay. That is a factor which we must take into account. It is a problem for both them and us. Our purpose is to assist them so that they can return home and be of assistance to their own people.

We have also learned that, while we have excellent universities and colleges here in Canada, their expertise is not always relevant to what the developing countries need. To put the lesson in more positive terms, we have seen a number of developing countries advance very strongly in the field of education to the point where they can take care of a large part of their own needs in the area of general university education so that it is no longer essential for large numbers of their students to go abroad for undergraduate training. We have gained the wisdom to realize that in a great many situations the best training and the right training is training carried out at home within institutions of their own country or region and in the context of the society that they know and hope to develop.

The fact is that the whole question of education and training within the framework of development co-operation is much more complex than it once seemed. Most of the answers involve providing opportunities in the countries where the skills are needed. We have to develop a whole range of training, not only university education, but many kinds of technical training, the acquisition of skills needed in the context of various development projects, and the development of institutions which are essential to national development in the countries with which we are co-operating.

When the Committee on External Affairs and International Trade visited Africa late last November and early last December members were struck by the fact that the skills required by these people are basic maintenance and management skills rather than PhDs.

Most of our effort is, as it should be, beyond our borders and involves finding new ways of providing our help such as links between Canadian and Chinese universities and institutions through which Canada is playing a substantial role in the process of human resource development in China. Another example is the arrangement by which Ontario Hydro will help to train several hundred officials and technicians of the Egyptian Electricity Authority.

In conclusion, I think the thrust of this motion is very good. The Committee on External Affairs and International Trade has been reviewing this since last June, as I indicated earlier. It will be reporting to the House this June. A part of that report, I hope, will contain a large measure of recommendations for human resource development along the lines of that which the member has introduced here today. I am confident that it will.

[*Translation*]

Mr. Richard Grisé (Chambly): Mr. Speaker, I rejoice at the interest expressed by the Hon. Member for Grand Falls—White Bay—Labrador (Mr. Rompkey) in seeing Canada play a greater role in the development of international cultural relations. Indeed we can all support the objectives mentioned in his motion "to foster the development of other countries and to promote international understanding". Similarly the benefits which Canada stands to gain from academic, cultural, political and financial viewpoints—benefits which, according to him, can be obtained through our pursuit of such objectives—are considerable and justify serious measures on the part of the Government.

Mr. Speaker, I take this opportunity to inform the House that indeed this kind of program already exists in the riding of Chambly which I have the honour to represent. Once again, Mr. Speaker, we are leading the way in these cultural and intellectual exchanges, particularly at the school of aerotechnics, the only junior college in Canada where students are trained in the sector of aerotechnics, and soon in aeronautics as well. I also want to stress the importance which Pratt & Whitney management attach to these exchanges. Representatives of their clients in practically every country of the world come to their training centre and the Chambly School of Aerotechnics, in Saint-Hubert more specifically, to enable those people to learn new techniques, and inversely for them to become familiar with the difficulties these people may face.

In response to this motion, I should like to refer to a program which, in my opinion, proved to be one of the particularly strong impetus in achieving these objectives, namely the Department of External Affairs international relations program in education. As opposition Members are aware, the Government has approved an increase in funding for international cultural relations. An initial increase became effective during the last financial year, and the increase will be sustained during the next three financial years. The program budget for this sector is expected to double.

The decision has already caused an increase in the number of bursaries under the Canadian Government's bursary program for academics at the master's, doctorate and post-doctorate level, from the Federal Republic of Germany, Italy, The Netherlands, Japan, Mexico and Brazil. The program also provides bursaries for students from 15 other countries. In addition, it seems the Department of External Affairs has started discussions with several other countries in Asia and Latin America with a view to expanding the scope of the program.

The program is based strictly on reciprocity. In other words, for every bursary offered by Canada to another country, we expect that country to reciprocate with a bursary for one of our own promising students. Furthermore, the program is structured in a way to ensure that the beneficiary has a specific reason for studying in Canada rather than the United States or another country. The reason could be that the student's study program focuses on Canada, its history, literature, and so forth, or on an area in which Canada has special expertise or has an international reputation, such as telecommunications technology or computer science. Recently, we have seen what a company like Cascades Paper has been able to accomplish at the international level.

These rules help to ensure that the foreign student is able to receive in Canada the best of what we have to offer. And of course, Mr. Speaker, anyone going through the riding of Chambly will get the best of what we have to offer here in Canada. In every case, especially in the case of countries like Mexico, Brazil or Egypt, students can acquire the kind of expertise and knowledge they can put to good use in pursuing the development of their own country. During his or her stay in one of our universities, the student cannot help but acquire a better appreciation and understanding of Canada. Similarly, Canadian students who get reciprocal bursaries come back home with a more mature understanding of the world, and certainly a better judgment and also a better knowledge of the country where they studied. Their expertise can only be to the advantage of Canada. In short, this program which is being expanded to include more bursaries and more countries, contributes very directly to two stated objectives: encourage development and promote international understanding.

Another important program in External Affairs contributes directly to the stated objectives and provides enormous advantages for Canada. This program helps Canadian studies abroad, that is to say that it encourages foreign institutions and professors to increase education, research and publications about Canada. Hon. Members might recall that in the field of research and education, the Ministerial Task Force on Program Review had indicated that, in order to demonstrate the increased interest of Canada for other nations and to reinforce our relations with them, it would seem appropriate to broaden the scope of these programs. In fact, the Government's decision to increase the education budget of international relations programs will permit this. I understand, for example, that programs designed to help Canadian studies will be initiated this year in other countries in Asia and Latin America. These efforts will complement those already undertaken in Japan, the United States and Western Europe. In fact, there are now 13 foreign associations of Canadian studies, representing 20 countries. While, barely 10 years ago, some 20,000 students throughout the world were taking courses on Canada, Mr. Speaker, it is felt today that, in the United States alone, over 20,000 students are taking courses every year on what is taking place in Canada.

The fact that foreign universities are offering programs on Canadian studies and other subjects concerning relations and common interests between Canada and their own country contributes very directly to the promotion of improved international understanding.

Some could question the so-called economic advantages of such programs for Canada. It is significant that according to an analysis of Canadian study expenses in the United States, for every dollar which the Canadian Government grants to the American community for Canadian studies, the latter spends $3 in Canada. This means a ratio of $1 for $3 invested in Canada to reinforce Canadian studies at home. The nature of these expenses is particularly noteworthy, considering that a large percentage of these are made for magazines, specialized publications and Canadian literary or university books. In other words, thanks to these ventures, we are creating a market for our own cultural and university production, thereby reinforcing the position of our cultural industries.

In view of that, it would seem that the goals set forth by the opposition Member and the potential benefits for Canada can be achieved by measures such as the promotion of Canadian studies abroad, rather than an increase in the number of foreign students in Canada. In other words, bringing Canada to the student may be just as efficient if not more efficient than bringing the student over to study in Canada.

At any rate, it is my conviction, Mr. Speaker, that those comments prove the Government not only realized the value of university exchanges but implemented realistic, sensible and extremely efficient programs to support those exchanges.

Finally, Mr. Speaker, I would like once more to emphasize the importance of those exchanges to give our graduates new horizons, new opportunities in order that they become better ambassadors for this country, and at the same time that Canada may better know what is going on elsewhere, in other countries, in order to improve our already excellent external relations with the majority of countries.

Mr. Roland de Corneille (Eglinton—Lawrence): Mr. Speaker, the motion put forward by the Hon. Member for Grand Falls—White Bay—Labrador (Mr. Rompkey) reads:

> That, in the opinion of this House, in order to foster the development of other countries and to promote international understanding and in order to allow Canadian society to benefit to a greater extent academically, culturally, politically and financially, the government should consider the advisability of developing policies and implementing programs which provide greater access by international students to Canadian post-secondary institutions.

• (1740)

[*English*]

That motion is extremely reasonable in light of the studies which have been conducted by the Standing Committee on External Affairs. It certainly fits into the experiences we have had as we researched this matter across the country.

Having served as the Liberal critic for the Secretary of State for two years and as Chairman of the National Liberal Task Force with my colleague, the Member for Grand Falls—White Bay—Labrador (Mr. Rompkey), I have devoted considerable time and study to our post-secondary educational system in Canada.

In the course of this examination we received submissions from 160 individuals and organizations. We listened to people from all across Canada, including students, professors, university and college administrators, parents and alumni. People from one end of the country to the other have a concern about the condition of the post-secondary educational system but, interestingly enough, despite their preoccupation with that area they also showed great concern to bring to our attention the subject of international students.

Whether we listen to presidents of universities like Dr. Bill Saywell of Simon Fraser at one end of the country, or Dr. Andrew MacKay from Dalhousie at the other end of the country, or Dr. Ron Ianni, President of Windsor University, and to presidents all across the country, they have all expressed a deep concern about the problems facing international students in our country.

Of course, this involves the fact that there are certain fees which must be paid by foreign students which are greater than those fees paid by Canadians. It may be an initial thought that this is only fair, since they are coming from a foreign country and taking advantage of our universities. However, when we consider the question in more detail we find that those university students abroad enrich our country, not only by their presence or culture, but economically.

Various studies have been made on this matter, but I think that a summary which was made by the Vancouver Board of Trade, in a study into this entire matter, is extremely revealing. It brings to our attention the fact that international students bring us riches financially and economically as well as in many other ways.

The Board of Trade says that it is estimated that there were 53,500 foreign students in Canada during 1985-86. According to these statistics, it is projected that their presence will contribute over $500 million to the Canadian economy, with roughly $400 million of this amount originating outside Canada. Therefore, it is clear that the education in Canada of students from other countries is a significant, "invisible export", contributing in the order of $400 million to Canada's balance of payments. In other words, international students in our country are a kind of industry, an industry that brings to us economic reward and gain. It is not as if we are being kind and generous by bringing them here. In fact, it is more than a two-way street. We are in fact the winners. For this reason one has to wonder about some of the comments which have been made by some of those who spoke in the debate before me and who boasted about the tremendous job that is being done when we consider the following from the Canadian Bureau for International Education which notes:

• (1750)

> —that while a great number of Canadians have come to recognize the importance of international education, nobody seems willing or able to contribute financially. Although all levels of government have now joined education, business, and cultural groups with verbal support of international education, little is being done in concrete terms. The number of international students in Canada has decreased by 43 per cent in four years. Opportunities for Canadians to participate in study and exchanges abroad are diminishing.

We may hear glowing reports with respect to some of the steps we are taking, and I am pleased to say that whatever is being done is certainly good and a contribution. However, the strange thing is that the policies which we are pursuing are not enlightened ones. They are not even self-serving. They are destructive. We are literally watching an industry diminish. That is to say we are watching this educational industry diminish. From a purely pragmatic point of view I suggest that the Government urgently needs to re-examine this matter with great energy.

The Canadian Bureau for International Education states that a national strategy is lacking. I hope members of the Government will take note of its assessment which states:

> A national strategy is lacking. A host of impediments continue to deter prospective students from coming to Canada. There is no systematic approach for providing foreign nationals with information on study in Canada or for providing Canadians with information on study and exchanges abroad.

I am quoting from a brief presented by the Canadian Bureau for International Education to the Standing Committee on Secretary of State. This is the business of the Bureau and it has made recommendations to the Government. I am pleased to observe that the Standing Committee on Secretary of State has taken note of these concerns and is addressing itself vigorously to a concern about the way in which we can assist in developing nations the whole question of human resources and the development of those resources in those countries. Surely one of the most important ways in which Canada can contribute is to help with the educational concerns of these people in these countries. That may mean bringing students to Canada. It may mean bringing them not merely to universities but also to technical schools and community colleges, any institution of education in Canada, be it private or public. It also means that Canadians must be entrepreneurs in a way and go forward into those countries in order to bring educational facilities and opportunities to them so that they may develop themselves more fully. Whichever way it is there is an urgent need for us to address ourselves to this subject.

I commend the Hon. Member who brought forward this motion. I commend those from the government benches who agree with it. I only regret that the motion will probably not

come to a vote unless the debate comes to a close before six o'clock.

I wish to add that the gain is not only economic in terms of strengthening the foreign student presence in Canada, but that it is cultural, academic and political as well. Many of us realize that the United Kingdom had an enlightened policy in this respect in terms of welcoming to its shores people from many Commonwealth countries. When they went to Britain they were able to contribute to it their culture. They returned to their countries of origin with an understanding of the British parliamentary system. When those nations ceased to be colonies, they established from these experiences in Britain a great deal of wealth which they had brought with them. I think that in the future Canada would be well represented with political friends if we were able to see those people go from Canada and henceforth to other countries.

Mr. William C. Winegard (Guelph): Mr. Speaker, I am pleased to speak to the motion put forward by my hon. friend whose interest in education is well known in Canada and certainly well known in this House. He and I have talked many times about my own university's very large program with respect to an exchange of students and faculty between the University of Guelph and the University of Ghana. Today, I would like to focus my remarks on the domestic implications of having foreign students study here in Canada.

There are three reasons why we should extend even further than we already have the promotion of foreign students. They are international understanding, which is obvious; research, which is perhaps not as obvious; and direct economic benefits, which have been mentioned earlier today. The foreign students who come to Canada give us a window on the world, something which all good and great nations need. If one considers what they have done for us one will see that they have helped us break down the "them and us" mentality which grows so easily in any country, and certainly in a country such as Canada which is relatively new. They help us to appreciate how much we have in common with other countries of the world, not simply what the differences are.

In terms of research it is not commonly understood that much of the research in our universities is now done by foreign students. Foreign countries send their very best to us. This is certainly true with respect to the Third World. We make effective use of these students by having them perform research which, on the whole, is of benefit to Canada. They perform research at a level of intellectual achievement which is a stimulus and an inspiration to Canadian students. I have watched this in operation many times over the years.

I was pleased to hear the Hon. Member for Eglinton—Lawrence (Mr. de Corneille) talk about international education since the Canadian Bureau for International Education has been following this debate for many years. It has certainly been following it for well over 15 years. I was President of the organization some 15 years ago at which time we were debating this subject. At that time we were pushing the same concepts as are being pushed today. There has been some progress over that period of time. I believe it is the Canadian Bureau for International Education which reckons that the net benefit to Canada in terms of students returning to their country of origin and ordering our goods and so on is worth well over $300 million per year. I think the Hon. Member mentioned the figure of $400 million, which I believe is an estimate of the Vancouver Board of Trade. However, the Canadian Bureau for International Education mentioned $300 million as a basic figure. I have no doubt at all that that is an accurate figure.

I think we need to have this infusion of talent in our country, not only at the university level or the college level, but at all levels of our educational system, whether it be the formal educational system or the rather informal educational system which occurs in industry throughout all parts of the country. I hope that as has been expressed—

The Acting Speaker (Mr. Paproski): I regret to interrupt the Hon. Member, but the hour provided for the consideration of Private Members' Business has now expired. Pursuant to Standing Order 42(1) this order is dropped from the Order Paper.

It being six o'clock I do now leave the Chair until eight o'clock, at which time the House will proceed to the question of corporate takeover of Dome Petroleum by Amoco Corporation.

At 6 p.m. the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

MOTION TO ADJOURN UNDER S. O. 29

[*English*]

PETROLEUM INDUSTRY

PROPOSED TAKEOVER OF DOME PETROLEUM CORPORATION BY AMOCO CANADA

Mr. Speaker: Order, please. Leave has been granted to the Hon. Member for Oshawa (Mr. Broadbent) to move the adjournment of the House pursuant to Standing Order 29 for the purpose of discussing a specific and important matter requiring urgent consideration, namely, the proposed corporate takeover of Dome Petroleum Corporation by Amoco Canada.

Hon. Edward Broadbent (Oshawa) moved:

That this House do now adjourn.

He said: Mr. Speaker, I want to say, at the outset, that the New Democratic Party believes that action is required by the Government of Canada, and required soon, to deal with the serious situation that Dome Petroleum Corporation is now in.

S. O. 29

Problems of investment in the important energy sector are at stake; about 4,000 jobs are at stake; the energy future of our country, given the size of this corporation, it is not too great to say, is also at stake. But also, in the view of the New Democratic Party, Mr. Speaker, these are Canadian problems that require a Canadian solution.

Some Hon. Members: Hear, hear!

Mr. Broadbent: Mr. Speaker, in this important debate, I want, at the outset, to say, on behalf of my colleagues here in the House of Commons, and I am sure on behalf of a very large number of Canadians from coast to coast, why we think that action is needed, and needed promptly, by the Government.

Dome Petroleum Corporation, as everyone knows, has been in terrible condition. It is more than $6 billion in debt. At stake are some 4,000 jobs directly, and many more indirectly. Many important projects in western Canada have been put on hold because of the precarious situation that Dome Petroleum Corporation is in. In short, whether we are talking about jobs or investment for our energy needs in the future, something has to be done, and done quickly, about the current circumstances of Dome Petroleum Corporation.

But that is not to say that the Government should simply stand back and take the first buyer or welcome action from any part of the globe, wherever it may come. I want, therefore, to immediately turn away from the question as to why some action is needed, and needed in the near future, to our proposed direction of action, namely, the necessity of keeping this very large energy company in Canadian hands.

Something in the order of 48 per cent of the shares of Dome Petroleum Corporation are already held by Canadians. It may be that if one counts the shares individually, something more than a majority is held outside of Canada. But, as everyone knows, what is crucial in this debate is where the controlling shares lie, where that crucial body of shares that really determine decisions lies, and it lies firmly in Canadian hands.

As everyone knows, this company has its headquarters in Calgary. Its management is Canadian, and virtually all of its assets, of course, are Canadian. It is, in short, a large important Canadian corporation that is currently in serious difficulty.

It is worth informing Canadians outside of western Canada as to the actual scope of Dome Petroleum Corporation. It is the third largest oil and gas producer in our country, and is the second largest in terms of gas reserves. It has what are probably the richest and most extensive exploration prospects of any energy company in western Canada right now in terms of its 52 million acres in western Canada. It has unequalled expertise in terms of Arctic exploration, expertise that has not been matched by any other company from any other part of the world—something that is very important, I think, in terms of the energy sector in this country.

Dome Petroleum Corporation, like other energy companies, has gone through a difficult period in terms of world market prices. We are now moving, as the Minister of Energy, Mines and Resources (Mr. Masse) knows very well, and have been for many months now, to an upward trend in terms of energy prices, something which is a positive prospect for companies in the energy sector and for the men and women who work for those companies, as well as for the regions of Canada dependent upon the revenues derived from our energy resources. There is some upswing under way in that sector. It is certainly anticipated, in terms of our needs as a nation, that we will become a net importer of oil in the early 1990s. That kind of consideration, when we are having a debate in 1987, ought to be a very serious one for a government which would like to be looking beyond the next election, and ought to be looking into the next decade and beyond in terms of our energy requirements as a nation.

• (2010)

I repeat that it is anticipated by most people who have expertise in this field that within five years or so we will become a net importer of oil.

Given all the circumstances about the changing environment, if I can put it that way, for oil and gas production in global terms, as well as in domestic terms and in terms of our needs as a nation in the next decade, it is for us the height of folly for a Government of Canada to allow the Dome Corporation at this point in history to fall into foreign hands.

Some Hon. Members: Hear, hear!

Mr. Broadbent: The simple truth is that multinational firms cannot be assumed to operate in our national interest. This is not because multinational corporations are inherently evil. It is, in terms of their *modus operandi*, simply not on their agenda to make decisions which are in the national interests of particular countries in which they operate. general when multinational corporations, in terms of the point I want to make—and I will have something to say about Amoco in particular in a few minutes—make decisions about energy investment in Canada, they think of their investments in the Middle East, and in a number of other parts of the world which I could mention. Their priorities are well understood. Their priorities are not to the people of Canada, not to the people of Alberta, not to the people of Saskatchewan. Their priorities are to their shareholders. When their priorities in terms of their global interest happen to coincide with the interests of Canada, that is fine. Given the history of the country since the Second World War, it is more than naive—in fact it is the height of stupidity—for a Government of Canada to define its energy interests as a nation to coincide with the energy interests of a multinational oil corporation.

On the question of nationality in this sector, national ownership can make a difference. The Minister should consider, for example, the figures for 1986. When we turn to the most recently available figures, certainly to those of us on

this side of the House, in terms of the performance of multinational firms in this sector compared with Canadian firms, what do we find? We find the following.

Canadian companies with 48 per cent of the upstream revenue made more than 58 per cent of the capital expenditures in this sector. Put differently, foreign controlled companies with 52 per cent of the revenues made only 42 per cent of the investment. It is very clear that, quite apart from Petro-Canada or a public sector firm, even if we are comparing Canadian firms in this sector with multinational firms in this sector, Canadian firms have a better record in terms of Canadian interest. The Government of Canada should be recognizing that and taking steps to ensure that this company remains in Canadian hands.

Another reason for ensuring that this very large corporation remains Canadian is that Canadian taxpayers have already invested billions of dollars in Dome Petroleum. With the experience of the last Government, the Liberal Government, and the program of PIP grants, of which this Party did not approve, Dome Petroleum got more than $1 billion from the taxpayers of Canada. Since then, and as a result of a ruling by the present Government, it has been forgiven another $1 billion in a special tax ruling. As well, through a variety of other direct and indirect tax benefits, there have been literally millions of dollars in additional cash benefits provided to Dome Petroleum by the taxpayers of Canada.

Let us consider the net result of this darling about which most Canadian taxpayers did not know anything for the past decade. If we consider the net financial effect, we should really be saying that those assets which are technically now Dome's should be shown to be the assets of Canadian taxpayers; that is the reality. Its reserves should be seen not to be the private reserves of Dome shareholders but the reserves of the people of Canada. That is the way we should properly see this. In our view these reserves should not be turned over to some foreign multinational firm.

Now I want to shift to the present circumstance as I understand it in terms of proposals which have been made to take over Dome, to say something about those proposals, and to say something about the Government's response to the situation. The whole public knows that the Amoco Corporation and TransCanada PipeLines were involved in competing bids. Almost the whole country knows that Imperial Oil was the third company involved right up to the last minute. Although I understand that Imperial might still be interested—and I am not sure of that—we certainly know that the two companies which remain actively interested in acquiring the assets of Dome Petroleum are the Amoco Corporation, a U.S. based multinational, and TransCanada PipeLines in Canada.

Amoco and Dome between them claim that the Amoco bid is better. In applying a number of criteria it may turn out on a purely cash basis, short-run basis, to be the better bid. I am not in a position to know that for sure, nor I suspect are most Members of Cabinet including, I regret to say, the Minister of Energy, Mines and Resources, and the Minister of Finance (Mr. Wilson), who incredibly seem to have taken a hands-off attitude, to say that this is a private sector decision to be made about a private sector problem.

The most important executive officers of Dome have recommended the Amoco takeover because they believe it is in the interests of their shareholders. I understand very well that that is their immediate and primary responsibility. However, I ask again, ought we in Parliament, the elected body which made so many millions of dollars available to Dome Petroleum, to assume that because Dome's chief executive officers believe the Amoco deal is the best one for their shareholders it is also the best deal for the people of Canada? We in this Party do not believe that the two are synonymous. It may be that what is in the best interests of the stockholders is not in the best interests of the people of Canada.

If a broader interest in terms of our energy needs should lead the Government of Canada, which was considering everyone including shareholders' claims, to conclude that the TransCanada bid was a better one, surely we ought to know that. Surely a Government concerned about energy needs in western Canada, jobs in western Canada, and our long-range needs in the country ought to be looking at both deals with a great deal of care.

• (2020)

There is one particular variant on this. I have, as have the Leader of the Official Opposition (Mr. Turner), the Minister of Energy, Mines and Resources (Mr. Masse), obviously, and I think too, the Minister of Finance (Mr. Wilson), had discussions with the officers of the Dome Corporation and with TransCanada. I have had information as a lay person in this field which has certainly caused me to ask some further questions.

TransCanada claims, for example, that if you look at the net effects of its proposal on the taxpayer of Canada and compare it with the net effects of the Amoco proposal you will see that there is no difference in tax to the Canadian taxpayer. Because one will be operating in part through American tax law, while the other would not, and because of certain other different complexities of which I do not know the precise nature, according to TransCanada spokespersons the final conclusion—this from those who do know the technical nature of the matter—is that TransCanada's offer in terms of its effect on the taxpayer of Canada, I repeat, is equal to the Amoco proposal.

Again I ask the question and I will provide the answer. If we in Parliament are to be given the information that the private Canadian company is making a package of proposals that, when comparing its turn-out in term of its effects on the Canadian taxpayer, is just as good, or just as bad, however we want to phrase it, as the proposal coming from Amoco, and a decision is to be made on that criteria alone, then surely the Government of Canada should not stand back but should say it prefers the Canadian company. That ought to be the answer. If it is not the answer, then the Minister of Energy has an

obligation to tell us what his answer to that particular question would be.

Some of us have also been in touch with our fellow Canadians in Alberta, principally—not just in Alberta but elsewhere, in the north too—who are concerned about jobs. Again, I am going on the public record, and in part on private conversation. A key spokesperson for the Amoco Corporation said that Amoco will not guarantee the existing jobs in Dome Petroleum in its take-over. If TransCanada PipeLines—whatever else one might say about the impact of its takeover—won the bid, a lot of things would have to be considered, and when it comes to jobs, TransCanada has not only said to me privately but publicly that it would guarantee the existing jobs in Dome Petroleum. If that is the criteria, and this Party is interested in those men and women in Alberta whose jobs are dependent on this corporation and who have been in a precarious existence for many many months now, and we have to judge on the basis of these public commitments, then it seems to us that TransCanada's offer is better than Amoco's. If the Government has evidence to the contrary, then the Government has an obligation to provide that evidence to the House of Commons.

It is our view that the Government is simply irresponsible in standing back and watching this whole drama unfold, a drama that has a profound effect on the nation as a whole, and on a particular part of our nation. The Government in our view should be involved in the discussion. It should be actively involved with a number of departments in a number of ministries in the Government involved in the discussions with Amoco officials and with TransCanada officials and, I add importantly here, Petro-Canada.

This Parliament in the last decade created Petro-Canada, like most other petroleum companies around the world, on the perfectly straightforward national interest policy basis that it makes sense to have a large—not simply national but large—public role in the energy sector. I simply cannot understand why in 1987, when we have a large company like Petro-Canada in the public sector, the Government of Canada has not given a mandate to Petro-Canada saying, get in there, have a look at the situation at Dome, report back to us and tell us, should there be a joint venture solution, should there be a public solution—give us your expertise. It is the height of irresponsibility for the Minister of Energy to tell the President of Petro-Canada or his leading officers to stay away from this situation. This is exactly the kind of situation that Petro-Canada was created to be involved in. We believe that the Government should now involve itself as quickly as possible through the active participation of Petro-Canada.

I want now to say something very specifically about Amoco, and why we have some concerns. The first point about that particular bid is, of course, that Amoco is owned 100 per cent outside our country. There is no Canadian president, no Canadian board, and no Canadian shareholders, unlike a number of the other multinational corporations that have made an effort to Canadianize a good part of their operations with beneficial results, at least in part, and I will come to that in just a minute.

The next point is that Amoco has shown no particular interest in Canada as a nation. Its performance record when you compare it with other multinational corporations in this sector is simply lamentable. I have had a look at the performance of Amoco in comparison with Imperial, Shell, Gulf and Texaco for the past two years. I want to share some of this information with the House tonight.

If you look at the year 1985, in dividends paid out by these companies, what do you find? You find that Imperial paid out some $268 million in dividends, Shell paid out $83 million, Gulf paid out $122 million, Texaco paid out $151 million and Amoco paid out $200 million.

Some Hon. Members: Good.

Mr. Broadbent: They are saying good.

Mr. Speaker: I very much regret interrupting the Hon. Member for Oshawa (Mr. Broadbent) but we are bound by the rules here. The Hon. Member is reaching the end of his speech; in fact, he may be overtime. Under the circumstances it is often the disposition of the House to give the Hon. Member a few more minutes. I can ask Hon. Members if they would agree to do that.

Some Hon. Members: Agreed.

Mr. Broadbent: Mr. Speaker, I express my gratitude to Members of the House for that decision.

Those are figures for 1985. I want to move to what the same corporations have done in dividend payments for 1986. Imperial Oil paid out $262 million, Shell paid out $82 million, Gulf paid out $159 million, Texaco paid out $145 million and Amoco $686 million. I want also to put on the record for each of these two years what the five companies have done in capital investment for the development of our energy resources in the future. Then I want to compare those figures, one with the other—the capital investment record with the dividend pay-out record. I think some rather disturbing information will emerge from a comparison of the Amoco Corporation with the other four major multinational companies working in our country.

In 1985 Imperial Oil spent $885 million in capital and exploration expenditures, Shell spent $367 million, Gulf spent $378 million, Texaco spent $267 million and Amoco, which is down at the bottom of the list, spent $190 million.

• (2030)

For the past year, 1986, what was the record of investment in Canada in the development of our future energy resources? Imperial invested $457 million, Shell invested $361 million, Gulf invested $262 million, Texaco invested $258 million, and Amoco is once again at the bottom of the list with an investment of only $107 million.

On the basis of those two sets of figures for 1985 and 1986 I would like to compare the dividends paid out to shareholders as a percentage of the capital and exploration expenditures of these five large companies. In 1985, for Imperial it was 30 per cent, for Shell it was 23 per cent, for Gulf it was 32 per cent, for Texaco it was 56 per cent and for Amoco it was 105 per cent.

In more straightforward terms, that means for every dollar Amoco invested in 1985, it took $1.05 out of Canada. There was a net outflow in 1985, and the situation was much worse in 1986. In 1986, the percentages for Imperial were 57 per cent, for Shell 23 per cent, for Gulf 61 per cent, for Texaco 56 per cent and for Amoco 641 per cent. Again, to put it in straightforward terms, that means that for every dollar it invested in Canada in 1986, it took $6.41 out.

It is that kind of situation that has caused my colleagues and I, along with many other Canadians, to be concerned, not simply about the continuing problem of foreign ownership in this sector but about the performance of this particular corporation.

I would like now to ask some questions. The Minister has slipped out of the House, momentarily, I am sure, as he has been here for the debate. When he returns, I hope he will deal with these questions.

Given this extraordinary situation, the potentially powerful situation in which Dome Petroleum will be if it remains in Canadian hands and the key role that it can play, the troublesome performance of foreign-owned firms in this sector in general and the more than troublesome performance of Amoco, how do we explain what can only be described as the lamentable behaviour of the federal Government in these circumstances? I believe that there are two answers to this. One is the market bias of this Government, the view, bluntly stated, that what is good for the shareholders in any decision must necessarily be good for Canada. We believe that in the private sector, one must take into account the shareholders' needs. However, it is a major mistake for any political Party to equate the good of the nation with the good of the shareholder, and it is time the Conservative Government understood that.

Second, and I think this is nearer to the mark, and I hope the Minister of Energy, Mines and Resources deals with this, I think that beyond the market ideology that characterizes so many of the Government's decisions, the Government has now involved Canada in this terrible mess or has failed to get us out of it because of the free trade talks. The whole country knew during the last election campaign that the Reagan administration wanted to get rid of FIRA. The Americans thought that we had too much national control over investment patterns in Canada and they objected to FIRA. The Conservatives promised to change that, and they did. They put in its place Investment Canada.

Investment Canada has approved virtually every significant takeover bid, but again, as all of us who have been following the free trade talks know, the Americans have objected to Investment Canada and have made it very clear that there will be no agreement with the United States in the free trade talks that are so high on the agenda of the Prime Minister (Mr. Mulroney) unless there is virtually a total free flow of investment patterns across the 49th parallel.

In more direct terms, that means that they want complete access to any kind of takeover in any part of the Canadian economy in which they wish to invest. If the Government accepts this continental market mentality it may please its own back-benchers, but it will regret the day when the people of Canada understand that that will finally mean the sellout of Canada, and we will not stand back and watch the Government get away with it.

To illustrate the point that this is not simply a general contention, in tonight's news, Mr. Bruce Smart, the United States Under-Secretary for Trade, was quoted as saying that Investment Canada, in the view of the United States, had better not turn down the Amoco takeover bid. He is saying that Investment Canada, an agent created by the Parliament of Canada, had better not act in the Canadian interest. We say that neither the Government of the United States nor any of its trade officials have any right to tell us what sectors we want to control in the Canadian interest. The democratically elected group of men and women is the only group that can make that decision and that is the Parliament of Canada, not the United States Congress or any of its representatives.

I regret to say that I believe the Government has not involved Petro-Canada—

Mr. Kindy: Mr. Speaker, I rise on a point of order. I think the allotted time for a speaker is usually 20 minutes and the Hon. Member has now been speaking for about 30 minutes.

Mr. Speaker: The Hon. Member for Calgary East (Mr. Kindy) has raised an objection to the amount of time the Hon. Leader of the New Democratic Party (Mr. Broadbent) is taking. The Hon. Member is of course procedurally correct. However, Hon. Members will know that the Chair intervened a few minutes ago and indicated to the Hon. Member for Oshawa that on the narrow lines of debate he was over his time but that there was a convention in this place that under these circumstances there is a certain amount of flexibility. The Chair suggested that that would be appropriate under the circumstances and the House indicated that that was so.

I am sure the Hon. Member would want to go along with the usual courtesies and allow the Leader of the New Democratic Party to finish his remarks, keeping in mind, of course, that under the reformed rules, in the spirit of debates of this kind, there is a certain amount of latitude. If it was the disposition of the House, the Chair would prefer to proceed that way at the present moment, and I am sure the Hon. Member for Oshawa would not abuse the extension that might be granted by the Hon. Member for Calgary East.

Mr. Broadbent: Mr. Speaker, as is virtually invariably the case, you have made the appropriate comments and I will wind up my comments very speedily.

The Government of Canada has an obligation to act, but it has not done so because of its deep entrenchment in the free trade talks. This entrenchment is leading to real dangers, illustrated not only by the particulars of this decision, but by the fact that it will lead to even more, or equally horrendous problems for Canada in all other sectors, if the Government continues in this direction.

I would like to conclude by saying that TransCanada PipeLines has expressed a continuing interest in having its bid reconsidered by Dome. The president of PetroCan has made it clear that if the Government authorized him he would be very interested in pursuing the Dome matter, to look at it with care to see if it would be in the interest of PetroCan to get involved. He is waiting for that word. I say to the Minister of Energy, Mines and Resources who is here tonight, think about what is going on, think about the energy needs of Canada, think about the job needs of western Canada, get PetroCan involved, look at the TransCanada offer and get a Canadian solution for a Canadian problem.

• (2040)

Some Hon. Members: Hear, hear!

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I wanted to let the applause meter run out on that performance.

This debate is not so much about the bid by Amoco to take over Dome Petroleum as it is about the failure of the Canadian Government to find a Canadian solution to the future of Dome Petroleum.

[*Translation*]

I want to say to the Minister who is honouring us with his presence this evening—he is pretty much alone, but at least he is here—that the subject before the House this evening is not just the takeover of Dome Petroleum. It is his failure and that of his colleague, the Minister of Finance (Mr. Wilson) and of the Canadian Government, to ensure that we as Canadians can look forward to a Canadian solution to the problem.

[*English*]

The Government of Canada has known about this situation for months. Despite efforts by the Minister of Finance to plead innocence and say that a tax ruling was a question for his colleague, the Minister of National Revenue (Mr. MacKay), despite the elegant dancing—

[*Translation*]

—or perhaps a more apt French word, "patinage", by the Minister of Energy, Mines and Resources (Mr. Masse).

[*English*]

—it is clear that the Minister of Finance and the Minister of Energy, Mines and Resources were kept abreast of the situation on a daily basis by all the potential bidders. They were kept abreast of the situation by Amoco, Imperial Oil, TransCanada PipeLines, and others who, at one stage or another, were involved in finding a process for taking over Dome. The Government cannot pretend it did not know.

We are faced with one of the largest, if not the largest, takeovers in Canadian history. It is obvious to those of us who sit in this House that our Government has done absolutely nothing about it. We want to say at the outset that had we had the responsibility of power we would not have ceased trying to obtain a Canadian solution to this problem.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): I recall that shortly after the Prime Minister (Mr. Mulroney) assumed the mantle of office he went down to New York to meet the American investment banking community at the Economic Club. He put on the black tie and said—

Some Hon. Members: Gucci shoes!

Mr. Turner (Vancouver Quadra): I will not be as detailed as some of my colleagues would like me to be. He said: "Hi, guys, my name is Brian Mulroney. I'm Prime Minister of Canada. I'm glad to be in New York this evening because I want to tell you that Canada is open for business again." When he came back to this Parliament I said "Terrific". We are open for business again? I always thought we were open for business. I want to say to the Prime Minister that we may be open for business again but we are not up for sale!

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): Once again we see under this lackadaisical and passive Government that Canada is open to the highest bidder, and here again a very crucial industry—our oil and gas industry. I ask the Minister how many more auctions of Canadian industry must we endure before the Government of Canada comes to its senses and reacts in a positive and concrete manner? How much longer are we going to be forced to watch what happens in Chicago, New York or Washington and see our Government do nothing?

It appears that under current American tax law Amoco can claim virtually a complete write-off of this entire investment. During the free trade negotiations, and the Hon. Member for Oshawa (Mr. Broadbent) has made mention of this and I am going to have something to say about it as well, the Americans have said they love a level playing field. When they talk about that, and I brought this up on the issue of our sell-off of the Canadian lumber industry to the Americans through the export tax, they are talking about a field with their lines, their rules, their referee, their ball and their goal posts, and when we start to do well on that field they change the rules and move the posts. Amoco has more than a level playing field. They can compete better than any Canadian company because under current American tax law this takeover will be a complete

write-off for Amoco against its taxes. The offer is not a level playing field transaction.

I have to ask the Minister, and I can hardly wait until he gets on his feet, why he has been so mute, so silent? Why has the Minister of Finance been so evasive? Why has he tried to rely on a narrow and purely technical interpretation which says it is the responsibility of his colleague, the Minister of National Revenue? Is there yet another quiet little deal? Is the real purpose of the Government's passivity to ensure that this deal does not interfere with the continuing negotiations on free trade with the U.S.?

Just a minute ago my friend the Hon. Member for Oshawa referred to what an Under-Secretary of State for the U.S. said this afternoon in Toronto. I will quote initially from the Canadian Press wire report, which is all we have before us. It says: "The Amoco Corporation purchase offer for Dome Petroleum Ltd. is an example of free trade investment which should be allowed to proceed, says Bruce Smart, a top official in the U.S. Commerce Department." He said: "I am encouraged by the fact that the Canadian Government does not appear to be objecting to it at the moment." He also had this to say in response to questions: "I would say if it is allowed to go through it would be an encouraging sign of an understanding that open investment is a necessary companion to free trade. We are convinced that unless capital flows and investments are free between the two countries you can't have a true free trade agreement. A free trade agreement that doesn't include investment will not be acceptable to the United States". There we have it. A threat without even the subtlety of being veiled.

I do not believe the Government of this country can afford to allow itself to continually be subjected to this kind of menacing remark. What we have been suggesting in the strongest terms to the House of Commons and the country is true. The Government is afraid to stand up to the American Government because it does not want anything to interfere with the free trade negotiations. FIRA was not enough and the Government threw it away. The National Energy Program was not enough and it was thrown away.

Mr. Shields: You are right on that one!

Mr. Turner (Vancouver Quadra): The book publishing industry, the drug industry and the lumber industry were not enough and now we see Canadian ownership of the oil and gas industry sacrificed once again so the negotiations are not derailed. I do not think we could have a better or more current demonstration of that than what we heard in Toronto this afternoon from Mr. Smart.

The Government gave us a lot of rhetoric about Canadianization, particularly of the oil and gas industry. I want to recite the election commitments of the Progressive Conservative Party. If ever a document was not worth the paper it is written on, it is the 338 promises of the Conservative Party of Canada.

• (2050)

Here is a dandy. The Conservative Party said: "We believe that the energy sector is an engine of growth for the entire Canadian economy rather than a source of revenue for the federal Government. A stable national energy policy will help achieve energy self-sufficiency". The Conservative Party favoured increased Canadianization of the energy industry, keeping prices low and so on. I will give that to the Minister of Energy, Mines and Resources in due course.

We have seen a change of heart. That commitment was reaffirmed by the former Minister of Energy, Mines and Resources before this House on March 29, 1985, but there was then a change of the rules, a relaxation of that commitment. The current Minister of Energy, Mines and Resources said, "We are, however, prepared to consider the acquisition by foreign concerns of a Canadian controlled firm which is in clear financial difficulty. In this way we seek a balance between welcoming new investment and protecting our Canadianization gains". That is a significant change in attitude which he has not yet sufficiently explained to Parliament and the people of Canada.

When it comes down to the crunch, the Government has not done a single thing. Knowing how this transaction has proceeded and despite the fact that the Minister has been kept involved on a daily basis by all the participants, including his colleague the Minister of Energy, Mines and Resources, and surely the Deputy Prime Minister (Mr. Mazankowski), the Government has not done a single thing to help fashion or facilitate a Canadian solution.

We recognize, as has the Member for Oshawa, that the health of Dome Petroleum is vital to our Canadian economy. We begin with the 3,800 jobs in Calgary and the thousands of other related jobs which depend upon the health of Dome Petroleum. Thousands of farm-out deals within the independent oil and gas producers throughout the western sedimentary basin depend on the health of Dome, because if Dome were to go under they would be called upon in each one of these farm-out arrangements to make up the difference.

We understand what this means in terms of the western economy. We have not only a commodity crises in western Canada involving oil and gas, grain, potash, and half the mines in western Canada, we have a crisis of monumental proportion and it does us no good to hear the Minister of Finance and the Prime Minister remind us that the statistics are good. They do not reflect the reality of what is happening in western Canada.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): The issue is our nation's self-sufficiency in hydrocarbons and the health of our oil and gas industry. Because of the immense debt hanging over Dome Petroleum like an avalanche the integrity of the Canadian banking system is in question. Our exchange rate is at risk. As I said in Calgary last Wednesday, although there is a special urgency for Alberta, we recognize fully that this is not only an

Alberta problem but a Canadian problem, and we intend to deal with it here in Parliament as a Canadian problem.

Some Hon. Members: Hear, hear!

[*Translation*]

Mr. Turner (Vancouver Quadra): Mr. Speaker, in Western Canada we have a crisis of monumental proportions, a crisis that has been neglected by the present Government. Friday, and again today, we talked about the crisis situation with respect to grain. We talked about the crisis in the potash industry. We talked about the crisis in our oil and gas sectors. We talked about the crisis in the mining industry. All these areas are being neglected by the Canadian Government, which wants to ensure Canada's prosperity by concentrating on southwestern Ontario and part of the City of Montreal, while neglecting the entire east end of Montreal, despite eloquent representations by the Hon. Member for Montreal—Sainte-Marie (Mr. Malépart). So what we have here is a very serious and a very acute Canadian problem.

[*English*]

I had the opportunity to meet with Howard Macdonald and senior officials of Dome Petroleum in Calgary last week. It is obvious that time is running out. It is obvious that that debt hanging over the company like an avalanche is ready to be secured. The waivers that the company was granted by its major creditors expire at the end of June. There is not much time left. If a solution is not found, those creditors will be entitled to proceed against their individual securities. The Canadian Government has known these facts, has watched this happen, and has not been astute or careful enough on behalf of Canadians to facilitate a Canadian solution to the problem.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): We would like to ask a question of the Minister and we hope he will respond with the frankness which we expect of someone in his position. In his opinion, and in that of the Government of Canada, is the Amoco bid binding? Is there still room for other bids? What would the effect of other bids be on Dome Petroleum and on the perspective of the oil and gas industry? I can tell him that other bidders are still available. I ask him whether other bids are still welcome.

This afternoon at the annual meeting of TransCanada, Gerry Maier said that as far as he is concerned TransCanada is still an available bidder. I would hope that there are other Canadian-owned or Canadian-controlled enterprises, in consortium or alone, which would be available to proceed. The Government is refusing to indicate whether other bids are still welcome. Will the Government facilitate a reopening of the situation to assure a Canadian solution? I can tell him that in this quarter of the House we want and will insist upon a Canadian solution, with all the tools available to the Canadian Government.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): This is not only an academic question. The Government of Canada is the custodian for Canadian taxpayers of billions of dollars already invested in Dome, whether by way of the PIP grants, tax incentives, current tax losses or write-offs. Through its passive attitude the Government is neglecting the fundamental rights and interests of Canadian taxpayers to be represented. That interest is being thrown away.

Before this Government assumed power, Parliament's primary role, that of examining the expenditures of Government and approving the taxation measures of Government, was considered paramount. Because the taxpayer is involved we are demanding that this deal come before Parliament, not after it is consummated, but before the deal is concluded. Bring it before the Committee on Energy, Mines and Resources tomorrow. Our members are ready and the government Members are ready. We are demanding that any deal be brought before Parliament. We want the deal scrutinized before the appropriate committee of the House of Commons.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): The Minister has been very relaxed about this. His colleague, the Minister of Finance, has been very passive about it. The Minister looks very relaxed and I admire his very benign personality. From time to time I have been soothed by his engaging smile. However, it is never too late, and the people of Canada will insist that Parliament have something to say about the final conclusion of this deal.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): After all, the Amoco-Dome Petroleum deal must still be approved by the creditors. It is subject to review by the courts and to approval by the shareholders and must be reviewed and approved by Investment Canada. The Minister still has the levers and the authority. I believe that he and his colleagues should consider a Canadian solution to be a priority.

• (2100)

What we are talking about is the largest potential takeover in Canadian history. We are talking about the future ownership of the oil and gas industry in Canada, and about Canadian sovereignty. We are talking about the health of the oil and gas industry in western Canada, and the economy in the western provinces.

No matter who takes over, we want to know about it. We want to know about the guarantees for Canadian jobs. We want to know what the management will be like and what will happen to Arctic drilling. We want to know what will happen to the continuation of Canadian exploration and what will happen to the Sarnia petrochemical plant.

What will happen to Encor Limited? We want to know the Minister's plans for Canadianization of Dome and what the

future holds for it. We want to know how it impinges upon the Canada-U.S. trade talks and what pressure may have been placed on the Minister by the United States Government.

Some Hon. Members: Hear, hear!

Mr. Stewart: Who built Dome?

Mr. Forrestall: We want to know who built Dome.

Mr. Stewart: Who built Dome by taxation?

Mr. Turner (Vancouver Quadra): Mr. Speaker, this is the first reaction we have had from the Conservative benches all day.

Mr. Forrestall: Typical Liberal cynicism.

Mr. Turner (Vancouver Quadra): I can hear the flapping of the fins as those trained seals get up into action.

Mr. Stewart: Who built Dome by taxation? Talk about Dome Canada.

Mr. Turner (Vancouver Quadra): I might say that they are a lot more alive at nine o'clock in the evening than they were at eleven o'clock this morning. As happened this morning when we began the capital punishment debate, the New Democratic Party and Liberal Party outnumbered, two to one, Members on the Conservative benches. That is the way they treat Parliament and the importance of this particular issue.

We are not only looking at a passive Minister, at a Minister of benign neglect, we are looking at a lonely Minister. We are looking to keep him company until he gives us a proper answer this evening.

[*Translation*]

I hope that in the final instance, the Minister will address the emergency and the requirements of this debate in a courteous fashion, that he will be a lot franker and far more, not honest, but far more free in his opinions—

An Hon. Member: Open-minded.

Mr. Turner (Vancouver Quadra): —far more open-minded, that he will take us into his confidence, and not just the Members of this House but the Canadian people. It is not too late, even after displaying an attitude that was a little too cool, or cavalier, that is the word. I hope that in the final instance, the Minister will realize, and with him the Prime Minister and especially the Minister of Finance, that Canadians will no longer tolerate that kind of neglect. None of us want industry after industry, economic sector after economic sector, to be abandoned and sold without further ado to the United States.

[*English*]

That may be on the political agenda of the Government, but it is not on Parliament's agenda. I urge the Minister to come clean this evening.

On behalf of the Canadians whom we represent, we do not intend to remain silent. We will continue until we get some satisfactory answers and a satisfactory conclusion to this entire issue.

Some Hon. Members: Hear, hear!

[*Translation*]

Hon. Marcel Masse (Minister of Energy, Mines and Resources): Mr. Speaker, I am very pleased to take part in this debate on the proposed acquisition of Dome Petroleum. This transaction is the object of considerable interest among Canadians in every region of the country, and understandably so. Any transaction involving a company which in terms of gas and oil output ranks second in Canada's petroleum sector, which is the source of employment for more than 4,000 people, and whose survival is threatened by a debt exceeding $6 billion should be the object of enlightened debate and deep reflection.

Mr. Speaker, I could quote various editorials and articles which were written in recent days. Since this is an important debate and many people have expressed their views on the question, I should like to quote to the House passages from a column by Alain Dubuc published in last Saturday's *La Presse*. The article is entitled, and rightly so:

> The White Elephant of Black Gold. The Dome Petroleum venture has been an appalling fiasco. This spectacular failure has led the company to the brink of bankruptcy and been a telling illustration of the extent to which federal bureaucrats and politicians were misled by their energy policy.

And I add: this Government is not putting Dome up for sale: it was done, a few years ago by the former Minister of Energy, Mines and Resources, Marc Lalonde. I continue the quotation, Mr. Speaker:

> Thank God, the last chapter of this miserable saga is being written. And it gives rise to a lively debate because the rescue of the company will undoubtedly come after—

I say maybe, one never knows—

> —it has been taken over by a foreign company, Amoco. However we have a tendency to forget something. The main stake in this case is not the glorious recovery of the company; it is more like a rescue. This is the stake: Dome is a petroleum company which does not sell gasoline. It is a major producer of petroleum and especially gas.

And in the specific case of Dome I think that the article properly sums up the problem, which is why I am using it:

> In the specific case of Dome it is a false debate. For starters, Dome is not really a Canadian company. Fifty-two per cent of its shareholders are foreigners and, more to the point, its fate rests in the hands of its creditors.
>
> Half its $6.3 billion debt is owing to foreign institutions. On the other hand Dome, which posted a $2.1 billion deficit for 1986, is caught in a vicious circle: it is so hard pressed to repay its debt that it has no money left for operations which would get it out of the hole. If a rich company gains control, it will be in a position to give Dome the dynamism it is now lacking, make capital investments, speed up exploration and production works, and create jobs. Dollars rather than principles are used to drill for oil. The fact remains that most Canadians, given a choice, would much rather that it be a Canadian company—

And I said so publicly. But for the time being it seems the best offer came from Amoco.

> Besides, there is something disturbing about using public funds to help one of the richest companies in Canada.

And I am surprised to see the NDP implore the House today to help Bell Canada, the top-ranking Canadian company. To me it is a source of enlightenment to realize that, for a few hours perhaps, the NDP has turned capitalist, advocating the use of public funds to bail out Bell Canada. That is surprising.

> Especially when we know that part of the money would be pocketed by shareholders.
>
> The Dome shareholder

this is not a group of small investors.

> We have here a lot of speculators who are taking a gamble on the benefits of a takeover bid. They are consenting adults who are taking a calculated risk, and they should not be bailed out with public funds.
>
> There is of course

says the NDP

> another choice, that of giving Petro-Canada a mandate to purchase Dome. That would be even worse.

—says our reporter.

> Canadian consumers have paid billions of dollars to subsidize this Crown corporation. It has used this money mainly to purchase foreign companies at exorbitant prices.

Mr. Speaker, I could go on to quote many more articles. However, I think this one by Mr. Dubuc in Saturday's *La Presse* accurately summarizes the problem. Dome Petroleum's bankruptcy is a consequence of the interventionist policies of the previous Government. Dome Petroleum was put on the block by Mr. Marc Lalonde. The solution favoured by the NDP is to take public funds to help Bell Canada, our largest Canadian corporation. The NDP solution is to help Petro-Canada purchase another foreign corporation with billions of dollars of taxpayers' money.

Mr. Speaker, those are the two solutions favoured by the Opposition parties. We must reject these solutions because they do not lead anywhere unless we want to go back to where we were a few years ago, which led to the kind of results we see today, the bankruptcy of Dome Petroleum.

Mr. Speaker, that is why this debate is important. It should be the subject of public discussion, and that is why I am delighted that this House—where, I am convinced, the interests of this country will outweigh the interests of the Parties—has chosen to take this opportunity to discuss the issue.

Like all Members of this House, Mr. Speaker, the Government is fully aware of the importance of this transaction. Our desire to let the private sector be mainly responsible for finding a solution to the financial problems which for a number of years have been plaguing one of our major corporations in the oil industry, does not mean, as the Leader of the Opposition (Mr. Turner) would have others believe, we are indifferent. We have made it abundantly clear, ever since the first corporation, TransCanada Pipelines, publicized the purchase offer it had made in the course of discussions that had been going on for several months, that the transaction would in any case have to be in the interests of Canada. In fact, I publicly reaffirmed this commitment last Thursday at a press conference in Ottawa where I clearly defined the course we had to take.

Mr. Speaker, a 17th century Spanish essayist, Baltasar Gracian, said the following in his book *The Honest Man*—and I am sure the Leader of the Opposition has spent many a night reading it:

> Yes and no are short words to say;

—says the essayist—

> —but much thought is needed before the saying.

Mr. Malépart: Nothing to write home about.

Mr. Masse: Mr. Speaker, under a memorandum of agreement signed on April 19 of this year, the board of directors of Dome Petroleum agreed to suggest to shareholders and creditors of the corporation that they agree to a purchase offer submitted by the Canadian branch of Amoco, a U.S. corporation, for the amount of about $5.1 billion.

The agreement is the result of a number of attempts made in recent years by the management of Dome to find a private sector solution to the corporation's financial troubles. During that period, the corporation managed to sign an interim agreement with its creditors in Canada and abroad that will remain in effect until June 30 of this year. An analyst qualified this agreement as the biggest debt renegotiation for a company in the history of mankind. Several times during these delicate negotiations, the possibility of the corporation's bankruptcy was mentioned.

Despite its heavy debt, during that period Dome Petroleum managed to attract the interest of a certain number of companies, including Amoco Canada. TransCanada Pipelines and Imperial/Exxon also submitted propositions to acquire control of Dome Petroleum.

We followed the evolution of this case carefully and with great attention. Still the fact remains that this company, however important it may be in our oil and gas sector, is first and foremost a commercial concern. The state does not own Dome Petroleum. For this reason we took the position that the Canadian Government did not have to intervene at this stage of the process aimed at setting Dome Petroleum back on an even financial keel. Any decision made by the management of this oil company is dictated by commercial considerations, as it should be.

The financial woes experienced by Dome Petroleum have a considerable impact on the whole economy of Western Canada. All observers in business circles know full well, as stated by the president of Dome Petroleum, that the bankruptcy of this company has been and remains a real possibility. The consequences of such an eventuality would be very harmful not only to the Canadian petroleum sector but also to our entire economy both in Western Canada and in the other regions of the country.

It has also been suggested that Petro-Canada should play an active role with respect to the acquisition of Dome Petroleum. Under the terms of its mandate Petro-Canada must now operate on the same basis as any other commercial undertaking. However, Petro-Canada remains a Crown corporation, and considering the nature of Dome Petroleum's problem, it would have been impossible for it to make a purchase offer without bypassing the principle of seeking a solution to the problem through the private sector and without committing the Government, which might have had to pay a substantial amount disguised as a subsidy for the purpose of buying Dome Petroleum.

• (2110)

[*English*]

It is therefore clear that responsibility for decisions concerning the acquisition of Dome Petroleum rests, for the moment, in the hands of management, stockholders and creditors of the corporation. There is no reason for the Government to intervene on behalf of one buyer rather than another.

The future of Dome, its thousands of employees and hundreds of other companies which depend on its activities, rests on its ability to prosper within the domestic and international energy markets and not on massive injections of public funds. Key players in the private sector have said it can be done.

The size and importance of Dome Petroleum, whose revenues from its upstream activities account for 7.3 per cent of all revenues for the Canadian oil industry, certainly raises questions about Canadian control and about competition in the domestic market. The Government is fully aware of the potential impact of the proposed transaction on these two issues and its responsibilities with respect to them.

Our Government has clearly stated in its legislation and policies its position on foreign investment in general and foreign investment specifically in the upstream oil industry, and its principles on competition in the domestic market. Any transaction involving acquisition by a foreign company is subject to examination under the Investment Canada Act with a view to establishing whether the proposed foreign investment represents significant benefits for Canada.

The criteria for evaluating these investment projects are well known by Members of this House, particularly with respect to Canadian participation, its economic impact and our competitive position in foreign markets. Moreover, my colleague, the Minister of Consumer and Corporate Affairs (Mr. Andre), and the Minister responsible for Investment Canada, assured us that all provinces in which Dome is active will be consulted during the examination by Investment Canada.

• (2120)

Our Government also stated in December, 1985, its policy on foreign investment in the upstream oil industry. Because it was designed to promote concurrently 50 per cent Canadian participation as well as foreign investment, which our industry greatly needs if it is to prosper, the policy, among other things, prohibits the acquisition by foreign interests of financially sound gas or oil undertakings whose net worth is over $5 million. However, it does allow the purchase of Canadian corporations that are experiencing serious problems.

There is clearly no doubt in the House that Dome, which is considered to be a Canadian controlled undertaking by Investment Canada even though it is 52 per cent owned by non-Canadian interests, is in extremely poor shape.

Any proposed purchase of Dome must also be subject to the provisions of the new competition legislation. If the Director of Investigation and Research deems it appropriate he could, where applicable pursuant to the Act, refer it to the competition tribunal. Once again, the evaluation criteria are clear and well known to Members of the House.

These provisions will be complied with. I have committed myself to that. My colleagues and I will submit any proposed transaction to a rigorous examination and will ensure that if the acquisition of Dome Petroleum is approved by its creditors and shareholders it will serve the Canadian interest.

[*Translation*]

At this point, however, we are not about to prejudge any eventual decision by speculating on the potential advantages or drawbacks of a transaction that has yet to be agreed upon by the parties concerned.

The Leader of the Opposition asked me earlier to table the information or to set up a committee to examine the transaction. He should know that, first of all, the transaction has yet to be concluded by Dome management, and second, that the Canadian Government has not been advised, through Investment Canada, of any proposal whatsoever in this respect. We will be so advised at the appropriate time, when the Government will make a decision, Mr. Speaker. However, I cannot pass judgment on a proposal that does not exist.

Mr. Turner (Vancouver Quadra): You wash your hands!

Mr. Gauthier: Pontius Pilate—

Mr. Masse: In view of the precarious financial situation at Dome Petroleum, it would be totally irresponsible in our view to try and establish policies on the basis of mere assumptions.

We know very well, Mr. Speaker, that Amoco Canada, which reached a memorandum of agreement with Dome's management, is 100 per cent under foreign control, just as the officers of that American Corporation are aware of Canadian laws and policies. When taking over Dome Petroleum, Amoco Corporation would become the most important Canadian oil company. In that capacity, it should be in our view a model Canadian corporate citizen, respecting the host country's context. I can assure this House that the Government will require satisfactory commitments to that end, as a prerequisite for approving any takeover of Dome Corporation.

It is mainly through its research and development activities, purchasing policies, participation to Canadian life, reinvestment methods, dividend policies, and also through the presence of Canadian men and women at every level of its management and decision-making that a firm proves itself to be a good corporate citizen.

From this point of view, Mr. Speaker, our initiative is coherent and transparent. The Canadian energy industry is a vital element of our development and future. It is much too important for the Government to improvise policies. We know the interest of Canadiens. It is expressed through an increase of Canadian participation since 1984. We find it also in the renewed activity witnessed in the Canadian oil industry, in Western Canada as well as offshore and in the Arctic area. It is expressed in the confidence of large international corporations in the future development of our resources. The new climate of cooperation which we have established with our provincial partners in the area of energy also supports this interest. To end the uncertainty which has affected for years a major oil corporation and prevented it from fully supporting our economic development is also in the interest of Canadien man and woman from every region of this country.

[*English*]

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, I rise to speak in this debate as energy critic for the New Democratic Party and to support my Leader on his motion.

I want to thank you, Mr. Speaker, for permitting this debate tonight. It means a lot to the average, ordinary Canadian. I know that we throw around figures in the billions of dollars with respect to corporate takeovers and so on. This is a crucial debate on a crucial issue for ordinary Canadians because they are the people who have paid out of their pockets for much of the building up of corporate capital in Dome Petroleum. They are the people who pay taxes, and they paid dearly for some of the build-up of Dome Petroleum.

I believe the Right Hon. Leader of the Opposition (Mr. Turner) mentioned the American taxpayers and that there would be a tax break for Amoco in the United States. I thought of the ordinary Americans who are also being asked to swallow again a big subsidy to a very rich corporation. So this is a subject that does concern ordinary Canadians.

When we look around and consider in the past year the takeover of the Bank of British Columbia by Hong Kong interests, as well as the pending takeover of West Kootenay Power in the southern interior of my home province of British Columbia by a Missouri utility, and the takeover of Husky in Alberta with money from Hong Kong—

Mr. Stewart: Buy some yourself.

Mr. Waddell: —as well as the takeover of Mitel by British interests, and the pending takeover of Cadillac-Fairview in Ontario—

Mr. Stewart: What's keeping you from buying something?

Mr. Waddell: Perhaps the Hon. Member will realize that he has two ears and only one mouth, which means maybe he should listen twice as much as he speaks.

Mr. Stewart: Turn sideways and I will look through your ears.

Mr. Waddell: Perhaps the Hon. Member will listen.

An Hon. Member: As Archie Bunker would say: "Stifle it"!

The Acting Speaker (Mr. Paproski): Order, please. I believe the debate will carry on long enough without interjections by Hon. Members. I hope Hon. Members will allow the Hon. Member for Vancouver—Kingsway (Mr. Waddell) the chance to speak. The Hon. Member for Vancouver—Kingsway.

Some Hon. Members: Hear, hear!

Mr. Waddell: Mr. Speaker, I also refer to the takeover of de Havilland by Boeing, and now the deal concerning Amoco of Chicago taking over Dome Petroleum. There is a pattern evolving here. The pattern is, in fact, the sell-out of Canada. That is why the average Canadian should be really concerned. We are seeing the opening up of Canada not only to foreign investment but to foreign control. This goes against all the measures we have been trying to take in the country over the past decade.

There was a consensus with respect to a policy of Canadianization. There was a feeling in the country among all three Parties that energy being such an important resource, and the fact that energy security is so important, we should try to Canadianize the industry so far as that was possible. It is a long struggle to do that.

While the Minister was speaking I was looking back in the *House of Commons Debates* for November 13, 1979. The then Minister of Energy in the Clark Government, the present Minister of Justice (Mr. Hnatyshyn), was speaking, and I quote his remarks from page 1255 of *Hansard*:

> We will take steps to ensure that Canadians have a greater and greater degree of control over particularly the energy resources of this country. I make no apology for that. I am proud of this country.

That was the consensus. It was repeated by the Hon. Member for Calgary Centre (Mr. Andre), the present Minister responsible for the Post Office, when he was energy critic. It was said by the present Minister of Finance (Mr. Wilson), the Hon. Member for Etobicoke, when he was energy critic for the Tories. I remember them saying that in the House.

There was a reason for Canadianization, and there is still a reason for it. It is not just a woolly-headed ideological policy. There is a reason for it. We know, as the Hon. Member for Oshawa (Mr. Broadbent) said, that multinational oil companies have different interests to serve. They have different masters.

• (2130)

Canadian companies, whether they be public or private, or a combination of both in respect of some particular energy development, tend to serve Canada better.

We had two energy crises in the 1970s, one in 1973 and one in 1979, and there will be another energy crisis in the 1990s. All informed commentators tell us that. We know that during one of the crises in the 1970s a tanker owned by a large multinational oil company *en route* to Canada was diverted to another market. That kind of thing could happen again, and Canadians know that. Canadians are not stupid. They know that energy is a strategic commodity.

Canadians also believe that the oil and gas resources of Canada belong to Canadians and are not to be given away or sold out to foreign interests.

I wish to clarify some of the matters raised by the Minister in his speech, Mr. Speaker, and then I shall reply to some of the points raised. Before going through his speech in detail, let me put this question: Would the Americans allow a large Canadian company to make a similar acquisition in the U.S.? What would happen if the shoe were on the other foot, with a large Canadian company, a company with no American directors, no American shareholders, acquiring a large U.S. company?

In the case of Amoco Corporation, we have a company that patriated $680 million in dividends, while spending $107 million on exploration in Canada, constituting one of the worst records of any foreign company operating in Canada.

An Hon. Member: The worst.

Mr. Waddell: My hon. friend says the worst record of any foreign company operating in Canada—and it is true. Would the Americans permit such a Canadian company to make a similar acquisition in the U.S.?

Some Hon. Members: No way.

Mr. Waddell: There is no way that they would permit it. They would stand up for their rights.

Why are we in Canada so soft? Why do we permit this type of thing? Why do we throw up our hands and say that there is nothing we can do?

The Minister of Energy, Mines and Resources (Mr. Masse) has misinterpreted the position of the New Democratic Party. We are not asking the Government to bail out Bell Canada or to subsidize Bell Canada. We think Bell Canada can look after itself. We are simply saying that the Government, given that a senior Canadian company is prepared to make a bid for Dome Petroleum, should allow that bid to be considered fairly and equitably, and over sufficient time. That is all we are saying.

The Minister suggests that we want to subsidize Petro-Canada. It seems to me, Mr. Speaker, that the Government, and the Minister in particular, completely misunderstand what Petro-Canada is about. Petro-Canada was created to ensure competition in the downstream side of the industry. That is not happening now because this Government is treating Petro-Canada as a private sector company. Its purpose was to provide a window on the industry. It was to be used in a crisis situation, and is precisely what this current situation calls for. It was a company to be used to develop our resources, when they had to be developed.

And look at the situation we are going to have now, Mr. Speaker, if we let Amoco Corporation take over Dome. The Hon. Member for Oshawa made mention of the fact that Dome has particular expertise in the Arctic, and in particular in the Beaufort Sea.

This was part of the great vision of Jack Gallagher—a vision which was clouded in many ways. I once said in this House, Mr. Speaker, that Dome often drilled more in Ottawa than it drilled in the Beaufort Sea—and there is some truth to that. But the fact is we acquired expertise in drilling in the Beaufort Sea, and the fact is that when we are confronted with the next energy crisis in the 1990s, it is the Beaufort Sea and the Hibernia projects that will provide the solution. And who owns Hibernia?—Mobil Oil, of New York. And who will own the Beaufort Sea reserves?—Amoco Corporation of Chicago.

Some Hon. Members: Shame; shame!

Mr. Waddell: That is a crazy energy policy, and it is no way to ensure Canada's future energy security.

Some Hon. Members: Shame! Some Minister!

Mr. Waddell: Mr. Speaker, the Hon. Minister for Energy, Mines and Resources forgets the commitment of the Progressive Conservative Party to Canadianization of our oil and gas sector. Indeed, he himself, in a little known speech delivered on November 6, 1986, paved the way for foreign takeovers in this sector.

I raised this matter at the time in the House of Commons. It was a speech delivered at Toronto, Ontario, on November 6, 1986, a speech delivered to the American Stock Exchange Seventh Annual Canadian Oil and Gas Symposium.

Mr. Masse: I remember the speech.

Mr. Waddell: The Minister knows the speech of which I speak. Hidden in at page 4 of the speech was the following:

> Our policy calls for us not to approve the direct acquisition of a healthy Canadian-controlled firm valued in excess of $5 million. We are, however, prepared to consider the acquisition by foreign concerns of a Canadian-controlled firm which is in clear financial difficulty. In this way we seek a balance between welcoming new investment and protecting our Canadianization gains.

By that speech alone, and particularly by those words, the Hon. Minister opened up the oil patch for takeovers by American multinationals. There were a number of companies in financial difficulty at the time. He knows the list as well as I do: Sulpetro, Dome, and others, all of which were ready to be gobbled up by the Americans. The Minister's speech was an open invitation to the Americans to do just that.

I should like to refer to some of the remarks, Mr. Speaker, made by the Hon. Member for Oshawa, and I want to add a few points. Having had the privilege of being the energy critic of the New Democratic Party for a number of years, I have seen how some of these things have developed.

The Hon. Member for Oshawa made the point that Dome was a large Canadian corporation, and second largest in terms of gas reserves. He could have gone on to say that a lot of the reserves held are on freehold lands, with the result that they are not subject to royalty payments. So, it is not just a question of getting royalties from American-controlled Amoco Corporation; it is a matter of actually giving away a lot of those resources to a foreign interest.

I have already mentioned the tremendous Arctic expertise of Dome Petroleum Corporation. We are a northern country. Canadians have a special feeling for the north. That is what we in Canada are about. Having put so much money and effort into developing our energy resources in the north, we should not now turn around and give those resources to the Americans. John Diefenbaker would turn in his grave if he knew of this.

What kind of northern vision is it to give our northern resources away to the Americans? Such a move denies the whole basis of the Progressive Conservative Party; it denies the vision of the likes of Sir John A. Macdonald and John Diefenbaker. As well, it denies the visions of well known Quebec nationalists such as Henri Bourassa and George-Étienne Cartier. It denies what they believed in, that being to preserve a "nation" in Quebec and a "nation" in Canada as part of the larger Canadian nation. One does not achieve that by giving our resources away to the Americans. We would not have a Province of Quebec had the Hon. Minister of Energy, Mines and Resources been around 50 years ago, and we will not have any Canada if he stays for a few more years.

The question is whether there can be a difference with Canadian ownership. We think there can be a difference, and there has been ample debate in Canada as to why it is necessary to have Canadian ownership in the energy sector companies.

The three speakers who have preceded me in this debate raised the matter of jobs. We think that jobs will be put in jeopardy as a result of this takeover. Amoco will rationalize the jobs, with the result that there will be jobs lost. As well, Mr. Speaker, when one considers that Amoco and Dome are both large natural gas producers, we could possibly have a situation of Amoco sitting on the gas reserves of the Beaufort Sea rather than moving them to market in competition with their U.S. gas reserves. Has the Government thought of that?

The fact is, Mr. Speaker, that this is a very ill-considered takeover.

I have gone over a number of concerns, Mr. Speaker, and I wish to raise one more. It is one with which you yourself will be particularly familiar.

We have the notion that somehow western Canadians are in favour of this takeover, and that we in the Opposition, being against this proposed takeover, are against western Canada.

I am a western Canadian, and I want to point out to those who make that allegation, many of whom are from eastern Canada, that western Canadians are not just a bunch of ex-Dallas oilmen. They are workers; they are farmers; they are consumers. They are every bit as Canadian as anyone else in this country.

The fact is that when the National Energy Program was initially brought out, there was support for it in the West. There were areas where we disagreed with the NEP. We thought, for example, that the PIP grants given to Dome Petroleum, and others, were too rich; we thought that there should be more exploration in the Western Sedimentary Basin rather than in the Beaufort Sea and in the other frontier areas. As well, we lamented the big power struggles between Pierre Trudeau and Peter Lougheed for the sake of having power struggles *per se*. But the fact is—

Mr. Shields: You also wanted to nationalize Imperial Oil.

Mr. Waddell: The fact is the thrust of the NEP was popular with the Canadian public. Public opinion polls at the time showed that 72 per cent of Canadians favoured Canadianization; and in fact 75 per cent called upon the Government to go further along that road. There was support for Petro-Canada; there was support for—

Mr. Shields: You wanted us to nationalize Imperial Oil.

Mr. Waddell: Mr. Speaker, there is no sense in the member yelling about nationalizing Imperial Oil, or whatever.

Mr. Shields: That is what he said.

Mr. Waddell: What we are saying is that this hands-off attitude, this leave-it-to-the-market attitude, is not only naive, it is naive in the extreme. Any energy analyst in the world can confirm that we do not have a free market in oil and gas. What we have are large cartels such as OPEC and the Seven Sisters, the multinational oil companies. It is naive in the extreme to suggest that.

• (2140)

Any energy analyst in the world will tell us as well that there will be another energy crisis in the 1990s. We will need that land. We will need that control. We will need a Canadian company, either private or public. Canadians will wake up to the fact, when we have that energy crisis, that the Government and the Minister have sold it out. They are selling Canada.

We have offered an alternative. We do not pretend to have all the answers. The Hon. Member for Oshawa plainly admitted that. He said: "I am not an expert". However, he has tried. He has talked with the other companies and with other people. He has tried to come up with a Canadian solution.

What is the matter with a Canadian solution? We have come up with Canadian solutions in the past when the country was in crisis. Why does the Government not look at the possibility of a Canadian private company like TCPL, or a Canadian public company like Petro-Canada, or a combination of both? It is up to them to come up with a creative solution instead of throwing up their hands, giving up on Canada's energy future, and giving up on Canada itself.

Some Hon. Members: Hear, hear!

Mr. Jack Shields (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, I am pleased to participate in the debate this evening. I should like to comment briefly on the suggestions made by the previous speaker.

The bottom line was that we should support a Bell Canada—TransCanada PipeLine, takeover of Dome Petroleum, that the Government should get onside and support the group. However, he failed to mention that by doing this we would be giving TransCanada PipeLines a monopoly from the gas field, through the transmission, right to people's homes in central and eastern Canada. How does he square giving a large corporate entity a monopoly?

The Hon. Member also said that an alternative would be getting Petro-Canada involved. He failed to mention from where Petro-Canada would get the funds. Of course it would have to get them from Canadians through the tax system. Of course that would mean another Canadian ownership charge at the pumps. We are familiar with that. We have been through that before.

Dome Petroleum employs nearly 4,000 people, almost all of them in western Canada. It has been hamstrung in developing its attractive land holdings and using its other assets to the best advantage of the economy of the west and of Canada by an extended financial crisis occupying much of management's valuable time. It is a corporation which faces the real threat of bankruptcy. That is the bottom line.

I congratulate members of the Opposition on recognizing that the future of a company so important to western Canada and to our economy in general is indeed an emergency. It is a rare example of the sensitivity on their part to the problems of western Canada.

The urgency of the Dome situation, however, is virtually the only aspect of the situation which opposition Members seem capable of understanding. They have portrayed our policy in respect of Dome as a failure. It has in fact been a resounding success. They have argued that we do not have a Canadianization policy. Our policies and our record show the opposite. It is clearly on record. They also claim that an acquisition of Dome will compromise Canadian energy security when in fact it will be enhanced. Finally, they urge us to use the ability of government to intervene in the process and select a predetermined winner.

This shows an abysmal misunderstanding of the principles which we as a Government have laid down to guide our conduct. They want to return to the good old days when the Government determined which companies would be successful and which companies would not, the good old days which gave us the national energy policy and helped create the very problems with which Dome is living today.

Let me discuss our policy on Dome. When we came to office in September, 1984, Dome's difficulties were already well known. We established clear principles to guide us on this troublesome legacy of the National Energy Program. Let me outline them briefly.

First, we said that Dome's problems should be settled in the private sector, not through a costly bail-out backed by the Canadian taxpayer.

Second, we said that, given the nature of Dome's problems, acquisition by any buyer should be considered because after all it was on the verge of bankruptcy.

Third, we said that any outcome must be consistent with the national interest as applied through legislation and in government policies, that is, that Dome's problems would not guarantee government approval of a proposed acquisition. Each proposal is to be judged on its merits according to the law.

The application of these principles has been a resounding success. Dome has been teetering on the brink of bankruptcy for a number of years. Today the corporation has selected Amoco as the successful bidder from among three suitors. Although the final outcome will not be known with certainty for some time, Dome's prospects appear considerably brighter today than they have for many, many years, to say the very least.

Let me now turn to Canadianization. The Opposition has argued that our willingness to consider Amoco means that we have no Canadianization policy. On the contrary, our Canadianization policy for upstream oil and gas acquisition is a clear one.

First, it allows the acquisition of already foreign controlled firms subject to commitments on Canadianization and investment.

Second, it disallows acquisition by foreign controlled firms of Canadian controlled firms in good financial health.

Third, it allows consideration of acquisition of Canadian controlled firms in clear financial difficulty.

This policy has been successful. When the present Government came to office in 1984, Canadian ownership in the upstream oil and gas industry stood at 42.5 per cent. In 1986 it was 48 per cent. All these gains were achieved through consultation and negotiation, not through costly incentives and heavy-handed regulations which characterized the previous Government and, I might add, which characterized the policy of the previous Government supported by the New Democratic Party.

While we would prefer to see an increase in those numbers, we recognize that over time there will be plus and minus entries on the ledger, especially during periods of restructuring and downturns such as the industry has recently been experiencing. What is important is the over-all and longer term trend.

We all recognize that should an application by Amoco be approved, Canadian ownership in the upstream will be reduced. Our policy, however, is designed to be flexible enough to allow such changes in Canadian ownership where the acquisition can be demonstrated to be of net benefit to Canada.

The Government remains committed to maintaining a strong Canadian presence in the oil and gas sector. However, this presence should be a healthy and vigorous one. To pursue Canadianization at any cost, as the Opposition would have us do, by providing excessive and biased incentives like those offered by the previous Government and supported by the New Democratic Party is one of the root causes of Dome's problems today. All Members of the House know that.

The Opposition has also claimed that the acquisition of Dome by a foreign company would compromise Canadian energy security. It is my belief, Mr. Speaker, that there is only one way to enhance security in the oil and gas industry and that is the economic development of Canada's oil and gas potential. The most important element in this is a financially sound industry. A transaction which removes the uncertainty hanging over the largest landholder in western Canada can only promote economic activity and enhance security of energy supply.

• (2150)

If a foreign firm proposes to acquire Dome, the Investment Canada Act as well as other regulatory powers provide ample means to ensure that our resources are developed in ways that contribute to Canadian energy security. Every Member in this House of Commons knows that to be true.

Finally, the Opposition has urged us to intervene to determine the outcome of the bidding process for Dome. The Opposition suggests that we use the authority of the Government to ensure that a Canadian firm is selected. First, this suggestion displays an ignorance of the law. The Investment Canada Act requires the responsible Minister to review each foreign investment on its own merits. The Opposition knows that. This does not allow consideration of the existence of other bidders, Canadian or foreign.

This whole debate tonight is strictly politics, politics and politics, so opposition Members can get on the late night show.

Some Hon. Members: Oh, oh!

Mr. Riis: Imagine politics.

Mr. Shields: It is the sleazy kind of politics; it is not responsible politics, Mr. Speaker.

It is our view that government must establish a clear and predictable framework for firms wishing to do business in Canada. Let me repeat that. It is more important and it is our view that government must establish a clear and predictable framework for firms wishing to do business in Canada. This means all proposals, like Amoco's, must be reviewed on the basis of laws and policies of general application. To do otherwise would create an atmosphere of arbitrariness and uncertainty which would affect perceptions of Canada as a good place to do business. This would have a serious negative impact on investment and job creation in Canada. We all saw the impact of the National Energy Program on investment in Canada, and we all saw the disaster it caused.

Dome's problems are for the private sector to resolve. Ultimately Dome's shareholders and creditors, many of whom are Canadian, will decide what is in their best interests. They will consider any and all offers available to them.

Mr. Riis: What about Canada's best interests?

Mr. Shields: Only after a successful agreement is negotiated will the federal Government get involved through Investment Canada and/or the Competition Act. Of course, the Government is prepared to discuss any issues regarding its policies or procedures with any private party.

In summary, the success of our economic policies has made Canada's energy sector an attractive place to invest once again for foreign and Canadian firms. While no application for approval has yet been received, and the bidding process does not appear to be over, if a foreign bidder should be successful I am confident that we have in place the laws and policies necessary to ensure that any application by a foreign acquisitor which may be approved will benefit Canada.

If we accepted the advice of opposition Parties and began to intervene in an arbitrary and unpredictable way, perhaps we would not face the necessity of reviewing proposals from foreign acquisitors. Perhaps, too, Dome would continue to limp along, or go bankrupt with serious impacts on our economy, in particular western Canada. I know which problems I prefer to deal with, Mr. Speaker. Indeed, I welcome them and have confidence that they can and will be dealt with in a way which will result in economic benefit to Canada.

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, the Government would have us believe that it is of no importance to this country who takes over the very valuable reserves of Dome Petroleum, the second largest reserves of natural gas and the third largest producer of oil. These are, as has been said this evening, reserves that have been largely financed by the people of Canada through energy programs or tax concessions. Indeed, they are reserves which the people of Canada will be depending upon very strongly in the years to come.

The Government has done a complete about-face on energy policy, if you could call it energy policy. The process of Canadianization and security of supply, the two major pillars

of the energy program, have been completely abandoned by the Government. The Government is saying that now it is all right to sell the assets of Dome and that Canada will be looked after by this foreign multinational.

How did this change come about, Mr. Speaker? As the Leader of the Opposition (Mr. Turner) said, during the last election in 1984 that was not the case. That was not the dogma of the Conservatives. The Conservatives were saying that an increase in Canadianization was an important part of the Progressive Conservative Party's platform. Conservatives were saying that security of supply would be vital to this country.

When did this change come about? I think the most marked difference was last November 6 in a speech by the Minister of Energy, Mines and Resources (Mr. Masse) in Toronto. He said that Canadian companies in financial difficulty were available for sale to foreign interests. This could only have been uttered with Dome Petroleum in mind. It opened the doors of multinational corporations and opened the ears of their executives. It was then, as we have read today in the paper, that the President of Amoco Corporation in Chicago first felt that Amoco had a chance to buy Dome Petroleum. He proceeded to give the scenario of how it was recommended to him by his senior officers that Dome Petroleum could become a part of Amoco Canada.

That was not only an inadvertent policy on behalf of that Government, it was careless and irresponsible. If it were only that then perhaps we could excuse it to some degree. But it was more than that, Mr. Speaker. It is a bail-out of everything the Government should stand for. It is a bail-out of what the Canadian people expected from the Government when the people elected it in 1984. It is a bail-out of what this Government promised to Canadians and how it would protect the interests of Canadians. The Conservatives have completely turned around what they said they were going to do.

What is the Government now telling us? It does not matter who owns Dome Petroleum! The Government said it does not matter about TransCanada PipeLines. That is a Canadian company. It cannot protect you any more than Amoco in Chicago. Amoco Corporation owns Amoco Canada 100 per cent. There is not one measly share in Canadian hands at the present time. The president is an American. There is not a Canadian on the board of directors of Amoco Corporation. As the Hon. Member for Oshawa (Mr. Broadbent) has said, Amoco Corporation last year sent dividends to its head office in Chicago in the amount of $686 million.

Mr. Shields: Because of the National Energy Program.

Mr. MacLellan: Because of the NEP. Because of the fact that Amoco was allowed by the Government to get away with it. Amoco was encouraged by the Government to do so the way Chevron was encouraged to send $500 million back to its head office in San Francisco.

In 1986 alone, $2 billion was sent by foreign owned oil and gas companies back to head offices outside Canada. This is an increase of the average between 1982 and 1985 of between $600 million and $900 million, more than double in one year because the Government was looking the other way when the interests of Canada were first and foremost in the minds of Canadians but not in the mind of that Government.

• (2200)

The Government was doing a song and dance for the last two years about how the multinational oil companies would reinvest in Canada. The Government told us that at the time of the Western Accord. It told us that last September when it did away with the petroleum and gas revenue tax once and for all. The Government said it was doing this on the understanding that the multinational oil companies would reinvest that money in Canada. Where has this assurance gotten us? Where have these words gotten us? They have been hollow words because that has just not happened.

As Hon. Members have said tonight, this is not a condemnation of multinational oil companies, this is an attempt to stick up for the rights of Canadians, to protect the future of Canadians. This is an attempt to protect the security of supply in which we as Canadians have invested so greatly in the last few years. This is something with which we must come to grips. We have to say that this emergency debate is being held for a very good reason. We are faced with a very critical situation, a situation that could mean the sale of very important reserves of oil and gas to an American corporation, not one share of which is in the hands of Canadians.

We do not know anything about what the Government will do. The Government does not know anything itself. It said the matter would be referred to Investment Canada. The people of British Columbia heard that. They just experienced the decision of Investment Canada with respect to the West Kootenay Power and Light Corporation. A decision was made on Christmas eve to agree to the sale of that public utility to American interests without asking for pertinent files or information. If that happened, how can we possibly believe that Investment Canada will review this question with the attention it deserves?

Mr. Tobin: Divestment Canada.

Mr. MacLellan: Divestment Canada is absolutely correct. We do not know when the matter will go before Investment Canada. All we know is that Investment Canada has 45 days to consider the question. It can get an extension of another 30 days, and if it wants another extension of 30 days it has to go back to Cabinet for approval. We do not know when the decision will be made. We do not know if that decision will be made prior to the decision of the shareholders of Dome Petroleum. We do not know if it will be made prior to the decision of the creditors. We do not know what information will be placed before Investment Canada. We do not know anything about what the Government will do. We do not know anything about how the Government will weigh this very

important question because the Government refuses to give anyone any information.

We are not talking about the sale of a corner store. We are talking about the sale of a very important corporation, a cornerstone of our economy in the oil and gas industry. We need more information than we have been getting. The people of Canada demand more information than they have been getting. This is not a question of convenient information, it is a question of necessary information upon which Canadians can make their own decisions. This will not be another occurrence of something the Government does so well, and that is making a decision and then building its case after the decision is made. We want the information before the decision is made. The people of Canada have an absolute right to know the full details of this.

This is not an issue that will go away. The Government would like us to believe that in the next while, this will all fade away.

The Minister of Energy, Mines and Resources has said that clearly it is a matter of national importance that such a company should be a model corporate citizen, sensitive and open to the environment of its host country. How can those words convince Canadians that the Government will do something to protect the rights of Canadians to energy security and the very important principle of Canadianization which the Government has given its word it would uphold?

This is not what we want. This is not what we expect from the Government. Certainly Amoco has offered $5.1 billion for Dome Petroleum but that is not a gift. We do not make this out to be some kind of largess. The company has 15 million acres of oil and gas properties, nearly three million of which are producing acreage at the present time. Dome Petroleum is a company that is very badly strapped for financing, but even though it is terminally ill, it sits on nearly $2.5 billion in tax losses and $2 billion worth of tax credits and it lists $4.9 billion worth of assets.

This is an abominable situation that the Government is throwing at Canadians. In 1985 at a Public Accounts Committee meeting, it was stated that the Dome Petroleum situation was coming to fruition.

In February, 1985, a remission order pursuant to Section 17 of the Financial Administration Act was granted to the Hudson's Bay Oil and Gas Company Limited, a subsidiary of Dome Petroleum Limited. Over a 10-year period, Hudson's Bay Oil and Gas was authorized to deduct for income tax purposes the financing costs that Dome incurred in acquiring it. The value of the remission order was considerable and to that date amounted to $400 million. It is now estimated that that remission order could amount to $1 billion.

It was also stated that the remission order did not limit the benefit to the present owner of Hudson's Bay Oil and Gas, and it was stated at that time that this omission might result in an unintended benefit to another taxpayer should Dome decide to sell. There is the possibility that a Canadian subsidiary of an American parent corporation, 100 per cent owned by that American parent corporation, will now pick up the benefits of that remission order in the amount of hundreds of millions of dollars. That is a scam and literally a give-away by the taxpayers of Canada to a foreign corporation.

How many of these situations exist? How much is going on about which we do not know? Why can the Government not come clean with the information that we need to know? Why can the Government, in the interests of the people, the Canadianization of the oil and gas industry and the protection of the security of supply, not come clean with what it wants to do and give us a reason for it? Why wait until the last minute and then say that the Amoco purchase is approved, as if to say it is too late now, we have to go with it? That is not good enough.

We in the Liberal Party are not convinced that there is not a Canadian solution to this very important question. We are not convinced that there cannot be Canadian ownership of Dome Petroleum. It is vital that the Government push for a Canadian solution. It should not wash its hands of this matter, it should say that it is something that Canadians want and it will work toward finding such a solution.

Obviously the Government knew back in November that it was preparing the way for a foreign takeover of Dome Petroleum. In all that time it could have worked on a Canadian solution but it chose not to do so. The fact that it does not now have a Canadian solution to propose to the House and the Canadian people is a disgrace but it is not an excuse.

The Government has let down the Canadian people. It is giving away the reserves of oil and gas that belong to the Canadian people, for which the Canadian people have paid and ownership of which the Canadian people are entitled to retain. That is not acceptable. It is not going to be accepted tonight or tomorrow. It will never be accepted by the Canadian people.

• (2210)

Hon. Bill McKnight (Minister of Indian Affairs and Northern Development): Mr. Speaker, I find it a bit strange to be taking part in this debate tonight. Members of the Opposition wanted to adjourn the House so we could debate this issue. I see the Right Hon. Leader of the Opposition (Mr. Turner) is here.

Mr. Turner (Vancouver Quadra): Nice to see you, too, Bill.

Mr. McKnight: I hear him talking about "Amoco". That could be a milkshake where I come from. With his delivery I thought he would say Amoco. I am sure the people who service the Amoco rigs are from "Schlumburger" or Schlumberger.

Mr. Turner (Vancouver Quadra): That is a great contribution.

Mr. McKnight: I find it strange because it is the Liberal Party that is responsible for the problems that Dome

Petroleum has today, along with their friends in the NDP. They put forward the National Energy Program which created Dome. It was an artificially founded company, regardless of the good intentions.

Mr. Waddell: Dome was around for a long time before that.

Mr. Shields: It was foreign owned.

Mr. McKnight: I heard the Hon. Member for Vancouver—Kingsway (Mr. Waddell) be a touch critical about the amount of drilling done by Dome in Ottawa in the past rather than in the field. What the Opposition is asking the Government to reply to is something the Government has no control over.

We have heard the figures. We know. Dome owes $6.3 billion. Where is Dome Petroleum controlled from today? Is it Canadian controlled?

Mr. Riis: Yes, it is.

Mr. McKnight: The NDP say yes, it is. No, it is not. Let us just read what the founder of Dome, Smiling Jack, had to say. He says that because less than 30 per cent of Dome's shares are held by Canadians we are not talking about a Canadian controlled company. When the best possible interpretation of the numbers is used it is 52 per cent foreign owned and only 48 per cent Canadian owned. What is all this about a Canadian owned company? Less than 30 per cent of the shares are held by Canadians. I do not understand.

Mr. Tobin: He is being heckled by his own Party.

The Acting Speaker (Mr. Paproski): I still have around 14 or 15 speakers to go. If each member is going to take 20 minutes, I hope they will be allowed to finish and I will not have to interject and take time away from the speeches, please.

Mr. Tobin: Heckling is not to be tolerated.

Mr. McKnight: Mr. Speaker, let us look at what the founder and former president of Dome has said. He says that any major company in the U.S. which has billions of dollars invested in pipelines, refineries and marketing must develop reserves on this continent to keep those facilities going. We heard mention of the reserves in the Beaufort.

Millions of acres have been leased on Canada Lands by Dome. They will not be explored because Dome does not have the money. Dome is presently strapped, flat broke. If you really want to know who controls Dome, it is the banks, both Canadian and foreign. Banks do not make good managers of oil companies. They are not interested in exploration. They are not interested in looking after the workers on the rigs or those providing services. Dome is so badly strapped for cash that it put forward a policy not to pay its payables for 90 days. What about the stickwelder? What about the guy who drives the water truck or the mud truck? They have to wait 90 days to get paid by Dome because Dome does not have the cash flow to pay in 30 days. Is that what the NDP and the Liberals want to see continue?

Mr. Tobin: No.

Mr. McKnight: The Hon. Member for Humber—Port au Port—St. Barbe (Mr. Tobin) says no. I agree with him. I heard both Leaders of the opposition Parties ask if there was a way another offer could be made. It is not up to the Government or the Minister of Energy, Mines and Resources (Mr. Masse), it is up to the shareholders and creditors of Dome. It is not a government company to sell.

Mr. Tobin: That is not what you said about the banks.

Mr. McKnight: I did not hear one alternative from them. Well, I guess I heard one from the NDP and that was expected. PetroCan should step in and purchase the company. That would cost another $5 billion or $6 billion. Do the NDP plan on adding another four or five cents a litre gas tax to pay for that $6 billion purchase?

Mr. Shields: Of course.

Mr. McKnight: How long will it be on? Will it be on as long as the Liberal tax was on to help pay for Petro-Canada?

Mr. Tobin: It is still on.

Mr. McKnight: It has been reduced. The Hon. Member from Newfoundland laughs. What about Hibernia? The Hon. Member from Newfoundland is very supportive—

Mr. Tobin: Another broken promise.

Mr. McKnight: —of the Atlantic Accord and the benefits this Government brought to his province—

Mr. Tobin: Name them.

Mr. McKnight: —by signing the Atlantic Accord. Yet his Leader stands up and says Dome is going to be sold—

Mr. Tobin: Name the benefits.

Mr. McKnight: —and it is a Canadian company and a Canadian company should buy it. He did not have one in mind. He did not make any suggestion—

Mr. Tobin: Bill, name the benefits.

Mr. McKnight: I see the Hon. Member from Newfoundland saying that he wishes we had not entered into the Atlantic Accord.

Mr. Tobin: Name the benefits.

Mr. McKnight: I find that strange because the Government he was part of could not sign an agreement with his province. This Government has signed an agreement, and the Hon. Member is a dog in the manger. He is saying he does not think that is a good agreement. I would like him to go home to his province and say we should not have signed that accord; it will not benefit the province. The Hon. Member is now saying that

he does not want any oil and gas exploration in Hibernia. Is that what he is saying?

Mr. Tobin: Name the benefits.

Mr. McKnight: I cannot believe the Hon. Member would say he does not want oil and gas exploration in Hibernia. Would you believe that? The Hon. Member for Vancouver—Kingsway is shaking his head. He cannot believe it.

Mr. Waddell: I cannot believe it.

Mr. McKnight: The one thing we have to understand is that Dome has to be in strong hands. I hear suggestions that we should have a Canadian purchaser. So far I have not heard in the media that there is a Canadian purchaser acceptable to the owners of Dome. I can understand that the NDP would wish to intervene in the private sector but I find it very strange that the Liberal Party wants to do that. I should not find it that strange after the NEP which caused the problem we have with Dome—PIP grants, where $2 were paid out for $1 invested.

Mr. Tobin: Three.

Mr. McKnight: The Hon. Member for Newfoundland says I am wrong, it was three. Anyway, you can understand the philosophy behind it.

To my knowledge there is not a Canadian purchaser acceptable to the owners of Dome. I said before that Dome is not Canadian controlled. It is not majority-held by Canadians so I do not understand what the debate is about. I really do not. If a deal had been put forward and was being reviewed by Investment Canada, I could understand it, but to my knowledge there has not been a deal put forward. I ask members opposite where this Canadian company is that is going to come forward and buy Dome.

• (2220)

Are the members opposite saying Canadian taxpayers should put more money into Dome to have it purchased? How much more; $2 billion, $3 billion, $4 billion? I heard the spokesman for the Liberal Party talk about the billions of dollars of investment that have already been made.

The majority of Dome's land is leased, not owned. There are royalties payable. There is a regulatory regime. I know of no industry in Canada other than the nuclear industry which is as regulated by both provincial and federal Governments as is the oil industry. Why is everyone so concerned that a company which may be one-third owned by Canadian shareholders could be sold at the wish of the owners and strengthened through investments to allow exploration?

Mr. Tobin: To whom?

Mr. McKnight: The Member from Newfoundland is asking to whom. I suggest to whomever the owners and shareholders wish to enter into a deal with. I can understand the Liberals wanting to interfere in the oil industry because they did it so well. I find it very strange that since the present Government came into office Canadian ownership has increased from what it was when the Liberal Government was in power. I understand why the New Democrats want to interfere in the industry. They do not believe in the free enterprise sector. They do not believe in Canadians being able to invest their money in a company such as Dome and then dispose of it as the owners of Dome will.

To my knowledge there has not been a deal cut. To my knowledge there has not been another offer. I read in the paper that TransCanada Pipelines said it had made an offer. Are members opposite sure that was all Canadian money, that TransCanada PipeLines was putting forward only Canadian dollars, that there were no foreign partners, foreign banks? I am not sure of that, but that is not my responsibility. I neither own the shares nor am I a creditor.

Mr. Tobin: There is a difference between a foreign creditor and a foreign master.

Mr. McKnight: I find it strange that the Liberal Party talks about foreign masters. When the Progressive Conservative Government came into power it increased Canadian ownership in the oil industry.

I heard a speaker from the Opposition talk about a remission order. I do not know much about remission orders, but I do know that if a company owes more than it is worth a remission order does not have much value.

Mr. Tobin: Like the banks.

Mr. McKnight: I know the member opposite does not understand, but I will give him a little hint. I do not remember a bank that was saved. I remember assisting credit unions, pension funds, and municipalities. I remember assisting those depositors. I do not remember this Government ever saving a bank.

Mr. Riis: Wells Fargo, City Bank, Bank of America, Hong Kong Bank, just to name a few of them.

Mr. McKnight: Now his colleague from the New Democratic Party is coming forward. I heard his colleague talk about coming from western Canada and about having an interest in western Canada and what takes place in exploration. I agree with that. However, how can a company which owes $6.3 billion and has assets on the books of about $4 billion continue with exploration? There are about 100 properties which are jointly operated by Dome and Amoco now. How can Amoco go ahead and develop on those properties when it has a partner which is terminally ill? It cannot be done.

I am not here to defend Amoco. It does not need to be defended because the shareholders and creditors of Dome Petroleum will make a decision as to what deal they feel is appropriate. I find it very, very strange that we are now talking about Amoco. Amoco Canada was here when Leduc came in 40 years ago. I know that a lot of people will have to consider

whatever decision is made by the creditors and the shareholders. The stick welders, the roughnecks, the drill workers, the mud slingers and the water truck drivers will make a decision.

Mr. Tobin: They have already decided. You guys are in a deficit situation just like Dome. You can't operate any more.

Mr. McKnight: I understand the nervousness of the NDP and the Liberals because they are now trying to decide who is best qualified to interfere in the oil and gas industry. Is it the Member from Newfoundland, the Member from Kamloops, or the Member from Montreal? Are they best qualified? They are having trouble making a decision amongst themselves as to who has the best method of interfering in the sector, who has the new national energy program to put forward. Is it the socialists on the left or the socialists on the right? Who has the best plan to interfere in the new national energy program?

The Government does not know, any more than the members of the Opposition, the decision that will be taken by the creditors and the shareholders of Dome. However, it will be decided when exploration goes ahead. The majority of those millions of acres are leased from the provincial or federal Governments. There are royalties due on them and they are controlled by regulations. Exploration will take place and jobs will be created. Consider those service workers who now must wait 90 days because Dome is broke. They cannot pay the bills in 30 days like others, but now must wait 90 days and perhaps 120 days.

• (2230)

Decisions will be made as to what will take place in the future and whether the shareholders and creditors of Dome had the right to dispose of their shares. When that happens, the Government, through Investment Canada, will make a decision. However, we cannot make a decision on a hypothetical case put forward by the Opposition.

I listened to the Minister, and the Minister of Finance (Mr. Wilson). They have not said that an offer has been made. The Hon. Member from the New Democratic Party signals that I am right. If nothing is consummated, there is not much to be gained by debating it.

Mr. Riis: The Speaker did not feel that way.

Mr. McKnight: Not much more can be said until the shareholders and the creditors, the owners of Dome, make a decision. The Minister of Energy, Mines and Resources has said that it is not up to the Canadian taxpayers or the Finance Department to bail out Dome, it is a problem that should be solved by the private sector and that is the bottom line.

I am sure that the private sector can make a decision that will ensure exploration, ensure a supply of oil and gas, ensure jobs for thousands of Canadians, ensure security and will result in an industry that does not have to carry a sick corporate client. Instead, it will be a strong and healthy company that will contribute—

Mr. Tobin: American company.

Mr. McKnight: I am not sure the Hon. Member from Newfoundland would be concerned about where he was healthy. I am sure he is as happy to have the development in Hibernia, off his shore—

Mr. Tobin: What development?

Mr. McKnight: —as we will be in western Canada when a strong, financially sound Dome Petroleum continues to explore and bring on supply and jobs which will create sound investment opportunities for Canadians in the future.

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, I must shake my head at hearing an important Minister in Cabinet asking why there is this fuss. He wonders why the Speaker decided earlier today that there was in fact an emergency in the oil patch and that the time is now for a special debate as requested by the Opposition.

One of the critical major players in the Canadian energy field is bankrupt and people want to buy it. The Minister asks why there is a fuss and says that it is rather irrelevant. He wants to know why there is a fuss about the fact that this is the largest takeover in Canadian history. This will have a significant impact on the amount of foreign control over this important, integral, cultural resource in this country. The Minister wants to know what is the problem.

Mr. McKnight: Cultural resource?

Mr. Riis: You can bet that the petroleum industry is a cultural resource. Our entire culture in the western world is based primarily on energy and the oil and natural gas sector of that energy sector. Anyone who thinks differently obviously does not understand the world around them. That is why it is a critical cultural resource.

The Minister asks who cares if we lose a major share of this critical cultural resource to foreigners. We care, and many Canadians care. As a matter of fact, the majority of Canadians care.

For a number of years Canadians have heard the bafflegab and rhetoric of the Conservatives about Canadianization. However, when push comes to shove and the Conservatives must make a decision, they say they will sell out to the foreigners any day, particularly if they are Americans.

I do not know why we are surprised at the Government tonight. It will go down in history as having approved, through Investment Canada, more foreign takeovers than any Government in the history of this country. In fact, since the Progressive Conservative Government came to office it has approved more foreign takeovers than any country in the world. Although we are not a major country in terms of business and industry, not one country has experienced more foreign takeovers than Canada. I am not surprised that that Cabinet Minister would ask what is the big deal and why worry now that there are 1,201 takeovers.

As my hon. friend, the Member for Vancouver—Kingsway (Mr. Waddell) said earlier, imagine what would happen in the Congress of the United States today if a major Canadian oil company was about to move in and become one of the significant players in the U.S. energy field. If the board of directors was entirely composed of Canadians, with a Canadian president and a head office in Canada, the Congress would be in an uproar. They would not accept that for one moment. Yet the Government of Canada not only accepts this absolutely ludicrous situation, but applauds it, saying that it is wonderful for Canada.

Mr. Tobin: They will not even let us sell lumber.

Mr. Riis: As the Hon. Member says, the one area in which Canada has been progressive and successful in becoming one of the major players is in wood sales in the United States. Yet the Americans are not prepared to accept us in their wood industry there and have taken significant steps to remove us.

The Government of Canada supports selling out to the Americans and having decisions about the future of the Canadian oil business made in Chicago. Canadians do not like that. They will have an opportunity in some 20 months to go to the polls and consider whether they want to return to office a government that is prepared to sell Canada out, as it has done with this oil deal, with West Kootenay Power and Light, as it has done 1,200 times in two and one-half years.

When Canadians are asked if they want this process to continue, a majority of them in every province and territory will say they have had enough and will not allow the Progressive Conservative Government to continue to sell their destiny to foreigners. Tonight's debate is absolutely crucial. The Minister of Energy, Mines and Resources (Mr. Masse) indicated that it is important that this new player in the oil field from Chicago is a good corporate citizen and that it operates in the best interest of Canada. When we consider its track record, I do not think there could be a more erroneous sale approved by the Government, assuming that it will do so.

For example, in 1986, for every dollar invested in Canada by Shell, it sent 23 cents back to the United States. Texaco took 56 cents out of every dollar it invested in Canada. Imperial Oil was more aggressive and for every dollar it invested, it removed 57 cents. Gulf removed 61 cents out of every dollar it invested in Canada. However, the company we are concerned with tonight removed $6.41 for every dollar it invested in Canada last year.

• (2240)

That is the kind of corporate behaviour we will now find in the entire oil patch in Western Canada and in the frontier areas and it is something which does not bode well for our country. As the previous speaker indicated, this corporate citizen has been operating in Canada since the Leduc fields opened in Alberta. The way this company is operating in Canada, with an American president and an American board of directors, and for every $1 invested in Canada taking out $6.41, is shameful corporate behaviour. Yet we are told it it will give assurances that jobs will be created.

Let us face it, one of the obvious things that will occur, as my friend, the Hon. Member for Vancouver Kingsway and other members in the House have pointed out, is that this company will rationalize its operations in Canada. It is a major gas player in the United States. It is taking over a company which is the second major gas player in Canada. Obviously, it will rationalize its operations. This U.S. company will now control one of the largest blocks of exploratory lands in Canada. When we look at those exploratory lands it is interesting to note that a good portion of them are way into the future. In other words, these lands do not expire in terms of their ownership, therefore, what this foreign company has purchased is control over the resource value lands in Canada for decades into the future. So as it develops its operations in the United States, it knows it can sit on these lands in Canada for two years, 10 years, or 20 years, and some time in the future perhaps it will get around to developing them, using the lands as a sort of secure back-up for its operations.

Mr. Tobin: International feudalism.

Mr. Riis: As my hon. friend says, it is international feudalism. That is what we are talking about. On the other hand, when we have two of these large giants coming together with thousands of employees, we know those firms are going to be rationalized. That is what happens when the takeover process is under way. We have seen it happen time after time. In fact, we have seen it happen 1,200 times in terms of foreign takeovers only, not including domestic takeovers.

When those companies rationalize their operations, they know they do not need two accounting sections, only one. They do not need two marketing sections, only one. So they start eliminating jobs. I say that particularly for those people in western Canada who are concerned about their jobs. If they believe all those jobs will be kept in place, let alone expanded, as a result of the takeover by this large foreign multinational, they should know it is just not going to happen. We are going to see significant job loss.

Right now, as we debate this matter, in the American part of the Beaufort Sea there is a drilling company called Canmar, a subsidiary of Dome Petroleum, which employs Canadian crews. Canadian crews are working right now on that drilling rig. But you can bet your bottom dollar, Mr. Speaker, that when that American multinational becomes the owner and controls that operation, it will hire Americans. It will not retain those Canadian crews.

I believe it is very, very critical that a lot of Members on the Government side have mislead people today by saying there will be job security and new jobs as this company expands into its frontier exploration zones. Such will not be the case. Anyone who has studied one iota of the takeover process will recognize that the net result is inevitably jobs lost as opposed to any jobs being created.

Our Party is very concerned about what this means. What we are seeing here is simply part of two critical processes which are starting to raise more concerns with Canadians than ever these days. The first process is the continuous sell-out, the willingness of the Government to accept the notion that what is a good deal for the shareholders of Dome is a good deal for Canada. I think a case can be made, as my colleague, the Hon. Member for Vancouver—Kingsway did so well today when he indicated that the major shareholders of Dome Petroleum are actually Canadian citizens, Canadian taxpayers. Think of the hundreds of millions of dollars Canadians have invested in that critical natural gas and oil company through their taxes.

I think, as responsible parliamentarians, if we are concerned about the investment which has been made by the shareholders who have invested in Dome, as well as the taxpayers who have also invested heavily in that company, we must realize there is a vested interest and responsibility to ensure that the deal which is made with this particular company is in the best interests of Canada as a whole. We are all well aware that Canada, unfortunately, will be a net oil importer by the early 1990s. We have to become aggressive in the development of that resource.

As long as there are critical decisions being made about oil and natural gas, not in Calgary but in Chicago, Dallas or Houston, those decisions will not necessarily be made in the best interest of Canadians. That is what we are saying. It seems to me when we call for an emergency debate, we do so to get some information. There are all kinds of questions which need to be asked. My Leader went through a long litany of questions which people have asked, yet there has been no response from the Government. Our energy critic, the Hon. Member for Vancouver—Kingsway, asked another set of questions; what are we getting for this? What steps is the Government taking to ensure that this is a good deal for Canada? All we hear are rather flowery speeches and rhetoric from Members of the Government, including the Minister of Energy, Mines and Resources. That is not the way to conduct business. That is not the way this House of Commons is supposed to operate. In fact, the Parliamentary Secretary to the Minister of Energy, Mines and Resources (Mr. Shields) had the audacity to suggest that it seemed like we were being political. Of course we are being political. This is a critical political question. Who owns Canada? Who controls Canada? Who controls this important resource? That is what this is all about.

It is critical that we move away from a Government which believes that what is good for the shareholders of Dome is automatically and unquestionably good for Canada and its future. We also have to ask why we are moving so quickly. Why is it that the directive went out to the Chairman of Petro Canada: "Do not talk to Dome"? Why did the word go out to the chairman of Dome: "Do not talk to Petro Canada"? It seems to our Party that this is part of the process of the Government giving in to the United States because of its rush to negotiate a free trade deal. It is in effect admitting it gave in to the States on the softwood issue and on a whole range of other issues, including acid rain. This American giant wants to gobble up one of the major players in our energy sector and the Government is laying down its cloak and saying: "Welcome to Canada once again. This is another takeover and we like takeovers in Canada". That is the voice of the present Minister of Energy, Mines and Resources and the federal Government.

Our Party believes this is not in the best interest of Canada. We have articulated a whole host of reasons why we believe a better deal can be struck. A joint venture can be put together which would be in the best interests of Canada and would retain this critical Canadian company in Canadian control.

I want to simply issue a challenge to members of the Government who are here tonight. Can any of them tell me of an oil country in the world which would allow a majority resource to be controlled by foreigners? If there is such a country, I am unaware of it. I am unaware of any country which would allow foreigners to dominate its critical industry let alone own and control it. If there is such a country, I would challenge Members of the Government to identify it. Is there any other country which is prepared to sell out its petroleum industry as the Government of Canada has been doing over the years and will certainly do if it gives its approval to this particular takeover?

Hon. Alvin Hamilton (Qu'Appelle—Moose Mountain): Mr. Speaker, My remarks will be addressed through you to members of the Opposition and to the people of Canada. This happens to be a subject which one could call by several headings. It could be called "The Canadian solution". First, in reply to the Hon. Member for Kamloops—Shuswap (Mr. Riis), I challenge him to read the oil and gas regulations which deal with the Canada Lands. If he did read them, or if he ever does read them, he will find out that the law is very clear. That land belongs to Canada and is given out to companies either in the form of a permit or later on in the form of a lease. With one breach of the lease the whole acreage is lost.

• (2250)

I ask the Hon. Member to take a look at that and then come back to the more serious question. Any person who has read the British North America Act, and in particular the Alberta Natural Resources Act and the Saskatchewan Natural Resources Act, will know that it is made very clear as part of the Constitution that the sole owner of those resources, including water, is in the hands of the province. So when Hon. Members use the word "control" they do so without realizing the amount of control that we have set on all our industries. I do not think they should get too excited about this great perceived danger.

There is an Hon. Member sitting behind me who was in the Alberta Legislature in 1940. He belonged to the Social Credit Party. He knows that the Province of Alberta controls all the land in that province.

Mr. Taylor: Right on.

Mr. Hamilton: He knows that the Province of Quebec controls all its resources, too. It received the right in 1867. Alberta and Saskatchewan did not receive the right until 1931.

When I hear these people who pose as great experts talk on subjects about which they know so little it makes me a shade annoyed. I planned to say saddened. But when members have been here for a certain length of time I think they owe it to their country to do some research and reading and not leave it to their staff. Staff have never heard of the British North America Act. Staff have never heard of the Saskatchewan Natural Resources Act or the Alberta Natural Resources Act. It is the Members themselves who have to do the digging. When Members get these facts clear they can then look at the situation as it is today.

I happen to be a long-time friend of Jack Gallagher. He drilled the first well on the Arctic islands when I was Minister of Northern Affairs when no one else had the nerve to do it. The tragedy was that if he had moved that well just a few yards farther north he would have discovered the first oil field in the Arctic. With respect to that, why did I put such emphasis as the first Resource Minister of Canada on going into the North? It was because I knew from the experience of the 1920s and the 1930s in Alberta and Saskatchewan that these were not the main resource pools of oil and gas. Therefore, when I drove into the North it was with the offer of Canadian oil and gas regulations that made it clear that there be no heavy front-end loading charges put on those who went up into the north. When they found oil, or gas, they would be given enough return on their money to get their money back and make about a 25 per cent profit, which would be enormous, and the people of Canada would get at least 50 per cent.

I want to go back and mention another story. I sat in the Saskatchewan Legislature in 1950, not as a member but with the courtesy of the Premier. All Hon. Members here know that Premier's name. He was the Hon. Tommy Douglas. He first came into politics in this House in 1935. He made honest and sincere statements of his purpose and intentions. He stated that he would go for the new Jerusalem. By planting the flag of socialism on Parliament Hill the people would own and control everything. That was his pledge in 1935.

Mr. Cassidy: Hear, hear!

Mr. Hamilton: The Hon. Member is right in saying: "Hear, hear". Tommy Douglas was an honest man and a great Canadian. However, by 1950 he was 15 years older. He had been the Premier of Saskatchewan for six years. What did he say in the Legislature when I was there in 1950? He said that he had to face the resource situation. The Americans were coming into Alberta but not into his province. He got up and said to the House that there were two choices. The first was to take the public money and go in to look for the resources. The other choice was to let private enterprise come in to look for them. He decided on a third choice. It was that in a risky enterprise no democratic government could afford to go into risk enterprises.

He said that in one year $100 million could be lost, thereby destroying a province. So he chose a system whereby no charges, or few charges, would be placed on the oil companies coming in to explore. However, when they found something, a certain share of that would be taken back and a very good royalty would be added on to it. He used the figures that I have just used, that is, 50 per cent to be returned to the people. But the control would always be in the hands of the Government of Saskatchewan, with respect to both freehold and royalty lands. I put this point before Hon. Members because Tommy Douglas was a man who loved this country like no one else could love it, even in the face of the disappointment he had in not being able to go into service overseas in 1939 with the South Saskatchewans. Yet he stood up and was man enough and Canadian enough to face the realities as they were, and Saskatchewan became a fair oil and gas province.

The second point I want to make along this same line, and I am speaking to members of the NDP with some feeling, is that this matter came up in the House in the early 1950s with the setting up of a great pipeline to pick up the gas from western Canada to bring it to the east. Then it was the Conservatives and the NDP, and they called themselves CCF in those days, who fought like tigers and even challenged the Speaker because the Government was insisting that Canadians could not build this land. It was being said that they did not have the competence or the money with which to do it. The Conservatives and the NDP were both nationalist Parties.

Having started that, what actually happened? The government will prevailed. It did give a few shares to Canadians but the bulk was owned by southerners in the United States, the big oil companies, the shares in this TransCanada PipeLines which would be a public utility. As the years rolled on Canadians bought back almost every share of TransCanada PipeLines as individuals or as companies. We paved our way into ownership as well as control.

Time goes on. Ownership passes around. Now, a big corporation, Bell Canada, holds the biggest share. But Canadians are still willing to invest. I suggest to members of the Opposition if they do not have any ideas of their own, except maybe one with respect to a joint enterprise comprised of a broke government and a broke company, that they should consider this one. Let the Canadian people give us a Canadian solution. Just say to Amoco that one of the terms and conditions we will consider is this. "We would like to put your Amoco into a Canadian company registered in Canada and make every one of the shares of that company available to Canadians. We will buy your Amoco". That is the positive way to go. I think that is one way that we could certainly garner the support of the people of Alberta. They did that with the building of their pipeline system through their province.

• (2300)

In the building of the pipeline system through Alberta, 200,000 shares went to those who produced the gas and 200,000 to those who bought it. The balance of the shares went

to the people of Alberta. As I recall the figure, 80 per cent of the people of Alberta invested in that pipeline system, a system that is now operated by NOVA Corporation. While the people of Alberta may sound like separatists, when push comes to shove, they are Canadians to the nth degree.

We ought to copy some of the successful moves of the past. Sure Dome got itself into financial trouble. It got carried away by the tremendous potential wealth that was at stake. While I cannot divulge all that I do know, I can tell you that the future of this whole continent in terms of self-sufficiency in energy is based on the Canadian Arctic. The Americans know that, and so do we.

The Americans are not coming in here as big powerful elephants; rather, they are crawling in on their hands and knees trying to get access to some of these resources. One merely has to look at the Paley report of 1952, which advised the Americans to start acquiring resources around the world. The Americans are quickly using up their own oil and gas reserves, and they know it. They are not going to cut back on their efforts in the North. They need to add to their reserves.

The New Democratic Party, in recent years, has made three big mistakes politically. The first mistake was in 1966, when the NDP joined with the Liberals to oppose the building of a loop from Manitoba through to Sarnia by TransCanada PipeLines Limited. An application to construct that loop had been granted by the National Energy Board. Had that loop not been built, big interests from east Texas and Louisiana would have had the whole southwestern part of Ontario as part of their market.

Looking back to that debate, it was the speech of a then opposition Member that turned things around. It may be self-serving to say so, but I was the individual who delivered that speech. I used the same tone as I am using now in suggesting to the Liberals that they not be pushed around by the NDP. I made the point that the NDP were promoting a northern line for the sole purpose of creating a few jobs in the north in order to win two by-elections. I went on to say that the Liberal Party, as the Government of Canada, had to stand up and do what was right for Canada.

The point was made that the construction of that loop would lead to additional gas sales, ultimately leading to the necessity to construct a line through the north, and that has in fact happened.

Those opposing the construction of that loop by TransCanada PipeLines stood to capture the Sarnia market with higher priced gas as compared to the TransCanada proposal to provide lower priced gas because of the high load factor of its loop. Every large labour union in the United States opposed the construction of that loop, as did every large American corporation. The large unions had the right to defend their own interests, and the large American corporations were in opposition because they knew that we could get western gas into Ontario at a lesser cost than Louisiana and East Texas gas could move into that market.

When those facts were put before the House, the then Leader of the New Democratic Party and his supporters and all of the Liberals reversed their stand. The Government reversed itself and went 180° the other way, and permitted the construction of that loop.

When the facts are known, the members of all Parties are great Canadians. So, the first mistake of the New Democratic Party was going along with this childish approach that we had to build a line in the north only. Their rationale was that the construction of the northern line would have resulted in more jobs over a longer period of time.

An Hon. Member: That was Blakeney's fault.

Mr. Hamilton: The second mistake of the New Democratic Party was when, for the sake of nationalism, it supported the National Energy Program brought in by the Liberal Government. There has been enough said about that. I do not have to tell Hon. Members what happened. That program constituted front-end loading by the federal Government on top of the oil and gas industry, backed up by all of these huge grants, and it was a program that interfered directly with the Constitution. No federal Government has the right to do indirectly what it cannot do directly under the law.

The Liberal Party, with the help of the New Democratic Party, passed the National Energy Program, a program which ultimately damaged all of the large companies in the oil patch. The NEP encouraged these companies to engage in wild expenditures and into large borrowings, regardless of the interest rates. The result is that all companies in the oil and gas sector were hurt. Dome Petroleum Corporation, in acquiring the deep gas reserves along the Foothills and involving itself in its Beaufort Sea exploration program got behind, and like any common farmer or businessman, once one gets behind in times of high interest rates, one is a dead duck. The interest rate policy in Canada led to that particular situation, and as such we all have to take responsibility for it.

The third mistake of the New Democratic Party relates to its position on the proposed takeover of Dome Petroleum Corporation by Amoco Canada. Amoco is no bigger than an elephant, and it is easy enough to upset an elephant if one gets him off balance. Amoco has to have the reserves, or it is a dead duck; but in order to acquire those reserves, it has to adhere to the regulations of the Provinces of Alberta and Saskatchewan and, to some extent, British Columbia, and certainly in the Canada Lands, where the majority of the holdings of Dome Petroleum Corporation are.

If one is truly thinking of the interests of Canada, one should not think in terms of building a wall around us. We cannot take the position that we are going to grow only enough to feed our own people or to produce only enough to keep our own people working. We are part of one world economically. We are part of a situation where both parties get wealthier if they trade with each other. As traditional proponents of freer trade, Hon. Members opposite should not take the position that free trade constitutes a sell-out. Canada and Brazil, and

to a lesser extent Russia and China, are the countries of the future.

The nation that has the resources wins wars, and the nation that has the resources wins when it comes to trade. But we have to learn how to use our strengths. In dealing with an elephant, we should not try to use our strength. Instead of getting out the battleships and waving the flag around, we had better figure out some way by which to get the elephant off balance.

I had such an experience myself in the 1957-1959 period, when the Americans imposed a 100 per cent embargo on the shipping of lead, zinc and oil into the United States. My advice to the Government of the day was to refrain from making any complaint. Given the traditional practice of the Americans to cut their own throat, I knew that they would eventually run out of lead and zinc, and oil. With that in mind, I suggested that we construct a railway line to Pine Point, the source of our lead and zinc deposits. We passed the necessary legislation, with much laughter in the House. Here we had a railway going from no place to no place.

When one looks at the figures today, one realizes that the only railway in Canada that paid for itself in a period of six years is the Pine Point Railway. The company itself, which was a subsidiary of Cominco, which was in turn a subsidiary of CPR, paid for the mine in a period of 15 months. There is no other mine in British Columbia that can make that claim. The reason, of course, that it was able to do so was that prices tripled when the Americans did run out. It goes without saying that a few shareholders benefited too.

The three mistakes that I have enumerated stem from a negative nationalism point of view. Nationalism is great, until one thinks it through. One has to ask oneself what a "me first" attitude means. Does it mean jingoism? Not entirely. But in the end, it does amount to jingoism. Negative nationalism espouses the philosophy of "me first; nothing for the other fellow. Bang him down." We know what happened when we started that in the late 1920s with the Smoot-Holley tariff in 1928, with the Bennett Government blasting at world markets in 1930, and with the tariffs since 1932 under the Democrats. Then there was the rise of parties in Germany and Italy based on emotional leadership. We had to have living room. They were into a trade war with us and American and Canadian soldiers died to pay the price for huffing and puffing by nations which followed negative jingoistic nationalism within the trade side or military threats. They have all gone to the dust now.

• (2310)

However, here we are again beginning to repeat the same experience. All these decisions on Amoco are pretty elementary. There are other things as well such as free trade and the whole business of relations with the Third World. I hope we realize that we are one world economically and the only good deal is where both sides benefit, not us alone.

I do not give a hoot whether one is American or Canadian, we both must accept the fact that we are sinners more often than we are good men. I would like to see Parliament think a bit before it starts making extravagant claims about a poor broken down company which tried its level best and was caught up with the same problems many of us had, namely, high interest rates and the inflationary mentality that developed a few years ago.

I would think that the correct term should be positive nationalism. One makes decisions with one's heart and one's mind, but one makes them on the basis of what is best for one's country, not according to some theory or one's religion.

I hope that we in the House will look at the matter frankly. I hope we will look at it with emotion but also with sanity because if we get involved in this banging of our neighbour just to say that we are protecting our Canadian interest, we will not help the working man, the farmer, or the businessman. All we would do is make this a quarrelling place on emotional issues which do not hold water when the situation is examined.

I do not know whether the taking over by Amoco is right. All I do is trust the Government which must make up its mind on what it will do when the time comes. I would think that the people of Canada will respect a positive approach to our problems rather than a negative one.

Mr. Maurice Foster (Algoma): Mr. Speaker, I am pleased to have an opportunity this evening to speak on the emergency debate concerning the takeover of Dome Petroleum by Amoco, an American corporation.

I was very interested in the comments of the Hon. Member for Qu'Appelle—Moose Mountain (Mr. Hamilton). He brings a great deal of historical perspective to any debate. Certainly he had broad experience in northern development. We all enjoyed his comments this evening.

I should like to refer to his comments toward the end of his speech when he said that what we want to do is the best thing for our country. Clearly that is what the debate is all about. We are all concerned that this takeover of a major player in the Canadian petroleum industry is in the best interest of the country.

Tonight we clearly saw a further elaboration of the government policy espoused first last fall that foreign ownership was not really such a bad thing, that Canadian ownership was not really necessary if it was not convenient. Of course that is a dramatic change from when the Government campaigned in the 1984 election. At that time it was for greater Canadian ownership.

When Gulf Canada, which is owned by Gulf in the United States, was taken over by two Canadian companies, that is, by Petro-Canada and by the Reichmann brothers in Toronto, the then Minister of Energy, Mines and Resources trumpeted it before the House of Commons. It was a major move to increase Canadian ownership as she had promised in the general election of 1984.

When we look at the takeovers, we see that the Petro-Canada one cost the Government some $1 billion to acquire some 1,800 oil and gas stations in eastern Canada. How that really increased our reserves no one is quite sure.

Many Tories in western Canada, especially in Saskatchewan and other parts of the west, fought and opposed Petro-Canada. They wrote to the Prime Minister (Mr. Mulroney) asking why Petro-Canada was expanding and taking over thousands of gasoline stations which did not increase Canadian reserves. The Prime Minister wrote back and said: "We really do not have anything to do with Petro-Canada. It operates purely as a private corporation".

We saw the takeover of Gulf by the Reichmann brothers. Through an ingenious tax advantage, the Little Egypt Bump, the cost of that operation amounted to some $1 billion as well to Canadian taxpayers.

The idea of government involvement in massive investment to increase Canadian ownership seemed to be the policy of the Government. However, there was a dramatic change last July when the new Minister was appointed. He espoused a new policy which was carried through this evening. In his statement tonight the Minister essentially said that a transaction in the oil and gas industry was the same as any other commercial transaction and that they would judge it through Investment Canada if it were over $5 million. He indicated that essentially it was a private transaction and that they did not worry very much whether it was a Canadian or an American transaction.

Let us refer to what has changed. A year ago last fall the Government launched its free trade negotiations which are into a very critical period now. Clearly the Government would not want to do anything to offend the United States. We heard a statement this afternoon by the United States Under-Secretary of Trade in Toronto in which he gave his blessing to this Amoco takeover of Dome, which I believe is our second largest reserve of natural gas and our third largest reserve of oil. They want it to go through, with no questions being asked. Of course the Prime Minister, the Minister of Energy, Mines and Resources (Mr. Masse), and the others on the Tory side of the House will not do anything to impede that takeover.

A couple of years ago Petro-Canada was taking over a major American producer of oil and gas, and Gulf had no input or say in it. When Petro-Canada was set up it was to be a window on the industry. It is a major Canadian producer of natural gas and oil. Perhaps it is involved in as many plays in the oil and gas industry as any other Canadian company. Surely it might have been able to give the Minister of Energy another perspective. It could have been that window on the industry. Perhaps it could have played some role. After all, Dome has billions of dollars of tax write-offs. Yet Petro-Canada was forbidden to have any part in this even though the Minister was getting daily reports since last October or November as to the state of play between the various suitors for the takeover of Dome.

• (2320)

It was interesting tonight to hear the Parliamentary Secretary who represents the constituency in which Syncrude operates. He was very generous last December when he took the full responsibility for the Tory caucus when the Minister of Energy refused to give any assistance to Syncrude. The Syncrude people came before Members of the House of Commons with an excellent presentation with which I believe every back-bencher agreed, but the Minister turned that down. We have a situation where the Government has a *laissez-faire* approach to this matter, a very relaxed view with no effort at all to see these major Canadian reserves of oil and gas go to a Canadian company.

We would like to see a Canadian solution. We would like to see greater Canadian control. We have, according to the estimates about which I have heard, something like 55 per cent of the oil and gas industry now in Canadian control. Ownership is something less than that. If Dome is taken over by an American company like Amoco then that Canadian ownership and control will be dramatically reduced. This is only the latest in a long litany of government actions on energy.

If you remember, Mr. Speaker, we talked about energy in 1984. The Government talked about energy being the engine of the economy, and that it would create hundreds of thousands of jobs. The estimates were from 100,000 to 300,000 jobs as soon as the Western Accord was put in place. If the Western Accord could not do that, then the Atlantic Accord would. The Government talked about Petro-Canada being scaled down. If you listened to the Hon. Member for Calgary Centre (Mr. Andre), who is now the Minister of Consumer and Corporate Affairs, who fought Petro-Canada tooth and nail all the way through committee meetings and through the election campaign, Petro-Canada was going to be made to tow the line. Conservatives did not actually say that they would sell Petro-Canada. They said that before the 1979 election, but before the 1984 election they left it rather open and indefinite. Shortly after the 1984 election it took over 1,800 gasoline stations, and we all wondered about the Government spending either directly or indirectly some $1 billion to have that many Petro-Canada stations across Canada.

Do you remember the pride of the then Minister of Energy, Mines and Resources in the Gulf takeover when both Petro-Canada and the Reichmann Brothers increased Canadian ownership of the oil and gas industry quite dramatically, mostly at the expense of the Canadian Government which in the election campaign it had opposed vehemently? The only one who did not seem quite as happy was the Minister of Finance (Mr. Wilson) when he saw how much it was going to cost Canadians.

Then just a year and a few months ago, in January and February, 1986, in spite of this great Western Accord, the whole thing collapsed. The price of oil dropped from $30 a barrel to $10 a barrel and coincidentally with that the PIP grants were discontinued at the end of March last year both for the Beaufort Sea and for the East Coast offshore. The

whole industry collapsed. When people got looking at the Western Accord, there was one little paragraph at the bottom which said that if oil and gas prices should drop precipitously, there would be negotiations. There have been no negotiations and the industry has been in a tailspin ever since with tens of thousands of jobs being lost in the Beaufort and the western sedimentary basin and in the East Coast offshore.

That spread out through the entire Canadian petroleum industry. It was not just in Alberta. It was in communities like Sault Ste. Marie which had just built a $375 million tube mill. It laid off 1,500 workers. That mill has still not recovered from the industry which was going to create hundreds of thousands of jobs. Capital investment dropped from $11 billion to around $6 billion. That represents over 100,000 jobs in the industry. The Government at that time was going to discontinue PIP grants and also discontinue the PGRT. It continued to collect the PGRT even though accusations went back and forth between Edmonton and Ottawa until the late fall when finally the Government discontinued the PGRT.

We have seen a continual litany of difficulties and pratfalls. In the summer of 1986 the whole energy policy of the Government started to change. Suddenly the new Minister of Energy, Mines and Resources was saying that self-sufficiency was not really achievable with lower energy prices. Here is a Government that came to power talking about hundreds of thousands of jobs and about self-sufficiency, greater Canadian ownership and greater participation of Canadians in the oil industry. All of the objectives, incidentally, of the National Energy Program. Suddenly all these things were being abandoned. First, oil self-sufficiency. Soon the Minister was saying "Well, the energy sector is not really a sector for the creation of jobs either". Later in the fall he said that if oil companies were in financial difficulty or under $5 billion in assets and value, no questions would be asked if they were taken over by a foreign owned company. Now we have come full circle. It seems not only do we have our small oil companies being taken over by multinationals but no questions will be asked even with big ones. The whole oil policy is coming unstuck.

I mentioned the question of Syncrude where the Government refused to provide a guaranteed agreement for some couple of hundreds of millions of dollars. In the end the Government went ahead with only the guarantees of the Province of Alberta for a major project which will increase the production of Syncrude by some 20,000 of barrels of oil a day from 130,000 to around 150,000, setting the project up for the doubling of production on toward the end of this decade. The federal Government would not even provide that guarantee basis, so the Alberta Government went ahead on its own.

• (2330)

Then the industry pleaded for an oil-depletion allowance similar to that which the mining industry has. We heard representations on that for at least five or six months. Finally the Premier of Alberta said that if the Government did not come forward with an oil-depletion allowance program, he would split the Alberta PC Party from the federal PC Party. Within a week or two of that threat, the Government moved to provide that allowance.

PIP grants were foreign, objectionable and unacceptable to the Tory caucus but they look surprisingly like the Canadian Exploration and Development Incentive Program grants of 33 per cent. Of course these grants are being well received now that they have been put in place. There should be a gross expenditure of some $350 million and a net expenditure of maybe $60 million or $70 million and the creation of some 15,000 to 20,000 jobs.

We have seen a mixed bag of disasters for Alberta and the energy-producing areas of western Canada in the last 12 or 15 months. Tonight we are asking if the Government is abandoning the policy on Canadian ownership on which it was elected, a policy which the former Minister of Energy, Mines and Resources trumpeted. It is abandoning an attempt to find a Canadian solution to the Dome problem. Clearly that is achievable, whether on the basis suggested by Hon. Member for Qu'Appelle—Moose Mountain of requiring Canadian ownership or, better still, on the basis of having a Canadian company take over Dome or work with Petro-Canada to do so. In any event, we in this caucus believe that there is a Canadian solution to this problem. We believe that a Canadian solution is in the best interests of Canadians. We can have jobs and reserves in Canada and maintain not only Canadian ownership but Canadian control of the life-blood of our economy, the oil and gas industry. It is vital that there be Canadian ownership and control over this very important producer of this vital commodity.

Mr. MacLellan: Mr. Speaker, I rise on a point of order. We are running out of time in this very important debate and there are a few Hon. Members who would like to speak but have not spoken. They are not very many in number and I would ask for the unanimous consent of the House that we not see the clock in order to allow the Hon. Members who are present in the House right now an opportunity to speak.

The Acting Speaker (Mr. Paproski): Is there such unanimous consent?

Some Hon. Members: Agreed.

The Acting Speaker (Mr. Paproski): Then I will recognize the Hon. Member for Bow River (Mr. Taylor), the Hon. Member for Winnipeg—Birds Hill (Mr. Blaikie), the Hon. Member for Calgary East (Mr. Kindy) and the Hon. Member for Davenport (Mr. Caccia). Perhaps Hon. Members could use discretion so we could get this debate over with as soon as possible.

Mr. Gordon Taylor (Bow River): Mr. Speaker, as I listened to the leader of the socialist Party and the Leader of the Liberal Party (Mr. Turner) tonight and as I listened to some of the other members of the Opposition, I was reminded of the saying: "History repeats itself". About 40 years ago, I heard

similar debates in the Legislature of Alberta. At that time, the province was the poor cousin in Canada. It had a debt of $69 million and its people were unemployed. Agriculture was going downhill. The price of wheat had gone as low as 19 cents a bushel. Nobody had a job and 52 cents out of every dollar collected in taxes went to pay the interest charges alone.

There had been oil in Alberta to a small degree for a number of years. As a matter of fact, gas was first discovered in Medicine Hat in about 1890 and there had been some discoveries of oil in the Turner Valley area. In 1947, Imperial Oil brought in the Leduc oil well, sending the message around the world that there was a vast ocean of oil under the ground in the Province of Alberta. Then the Government endeavoured to get people to develop it. The then Minister of Mines, the late Hon. Nathan Tanner, went to eastern Canada to beg it to invest in our oil. There was nothing doing, no one would come. He went to Britain and France but no one would take up the bid. All they would say was that it was too risky. He then went to the United States and invited the Americans to invest. He promised them a fair deal if they came to Alberta to find oil. As a result, in 1947 when Leduc came in and from then on, millions of dollars were spent drilling holes that were dry. Eventually, we found a large number of oil and gas wells.

In the debate which occurred while the Minister was inviting the Americans to invest their money, I heard almost the same arguments I heard tonight in the House about Amoco. What were these arguments? It was said that we would lose jobs in Canada. That made me wonder at the time because we hardly had any jobs in Alberta. It was said by the Liberals and the CCF, the Opposition, that the Americans would hire other Americans and not Canadians. They said that the President of Imperial Oil was not Canadian and Imperial Oil had no Canadian shareholders. It was said that we were selling out Alberta. How could we sell out Alberta? The Americans could not move that oil south of the 49th if they wanted to. It was under the ground in Alberta. We were not selling out anything.

The Opposition said as it is saying tonight, that we were destroying social services. As one of the NDP Members mentioned tonight, it was said then as well that we were destroying our culture and losing our sovereignty by letting the Americans come in. It was said that the company would send all our Canadian money down into the United States and we heard the same thing tonight. Some opposition Members even said that if the Americans come in, they will sit on the oil and develop oil in the United States without developing ours.

The Alberta Government listened but it did not heed the arguments. It asked the Americans to come into Alberta to operate under our laws and under our control, as suggested just now by the Hon. Member for Qu'Appelle—Moose Mountain (Mr. Hamilton). We now have an oil industry in the Province of Alberta that never would have existed if we had listened to the Liberals and the CCF who were so bound to keep the American money out of Alberta.

It was said that we would lose jobs. I came from an area with 90 per cent unemployment. There were no jobs. Our homes were impoverished. We had to share the food on the table. I saw my own mother go without food so the kids could have something to eat. Many mothers and fathers did the same thing. The Opposition said that we were losing jobs to the Americans. When the Americans came, they did not bring other Americans, they hired Canadians. Those Canadians got a pay cheque instead of welfare. Who cared if the president and shareholders of Imperial Oil were American? They were spending American money in Canada, creating jobs, developing an industry that was later a tremendous asset to the whole of Canada.

It was argued that our social services would be destroyed. After the oil money started coming in, we had better social services than any other province in Canada. We even had what was called a maternity grant. At the time, 75 per cent of mothers were having their babies in their own homes. The Government felt that this was not very good because doctors were saying that we were losing too many babies. Because of the oil industry, the Government was able to provide a grant so that mothers could have their babies in hospital. About 95 per cent of the mothers gave birth to their babies in hospital and that was a wonderful thing for every pregnant woman in Alberta at the time.

• (2340)

We were not destroying social services, we were building them up. Were we destroying our culture? Why, culture never had such a boost as it did after the Americans came in with their money. We lost no sovereignty. They did their work under our laws and under our control. They did not sit on the oil. They invested and reinvested and reinvested until they found tremendous volumes of oil in several other places, a great ocean of oil under the province. There is still lots of oil there.

The Americans came to Alberta and they were treated fairly. We said that they will operate under our laws but if they find oil we will divide up the area. They would get half of it and the rest will belong to the people of Alberta. The sale of that half of the oil that was found by American companies brought tremendous amounts of money to the coffers of the Alberta Government. Our provincial debt was paid off because we permitted the Americans to come in and develop our oil industry, bringing buoyancy to the economy, and providing jobs for our people. Yes, all these things happened because the Americans came in.

What would the alternative have been? As the Hon. Member mentioned a few moments ago, the oil companies lost millions of dollars before they found oil. We were told to borrow the money and invest it. If we had done that we would still be head over heels in debt. We were told we could increase taxes. Increase taxes? We were already being taxed to the hilt. When I listened to the then Leader of the Liberal Party and the then Leader of the Socialist Party, I had to decide whether I would vote with the Government or with the Opposition. I decided our condition was so bad I would vote with the

Government, and I am glad I did because that brought a new era, a new day, a new hope, a new horizon to the people of Alberta and the people of Canada. None of those bad things they thought would happen actually happened. Just the reverse.

I hear people talking about losing our sovereignty. We are not losing our sovereignty. I support Amoco coming in, whether the Government does or not, because I can see millions, maybe billions in American capital coming into this country to develop our resources and provide jobs, some 3,800 jobs in Alberta alone. I do not know how many hundreds of jobs across the country. People will have jobs if the company takes over. What is the alternative? Borrow a few billion dollars or increase taxes. I do not think Canadians want either one.

I heard an Hon. Member saying we want a Canadian solution. Almost everyone wants a Canadian solution but they did not tell us what it was. Is it to borrow a few more billion dollars and increase our national debt? Canadians do not want that. Is it to increase the price at the pump as the Liberals did when they let PetroCan buy Petrofina at a price twice what it was worth? The people do not want that either. We have a Canadian solution. I feel it is a Canadian solution to let Amoco come in with its money and expertise and provide jobs for Canadians while developing our resources.

People have talked about selling out our country, areas like the Beaufort Sea and other places. How can we sell them out? They can be developed only under our laws and under our rules and under our control. They cannot be moved south of the border. That is impossible. They will work under our laws and regulations.

Someone was complaining about money being brought in from Hong Kong to save the Bank of British Columbia. Would they rather have had the bank go down the drain? The Chinese money will be used under the laws of the Province of British Columbia. It will keep the bank going and keep the people working. What is wrong with that? I see nothing wrong with bringing money in from other countries, whether it be the U.S., Germany, Japan or China, or any other country, as long as the companies work under our laws and under our control and provide jobs for Canadians while developing our resources. That is what we want. That is what will make a great Canada. That is the kind of Canada I want. The taxpayers paid money to buy Petrofina's gas pumps. That is all they got. You can say they own Petro-Canada. Well, if I own it, I want to sell my share. I do not want to own part of Petro-Canada. I want it to develop its properties, pay taxes and hire Canadians just like any other company would.

I see a great future for this company if the shareholders permit Amoco to come in with its money and expertise, working under our laws, to develop our industry and bring buoyancy to our economy and provide jobs for thousands of people who are unemployed today.

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, I always enjoy listening to the Hon. Member for Bow River (Mr. Taylor), particularly when it affords me the opportunity to get a bit of a history lesson. I have to speak from a different historical perspective. When oil was discovered in Leduc it was four years before I was born. So I always value the opportunity to listen to Members like the Hon. Member for Bow River and, for that matter, the Hon. Member for Qu'Appelle—Moose Mountain (Mr. Hamilton).

The Hon. Member for Bow River said something about not learning from history. I remember an Old Testament professor of mine who said we do learn one thing from history. The one thing we learn from history is that we do not learn from history. Perhaps that is another way of saying that the debate we have before us tonight is, quite rightly, as the Hon. Member for Bow River said, an old debate. We do not pretend to be saying anything novel. We are consciously repeating the other side of an argument which we know has gone on for 40 or 50 years, or for however long Canadians have been disagreeing with each other about the best way to develop our resources.

After listening to the Hon. Member, one of the things I most regret about Canadian history is that Canadian investors, when Alberta, went to Ontario on its knees looking for money to develop its resources, were not willing to do that. If they had invested in Alberta we would not have the kind of emotional affection for American money that we find in the consciousness of Albertans. The Member for Bow River is a good example of that. I do not say that negatively. It is just a fact that that has affected the historical consciousness of Albertans. When they wanted Canadians to invest in their economic future, Canadians would not do that while Americans did. That has not been forgotten and it affected the political judgment, if you will, of Albertans for decades after the 1940s.

• (2350)

The Member for Bow River says that none of the things which were predicted at that time came true. I disagree with that. Some of the forecasts, like a lot of forecasts, proved to be not totally accurate, but some of the concerns which were raised at that time became genuine concerns. They had to do with a fundamental disagreement about power.

The Hon. Member for Bow River and the Hon. Member for Qu'Appelle—Moose Mountain said many times tonight that as long as these corporations are operating within our laws and subject to our regulations there is nothing wrong with them. The difference between that analysis and the analysis of the NDP is that we believe that when multinational corporations, about which we are particularly concerned, are in possession of enough resources and economic power the law becomes a secondary instrument of control. It is not enough only to have control of the law if corporations, by virtue of how much of any particular sector they own, are in a position to dictate quietly what the law will be because of the enormous power

that they can wield in the market-place and the enormous pressure which they can put on the Government.

The Hon. Member for Bow River has been around long enough to know that that happens. Corporations which own a great deal of any particular sector, whether it be oil, grain, or forests, have a power over governments commensurate with the amount of the sector over which they have economic control even though governments retain, at least in theory, and many times in practice, the control they have through laws and regulations.

I would ask the Hon. Member for Bow River to acknowledge at least that there is a legitimate concern for those who worry about the concentration of ownership in the hands of people whose fundamental or immediate agenda is not the well-being of Canada but the well-being of their profit margins or whatever the case may be. I have heard the Hon. Member for Bow River say such things about other economic institutions, particularly the banks. Oil companies are not exempt from some of the criticisms which the Hon. Member has made about the banks. I say that with respect to that which the Hon. Member has said.

The Hon. Member for Qu'Appelle—Moose Mountain gave us a bit of a history lesson on the pipeline debate of the 1950s when, he said, the Conservatives and NDP stood together as two nationalist political Parties. I agree, but I say with all sincerity that I think that main stream within the Conservative Party is an endangered species. That kind of nationalism and red Toryism which we associate with certain members of the Conservative Party and certain traditions within the Conservative Party is almost extinct. One sees very little evidence of it in the Conservative Party today. Although I respected the arguments offered, I was a bit shocked that it was the Hon. Member for Qu'Appelle—Moose Mountain, who was a cabinet Minister in the Diefenbaker Government, who made some of the arguments which he made in favour of the Amoco takeover.

The Hon. Member for Qu'Appelle—Moose Mountain said that we cannot build a wall around Canada, that we cannot be satisfied to produce enough to feed ourselves. That was the example he used. I agree, but when we speak of producing enough to feed ourselves we are talking about agriculture and grain. We are talking about a renewable resource, something which, if managed properly, can last for a thousand years. When we speak of oil and gas we are not speaking of a renewable resource. That is quite a different commodity. That is something which, if not managed and controlled properly, may be used up more quickly than it should be or sold off more cheaply than it should be depending upon the economic contexts which arise.

If I have learned one thing in my few short years in Parliament it is that the context is forever changing and it is, therefore, difficult to make forecasts. However, I certainly reject the example given by the Hon. Member for Qu'Appelle—Moose Mountain of producing more than we need to feed ourselves and therefore being open to international market trends as being something that we should imitate in the oil and gas sector. I think an entirely different kind of attitude is required.

Every once in a while in the House of Commons one gets a sense of why New Democrats are New Democrats and why Conservatives are Conservatives. It is always a little harder to figure out the Liberals. This is one of those occasions when there is a stark difference of attitude, emotion, and political judgment between the New Democratic Party and the Conservative Party of Canada. It is personified in the Minister of Energy, Mines and Resources (Mr. Masse) who has an incredibly passive attitude toward his role as Minister.

As far as the Minister is concerned this is basically a decision which must be made in the market-place and the Government will concern itself with the matter when it absolutely must. The Minister has previously indicated that the Government will not stand in the way of an American takeover of a Canadian corporation in trouble, which obviously fits this situation. That is a very passive, stand-back attitude; whatever happens happens.

The Minister had the same attitude when I asked him a question about the federal nuclear policy. The week before the Easter break I asked him what the federal Government's policy is with regard to the building of Lepreau II in New Brunswick. The Minister of Energy, Mines and Resources said he did not know, that it was not his problem, it is up to New Brunswick.

On both occasions he pretends that the federal Government has nothing to do with it, that it is just an idle spectator and it is totally up to New Brunswick whether another nuclear reactor is built in Canada and totally up to the shareholders of Dome whether one of the largest Canadian-owned oil and gas corporations falls into the hands of an American multinational. The Government is in the political peanut gallery wondering what will happen, waiting to read the newspapers to learn what happens.

That is very, very different from the attitude which New Democrats take in both these situations in which we see a definite federal responsibility to ask the difficult questions and construct the appropriate policies to give federal leadership on these issues in order that decisions on very difficult questions about energy choices and the structure of our energy economy are made in Parliament rather than according to the whims of the market-place or whatever provincial election agendas may be in the making, as is the case with respect to Lepreau II in New Brunswick.

• (2400)

There are times when it becomes clear why members belong to certain Parties in the House of Commons. I recall another emergency debate on energy, concerning the Prebuild of the southern portion of the Alaska gas pipeline. I recall that evening in July, 1980, I believe, when the Hon. Member for

Vancouver—Kingsway (Mr. Waddell) was the energy critic for the NDP as he is today and we stood to oppose what the Liberal Party, the Government of that day, was going to do to Canada by arranging for the export of Canadian gas on the basis of a commitment from the Americans that the northern half would be built soon. The Hon. Member for Regina East (Mr. de Jong) recalls that debate, but I wonder if Liberal Members in the House remember the debate.

During that emergency debate the Liberals asked us to accept the same kinds of commitments from the American administration that they now ridicule when those kinds of assurances are given by a Progressive Conservative Government with respect to other transboundary energy and environmental issues.

When we have an opportunity to reflect on that debate and the debate tonight about whether Dome Petroleum would become part of Amoco International, a multinational oil corporation, people will want to know what stand members took on the night that Parliament had an opportunity to oppose what I believe will become the turning point in the history of the Canadian energy policy and a turning point in Canadian history itself.

I believe that this is one in a series of non-decisions the Government has made that is increasingly turning Canada into a banana republic of the north. If the Conservatives are elected for another term, God forbid, it will not be long before this will be a shell of a country with all of the political symbols and democratic paraphernalia but no real ability to make decisions over our economic destiny and control of our country. That which should be under our control will be in the hands of others. That is the issue in the debate tonight. I did not want to miss the opportunity to put on the record my position on this particular issue.

Mr. Alex Kindy (Calgary East): Mr. Speaker, it was interesting to listen to the Member for Winnipeg—Birds Hill (Mr. Blaikie). There is no doubt that he espouses a socialist philosophy. He believes that state control is the best way to manage a country.

While they are sincere in their belief, we must look at the world today and ask where there is the highest standard of living and where human rights are respected. Does that exist in countries with socialist or communist regimes or in countries that have free enterprise and believe in individual freedom?

We can also consider how people live in those countries where there is state control. When an oil company is controlled by the state, the flow of money is not necessarily distributed to the people but could be lost in the system.

Today we are debating the issue of a Canadian company that has invested, has borrowed and has overspent. This happened because there was a belief that oil prices would rise indefinitely.

I recall Mr. Lalonde, the then Minister of Energy, Mines and Resources, telling us that oil prices would rise to $60 and $80 a barrel. At that time, the Liberals, with the help of the New Democratic Party, established the National Energy Program.

In 1981, the shares of Dome Petroleum were trading at $25 a share. Only two or three weeks ago those shares were trading at $1.13 each. The shares have lost 94 per cent of their value.

Those who worked at Dome and bought shares at $25 a share invested and believed in the future of that company. They were induced into that investment in error by the grandstanding of some Ministers who envisaged a sky-rocketing price.

Today we are faced with a bankrupt company for which there are two offers. One is from an American company that is solid and has made an offer that is $800 million greater than that of TransCanada PipeLines Ltd. Its offer is exactly $5.1 billion. TransCanada PipeLines has offered $4.3 billion.

The American company has a good reputation. It is solid and can develop the resources that it will acquire. The total debt of Dome Petroleum is $6.3 billion. Its oil reserves fell from 516 million barrels in 1981 to 228 million barrels today, and the value of its reserves were cut in half.

We need new exploration and I believe it can be accomplished by a company that has a solid record. As the Hon. Member for Bow River (Mr. Taylor) pointed out, American companies developed the Alberta oil and gas industry. They have a good track record. I believe it is not important who buys the company but who will develop the resources. I suggest that the American company will do a good job.

The Bell system located in Montreal owns 47 per cent of TransCanada PipeLines. It already controls communications and the transport of gas. If it purchases Dome, it will control the development of oil and gas and would become somewhat of a monopoly. Therefore, I have no hesitation in supporting the acquisition of Dome Petroleum by Amoco Canada.

• (0010)

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, as you know, we have heard from two Cabinet Ministers in this debate. If their speeches reflect the Government's appreciation of the implications flowing from the Dome Petroleum deal, I submit to you, Mr. Speaker, that Canada and Canadians are in real trouble. The speeches by the two Ministers have quite clearly revealed, at least to me, that they are blissfully unaware of the long-term implications of this deal. That is the reason the Leader of our Party earlier tonight put forward the Liberal position.

Our Leader made three points; first, that Investment Canada and the Government should insist on substantial Canadian ownership or refuse the deal because we consider Canadian ownership a vital component in the transaction. Second, Canadians are in effect owners of Dome by way of billions of dollars of incentives for exploration, tax benefits, grants and other tax favours. Third, this deal is just another item in the over-all free trade negotiations with the United

States and our oil and gas industry is being held hostage in the same way as our lumber industry with the export tax. Those are the three pillars of the Liberal position in this debate as indicated earlier by our Leader.

It is important to focus for a moment on the two main arguments put forward by the two Cabinet Ministers in this debate. First, they repeatedly blamed the intervention policy of the former Liberal Government. The suggestion was that Dome Petroleum finds itself in its present condition because of frequent subsidies and assistance given by the previous Liberal Government under the National Energy Program, for instance, which made it possible for Dome to acquire land and to become the very important corporation it is. For the people at home who may be wondering what we are talking about, I will explain that in terms of oil and gas liquids, this company is the seventh largest in Canada, and in terms of natural gas, it is the second largest in the country.

It is true that the former Liberal Government was an interventionist Government, and we have nothing to apologize for. However, this Tory Government is an interventionist Government as well. It is the short memory of its members which makes this debate so fascinating and, in a way, amusing.

Members of the Tory Party have forgotten that two years ago the Government of Canada gave an interest free loan to Domtar. Would you not call that an interventionist policy, Mr. Speaker? How about the help the Government offered to Cominco and to Cyprus-Anvil to resuscitate an almost dead mining company? How about the assistance it gave to Sysco? What about the interventionist policy of the Conservative Government in the last two years with respect to Algoma Steel, the Northland Bank and the Canadian Commercial Bank, and in more recent months, the understandable assistance which was offered to General Motors? These are all interventionist decisions by the Cabinet and the Government of Canada under the auspices of the Progressive Conservative Party. So much for the interventionist policy of the former Liberal Government as being the main culprit of the present situation.

The Minister of Energy, Mines and Resources (Mr. Masse) proclaimed that this must be a free market transaction. That is really something which has puzzled me. I ask you, Mr. Speaker, how can one call the transaction a free market transaction when Dome Petroleum has some $2.5 billion worth of tax losses being carried forward? This company has benefited, as indicated by the Leader of our Party earlier tonight, from a number of tax concessions, incentives, PIPs, you name it. This company is in good part owned by the Canadian people through the income tax system. This is not a free market transaction, for Heaven's sake.

Let us for a moment look quickly at the profile of Dome. In addition to being the seventh largest oil and gas company in Canada and the second largest as far as natural gas is concerned, I learned that, yes, as the Minister of Energy, Mines and Resources indicated, it is true that roughly 60 per cent of Dome shares are held outside of Canada. However, the shares are held widely by a large number of owners abroad. This has enabled Dome to operate as a Canadian run company with a Canadian head office, with Canadian management and mainly Canadian directors making decisions in Canada. Therefore, Dome was not subject to foreign controlling shareholders. In addition, Dome Petroleum is Canada's second highest gas producer. The company also has Canada's largest natural gas reserves. That is why it is so attractive.

Let me give a quick profile of Amoco by contrast. It has never been anything but a branch plant. It is subject to direction from top management of a U.S. parent. Last year, in one year, Amoco Canada paid out some $686 million in dividends to its U.S. parent. It, however, invested just $38 million in exploration for new oil and gas supplies in Canada. It had revenues of $1.3 billion in one year and after taxes its profits amounted to $135 million. I ask you, Mr. Speaker, to remember one figure. In one year, this company was able to send to its shareholders abroad $686 million. That is the company which is the prospective buyer of Dome Petroleum.

• (0020)

What will the merger do? As I understand it, the key decisions on Dome reserves and on frontier technology will be made by the parent company, not here in Canada but abroad. As the Hon. Member for Cape Breton—The Sydneys (Mr. MacLellan) put it so passionately, a number of questions must be asked and answered. What will happen to the jobs of Canadians who are working for Dome Petroleum? Last week I learned from a newspaper that cannot be accused of having a left-wing, socialist leaning, namely, the *Financial Times*, that:

> Dome employees last week were reported to be rooting for TCPL, fearing layoffs of up to 30 per cent if Amoco or Exxon took control.

That is what the *Financial Times* reports. Thus questions regarding jobs have to be asked. Questions about the future of Anchor, which is owned by Dome Petroleum, have to be asked. Questions about the petrochemical plant in Sarnia have to be asked. What will happen to these people involved in these operations? As others have already said tonight, whenever there are mergers there are a loss of jobs and a transfer of jobs to the parent company. This would be at the expense, of course, of Canadians who are presently employed.

I suspect that what Dome Petroleum means to many of us in this Chamber is a foretaste, an indicator, of what we can expect in the long term under a Canada-U.S. free trade agreement. Having removed the National Energy Program, having weakened the Foreign Investment Review Agency and having heard today Mr. Smart, the American under-secretary, say in Toronto at the Canadian Club that a free trade agreement which excludes investments will not be acceptable to the United States, we have to conclude that something here is happening that has implications in the long term. Because of the long-term intentions that the Americans have in relation to the possibility of gaining control of Canada's natural resources the Amoco experience right now is an example of what may lay in store for us.

With world prices that according to most observers are likely to increase in three or four years this is the worst possible timing for this type of sale. To claim that it should take place without any particular intervention or any particular pre-occupation, as was more than just hinted at by two Cabinet Ministers here tonight, simply defeats my ability to understand.

Mr. Speaker, you come from Edmonton. I was astounded to see that *The Edmonton Journal*, which cannot be accused of being a newspaper of radical leanings, would publish an article entitled: "Sell Dome to highest bidders—taxpayers!". Another article by the same author in the same newspaper a day later was entitled: "Add up the numbers: the Dome deal stinks". These are articles printed in a newspaper from your home town, Mr. Speaker, the capital of Alberta, the province where these oil and gas reserves are mostly stored. These are comments printed in a newspaper that certainly cannot be accused of having Liberal leanings. Yet in both articles of Rod Ziegler you will find, Mr. Speaker, if you care to read them, the main line of questioning and pre-occupation that have been raised on this side of the House here tonight.

I will conclude by asking what the Government should do. The Government should at least insist on a Canadian buyer. It should push to ensure that a Canadian buyer be found. The Government should protect Canadian taxpayers and the investment made by them in Dome through deferred taxes, PIP grants, super depletion, technological assistance and standard incentives provided by the tax system over the years. As I mentioned, there is $2.5 billion worth of tax loss carry forward inside the corporate framework of Dome.

About 1987 we would not want to see historians write that Dome Petroleum became foreign-owned because of a Progressive Conservative Government which decided not to intervene. We would not like to see that happen. We would not like to see Dome Petroleum join other former Canadian companies which are now owned by foreigners such as AES, Hiram Walker, de Havilland, the Bank of British Columbia, the Continental Bank and Husky Oil.

These are the basic questions that are in the minds of many of us here tonight. It is no wonder that at the present time the Government should find itself in third place in the polls. These questions are troubling average Canadians. These questions are being voiced in the House of Commons not by accident and not because we enjoy being up until 12.30 on a Monday evening but because we somehow have to express them because they have been registered with us. The Canadian public is pre-occupied. This is an example of a major sense of pre-occupation, namely, that we are on a trend, a slippery road of relinquishing, abandoning or showing a sense of indifference to a trend of losing control of our own economy. It is no wonder that there are Tory back-benchers who are unhappy or who are in a withdrawal mood. It is no wonder that Canadians on the street are telling us that they intend at the next election to give the boot to the Conservative Government at the first and earliest opportunity.

The Acting Speaker (Mr. Paproski): The Hon. Member for Regina East (Mr. de Jong) will be the last speaker. He will have about five minutes.

Mr. Simon de Jong (Regina East): Mr. Speaker, thank you for allowing me the opportunity of winding up the debate this evening. I will not go into many of the points that have been raised by the various speakers this evening. Indeed, there are many different points that have been raised by the Conservative spokespersons, the New Democratic Party spokespersons and the Liberal spokespersons. The area I wish to touch upon in the few minutes that I have is with respect to the question of foreign ownership.

I think it is an important question for us as Canadians because already so much of our economy is owned by people living outside our borders. Major economic decisions that directly affect the lives of hundreds of thousands of Canadian men and women are made on a daily basis. I refer to decisions to shut down mines, to shut down particular plants or to move a research facility somewhere else. These are all decisions that are made in corporate boardrooms, whether they are in New York, Chicago, Dallas or Los Angeles. These are decisions which are made without any regard to what is in the interest of the Canadian public or the public good in Canada but decisions that are made on the basis of what is good for that particular corporation. That is why when the recession hit us we had one of the highest rates of unemployment of any other industrialized western country. The reason, Mr. Speaker, is that we did not have the economic ability to be masters in our own house. We did not have the ability to make economic decisions that were good for us.

• (0030)

An example that one can cite is the diversion, during the 1970s energy crisis, of a tanker of Mexican oil destined for a refinery in Canada to a refinery in New Jersey. Again, we had a decision that was made, not in the interests of Canada, but in the interests of Exxon Corporation.

As western Canadians, surely we have seen enough of the boom and bust cycle. Our history is one of boom and bust. We have just gone through a tremendous boom, and now we are into a terrible bust. Land prices are plummeting. Farmers who only a few years ago felt themselves secure are now seeing the equity in their land melting away, as snow in the August sun.

In your city, Mr. Speaker, as is the case in many other cities throughout Alberta and, to a lesser extent, in Saskatchewan, we see house prices falling to a fraction of their acquisition value. Once again, we have the consequences of a boom and bust cycle.

When are we going to wake up and realize that we will be on the boom and bust treadmill until we gain control over our own economic destiny? We need to be able to take the moneys that flow in during the boom periods to develop secondary industry, to develop an economic groundwork such that we will no longer be subject to the boom and bust cycle.

As a western Canadian, it is my view that the selling off of our resources to the Americans will continue to keep us captive of the forces that will keep us on the boom and bust treadmill forever and ever. Until we as western Canadians get control over our own destiny, we will never be free of the boom and bust cycle. As a western Canadian, I am opposed to Dome Petroleum being handed over to Amoco Corporation of Chicago.

I thank you, Mr. Speaker, for your indulgence in giving me this opportunity to make a contribution to this debate. I wish you a good night, and I wish the Canadian people a good night.

The Acting Speaker (Mr. Paproski): It being past twelve o'clock midnight, pursuant to Standing Order 29(13), I declare the motion carried. The House stands adjourned until later this day, at eleven o'clock a.m., pursuant to Standing Order 3(1).

The House adjourned at 12.35 a.m.